Program Information Document (PID)

Appraisal Stage | Date Prepared/Updated: 10-Feb-2020 | Report No: PIDA27930
## BASIC INFORMATION

### A. Basic Project Data

<table>
<thead>
<tr>
<th>Country</th>
<th>Project ID</th>
<th>Project Name</th>
<th>Parent Project ID (if any)</th>
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<tbody>
<tr>
<td>Philippines</td>
<td>P171440</td>
<td>Philippines Third Disaster Risk Management Development Policy Loan (P171440)</td>
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<thead>
<tr>
<th>Region</th>
<th>Estimated Board Date</th>
<th>Practice Area (Lead)</th>
<th>Financing Instrument</th>
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<td>EAST ASIA AND PACIFIC</td>
<td>21-May-2020</td>
<td>Urban, Resilience and Land</td>
<td>Development Policy Financing</td>
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<tr>
<th>Borrower(s)</th>
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<td>Republic of the Philippines</td>
<td>Department of Finance</td>
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### Proposed Development Objective(s)

The development objective is to strengthen the policy and institutional capacity of the Government of the Philippines to reduce disaster risk, respond to and recover from natural disasters. This will be achieved by supporting policy actions aimed at further (i) strengthening the policy, regulations and institutional framework for disaster risk reduction; and (ii) enhancing the capacity to respond and recover from disasters.

### Financing (in US$, Millions)

**SUMMARY**

| Total Financing | 500.00 |

**DETAILS**

<table>
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<th>Total World Bank Group Financing</th>
<th>500.00</th>
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<tr>
<td>World Bank Lending</td>
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**Decision**

The review did authorize the team to appraise and negotiate
B. Introduction and Context

Country Context

The Philippines is highly vulnerable to adverse natural events that creates risk to its recent achievements in poverty reduction and can negatively affect economic growth and debt sustainability¹. Across its 7,641 islands, the Philippines is exposed to multiple natural hazards including typhoons, earthquakes, flooding, storm surges, tsunamis, volcanic eruptions and landslides. Close to 74% of the population is vulnerable to natural disasters and 60% of total land area is exposed to multiple hazards².

Philippines has been impacted by a series of major disasters from October 2019 to January 2020. In October and Mid-December 2019, magnitude 6.6, 6.5 and 6.9 earthquakes hit Mindanao affecting more than 720,000 people in eleven provinces. This was followed by Typhoon Tisoy and Typhoon Ursula in December 2019 affecting 5.2 million people from 39 provinces. On January 12, 2020, Taal Volcano experienced a Phreatic eruption from the main crater affecting 271,278 people close to Metro Manila Region. The alert status of Taal remains high wherein hazardous explosive eruption is possible soon³. The recent events are imposing financial impacts on the budget. The combined cost of damage to infrastructure and agriculture of Typhoons Tisoy and Ursula and the Taal Phreatic eruption are estimated at US$ 245 million. This is likely to increase if Taal volcano erupts as it will impact the economic activities in the Metro Manila Region that contributes 36 percent of GDP⁴. The President has requested the Congress to approve a P30 Billion (US$ 590 Million) supplemental budget to prepare for and sustain the response, recovery and reconstruction efforts of the impending volcanic eruption.

The proposed DRM DPL3, a single tranche operation in the amount of US$500 million, aims to strengthen the policy and institutional capacity of the Government of the Philippines to reduce disaster risk, respond to and recover from natural disasters. Following a highly unusual series of disaster events in late 2019 and early 2020⁵, the government requested a disbursing DPL to support the immediate response and rehabilitation of these events instead of an original request for a DRM DPL with Catastrophic Deferred Drawdown option. Through this, the government will be able to strengthen institutional capacity to implement the reforms at the national and local levels. This operation provides timely engagement as the government is in the process of enhancing the institutional framework for DRM through the creation of a new department for disaster risk management and climate resilience.

The macroeconomic policy framework is adequate for the purpose of the proposed operation. The economy showed increasing resilience to external and domestic shocks which until fifteen years ago negatively impacted the country’s growth path. The BSP is committed to the inflation-targeting objective and responsive to global interest rate movements. Under its helm, the country has accumulated adequate foreign exchange reserves that provide cushion to the impact of global shocks. It has also maintained a flexible exchange rate regime as a first line of defense against external shocks. In terms of fiscal policy, conservative expenditure policy in the past ten years created important fiscal space allowing the

¹ For example, the Philippine 2013 fiscal risk statement included a debt sustainability analysis that incorporated scenario analyses such as the occurrence of large disasters.
⁴ https://www.dti.gov.ph/regions/ncr/ncr-profile-region
⁵ This included a series of three earthquakes in Mindanao in October and November 2019, Typhoons Kammuri (Tisoy) and Phonfane (Ursula) in December 2019, another earthquake in Mindanao in December 2019, and a phreatic eruption and severe ashfall from Taal Volcano, with high alert and warnings of a possible destructive magmatic eruption.
current expansion of public investment. The notable improvement in overall macroeconomic stability has been recognized by all three international rating agencies and even resulted in a sovereign credit rating upgrade of BBB+ from S&P. In addition, the continued pursuit of structural reforms such as improving competitiveness of the country supported by a recent DPO (P170052) will help improve the macroeconomic fundamentals and support more inclusive growth.

**Relationship to CPF**

The proposed DRM DPL3 is fully aligned with the Systematic Country Diagnostic (SCD), the Country Partnership Framework (CPF) for the period of 2019-2023, and the Bank’s commitment to address impacts of climate change. The SCD highlights that the Philippines has demonstrated a strong commitment to develop a comprehensive climate and disaster resilience policy, institutional, and financing reform agenda but implementation challenges remain. There is a need to (i) establish a stronger national DRRM agency to address the impact, scale and rapidly evolving disaster risks; and (ii) build a culture of preparedness towards resilient recovery and reconstruction. The CPF is structured around three development objectives: (i) Job creation, (ii) Improving human capital, and (iii) Building resilience to conflict and natural disasters. The reforms supported by the proposed DRM DPL also aligns with the Bank’s commitment to support the Sendai Framework for Disaster Risk Reduction and the Paris Climate Agreement.

The proposed DRM DPL3 complements the first operation in the series, Promoting Competitiveness and Enhancing Resilience to Natural Disasters DPL (P170052) that was approved on December 19, 2019. The Promoting Competitiveness DPL focuses on enhancing the government’s financial resilience by integrating risk financing in fiscal planning; improving financial risk management of public assets by developing asset management policies and systems; and investing in reducing the contingent liability of the government through actions that promote private catastrophe risk insurance. The proposed DRM DPL will focus on preparedness and institutional capacity at the local and national levels. Both these instruments will help address the heightened vulnerability to multiple hazard and natural disasters that have been impacting the Philippines recently.

Additional complementary operations are under preparation to invest in building physical resilience. These include: (i) Philippines Seismic Risk and Resilience Project (P171419) tackling the high seismic risk in the Metro Manila region by supporting the Government’s Earthquake Resiliency Program for Greater Metro Manila area; and (ii) Philippines Sustainable, Inclusive and Resilient Tourism Project (P171556) strengthening the resilience of communities by improving local infrastructure, developing livelihood opportunities, and increasing disaster preparedness in selected tourism destinations.

The proposed operation directly contributes to the achievement of the World Bank’s Twin Goals. The recurrent impact of disasters has significantly impeded efforts to bring about inclusive economic growth in the Philippines. Risk mitigation today could help reduce poverty risks in the future. DRM interventions can significantly reduce the potential impacts of disasters and protect existing development gains. In line with the development objective to enhance the institutional capacity of the GOP to manage the impacts of natural disasters, positive impacts are expected across both pillars, given the strong links between poverty and vulnerability to natural hazards.

**C. Proposed Development Objective(s)**

The development objective is to strengthen the policy and institutional capacity of the Government of the Philippines to reduce disaster risk, respond to and recover from natural disasters. This will be achieved through reforms under two pillars: **Pillar A. Strengthening the policy and institutional framework for disaster risk reduction; and Pillar B. Strengthening the policy and institutional framework for disaster recovery.**
Key Results

This operation will build on four major policy reforms: (i) a transformative disaster risk reduction program which mandates the use of integrated hazard and risk information\(^6\) in policy, planning, and investments at the national and local levels; (ii) the operationalization of a national earthquake resiliency program for implementation in Greater Metro Manila area; (iii) implementation of the framework to build the capacity of national and local government for effective disaster response and recovery planning; and (iv) the adoption of social protection mechanisms to provide cash assistance to disaster-affected communities. The prior actions under the proposed DRM DPL will also set the stage to advance the reform agenda to the subnational level. The policy reform that are being advanced are both ambitious and strategic to help pivot the government program to advance implementation at the LGU level.

D. Project Description

**Pillar A: Strengthening the policy and institutional framework for Disaster Risk Reduction**

**Prior action #1:** Through a Cabinet Directive, the Government has directed all its Departments and Agencies to use integrated hazard and risk analysis in physical planning and evidence-based policy-making.

**Rationale:** A Cabinet Directive mandating the use of hazard and risk information will transform the way the government plans and invests on infrastructure and development projects. The Directive issued by the Office of the President on July 1, 2019 compels key agencies to share data and use the newly established multi-hazard risk information platform GeoRiskPH for investment planning and policy-making. This will help ensure that all future investments are built taking into account their exposure to risk. This also helps locate key infrastructure in lower risk area and ensure that appropriate building standards are used. Further, this will help address the major challenge on availability and access to an integrated hazard and risk assessment data. Currently, these critical data are managed independently that is why agencies often go through a long and tedious process of securing access from the various forecasting and mapping agencies. GeoRiskPH provides a secure and credible platform for easy access to this official information.

Using GeoRiskPH, the Government will be able to integrate climate and disaster risk information into public infrastructure investment including the government’s “Build-Build-Build” program. Jointly implemented by the DOST and the PHIVOLCS, GeoRiskPH provides centralized access to information to support comprehensive hazard and risk assessments. The platform also supports the operationalization of the National DRRM Plan that includes the following: (i) development of joint plans for DRRM and CCA, local DRRM plans and risk financing as laid out under the PDP; (ii) development of tools for mainstreaming DRRM and CCA in damage and needs assessments; (iii) preparation of land use plans by LGUs guided by the Philippine DRRM Act implementing rules and regulations and; (iv) inform Disaster Rehabilitation and Recovery Plans for resilient recovery.\(^7\) It further links to detailed asset information, which is being collected by the new National Asset Registry, developed by the national government, with support under the *Promoting Competitiveness and Enhancing Resilience to Natural Disasters DPL*.

As required by law, all projects with significant environmental impact must have an Environmental Impact Assessment (EIA). The EIA predicts and evaluates the likely impacts of projects to and from the environment during construction, commissioning, operation, and abandonment. Currently, there are no specific requirements for disaster risk reduction and

\(^6\) The GeoRiskPH is an integrated hazard and risk analysis platform developed by DOST.

\(^7\) NDRRM Plan 2011-2028 Priority Projects and Implementation Strategies on Disaster Risk Reduction and Management, pp. 34-38.
climate change adaptation measures within the EIA to ensure that risk mitigating measures are incorporated. It also takes time for an applicant to go through the EIA process and get an Environmental Compliance Certificate (ECC) because the different hazard maps and risk information have to be requested from different agencies or offices. Using the GeoRiskPH, particularly the Fault Finder® and Hazard Hunter® tools, the EIA process would be able to provide a more informed hazard profile in the evaluation of projects within the impact assessment process of the DENR and the issuance of ECCs will be faster. When disaster risks are identified for new infrastructure, remedial measures will be identified in the EIA to ensure that action is taken to reduce the creation of new risk.

**The LGUs are also mandated to integrate climate and disaster risks in their development plans.** Agencies such as NEDA, DILG, Department of Human Settlement and Urban Development, Department of Agriculture, Department of Tourism, and the NDRRMC Office of Civil Defense (NDRRMC-OCD) will benefit from the use of GeoRiskPH data. The NDRRMC-OCD will also mandate the NGAs and LGUs to use GeoRiskPH information in the updating of the national and local DRRM plans. The use of GeoRiskPH by various agencies in the preparation and updating of their development plans will speed up the process of integrating climate and disaster risks in planning and policy-making.

**The adoption and use of GeoRiskPH will support the government to implement policies, programs, and projects through the following results:** (i) the use of GeoRiskPH for the prioritization of public infrastructure projects by at least five (5) key government agencies by 2022.; (ii) the EIA process integrates disaster risk reduction and climate change adaptation measures. This is demonstrated through the issuance of EIA Guidelines by the DENR by 2022; and (iii) the integration of climate resilience and disaster risk reduction measures in the Local Disaster Risk Reduction and Management Plans (LDRRMPs) of at least 100 LGUs by 2022

**Prior action #2:** The Government has operationalized an Earthquake Resiliency Program for Greater Metro Manila Area through the issuance of the Department of Public Works and Highways (DPWH’s) Department Order.

**Rationale:** The Greater Metro Manila Area (GMMA), the seat of government and the country’s population, economic, and cultural center is highly exposed to seismic and volcanic hazards. The area is transected by earthquake generators of which the West Valley Fault poses the most significant threat. With an estimated population of 21 million and extremely dense agglomeration of vulnerable infrastructure, buildings and housing, a magnitude 7.2 earthquake in GMMA shows a probable maximum scenario would result in an estimated 48,000 fatalities, US$48 billion in economic losses, with catastrophic impact on government continuity and service provision. The operationalization of an Earthquake Resiliency Program for GMMA helps prepare and mitigate the impact from a potentially catastrophic earthquake. This aims to strengthen the country’s resilience against earthquakes, ensure public safety, government and business continuity, and national security by addressing the potential devastation caused by strong earthquakes in GMMA.

The DPWH’s Department Order issued on July 17, 2019 created the DPWH Earthquake Resiliency-Program Management Office (DPWH ER-PMO) to adopt and implement an integrated approach in addressing earthquake resiliency needs across its various programs. As DPWH implements its earthquake resiliency interventions, it will ensure that the urban upgrading and retrofitting will also make buildings safer to floods and typhoons. It will also aim to improve the urban drainage systems and energy efficiency measures in public buildings and schools. It will also aim to improve the urban drainage systems and energy efficiency measures in public buildings and schools. This will also benefit from the GeoRiskPH

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8 The PHIVOLCS FaultFinder mobile app shows information about the distance between the user’s current location, address or selected location on the map and the nearest active fault.

9 The HazardHunterPH, the web application is used to generate assessment reports on the user’s location, featuring a summary of seismic (earthquake), volcanic, and hydro-meteorological hazards, along with explanations and recommendations.

platform (PA1) to integrate risk reduction and climate resilience measures in the earthquake resiliency program.

The DPWH ER-PMO will be fully staffed to implement the Earthquake Resiliency Program and Response Plan. For 2018 and 2019, the DPWH has partially developed its multi-year investment plan to strengthen public buildings in Metro Manila and Php 1.5 billion pesos has been allocated from the national budget to implement the program. For the year 2020 onwards, the ER-PMO will develop a prioritized multi-year investment plan for seismic risk reduction and retrofitting with specific budget allocation for key infrastructure such as but not limited to public buildings, schools, and hospitals. The multi-year investment plan will be submitted to the DBM for endorsement to Congress. While the Government will not be able to finance all investments in the multi-year plan, this can also be used as a platform for collaboration between government and development partners who are interested to support seismic resilience programs in GMMA. The implementation of the Earthquake Resilience Program for the GMMA will be measured through the DPWH prioritized multi-year investment plan for seismic risk reduction and retrofitting is developed with annual budget and submitted to Department of Budget and Management for endorsement to Congress for the years 2020 to 2022.

Pillar B. Strengthening the policy and institutional framework for Disaster Recovery

Prior action #3: The Government has adopted a Philippine Disaster Rehabilitation and Recovery Planning Guide for timely and effective disaster recovery and reconstruction by National Government and Local Government Units.

Rationale: The preparation of recovery and reconstruction plans has always been a weak link between the national government and LGUs in the aftermath of disasters – often leading to long delays and bottlenecks in implementation and financing of post disaster programs. For example, during Typhoon Yolanda, 171 cities and municipalities in 14 provinces across 6 regions in the country took more than 6 months to prepare local rehabilitation and recovery plans. Neither the national government nor the LGUs had ready templates to formulate post-disaster recovery and reconstruction programs. A framework and guide could have accelerated the process of preparing the programs, finding funding resources, and implementing the projects in the affected communities.

The adoption of the Philippine Disaster Rehabilitation and Recovery Guide in March 20, 2019 by the NDRRMC11, was a key step by the Government towards transforming the system for effective post-disaster recovery. This is the first country-specific planning guide for post-disaster and post-conflict recovery and reconstruction that will be implemented at the national, regional, and local levels. Using the integrated GeoRiskPH information, the NGAs and LGUs will be trained to develop risk-informed post-disaster rehabilitation and recovery plans that can be completed and implemented quickly after a disaster. Training LGUs in the use of the Guide will help them prepare a draft with components of the plan to be modified and used when a disaster happens. It will also simulate the process and allow LGUs to prepare pre-disaster baseline data and collaborate with stakeholders in their localities.

A major component of the Philippine Disaster Rehabilitation and Recovery Planning Guide is for LGUs to prepare their local Disaster Risk Finance Strategy prior to a natural disaster. Integrated in the government’s Local Disaster Rehabilitation and Recovery Plans, the strategy will pre-identify sources of post-disaster funding and link this to preparedness and recovery plans. This is one step towards completing the government’s national Disaster Risk Finance and insurance strategy, which includes support for more efficient risk financing by LGUs as a key component. Completing the Disaster Risk Financing strategy for LGUs, integrated in the overall preparedness plan, will identify in advance the source of funding for priority actions, and how to access and spend those funds. This will address a major constraint in effective disaster response and contribute towards effective use of government financing in disaster response and disaster

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11 A council with 42-member agencies including private sector and CSO representatives
recovery and reconstruction.

The program will support the advancement and implementation of DRM and climate resilience measures within the LGUs through the following: (i) enhancing Local Government Unit (LGU) capacity in disaster local rehabilitation and recovery planning through the formulation of local disaster rehabilitation and recovery programs in at least 100 LGUs through extended hands on training. After the trainings, the LGUs are expected to formulate their draft Local Rehabilitation and Recovery programs; and (ii) development of Local Disaster Risk Finance (DRF) strategies to finance post-disaster recovery in at least 100 LGUs through extended hands on training. After the trainings, the LGUs are expected to formulate their draft Local DRF strategies.

Prior action #4: The Department of Social Welfare and Development (DSWD) has issued guidelines for implementation of the Emergency Cash Transfer program as part of its social protection reforms for faster and more effective post-disaster recovery.

Rationale: In times of major disasters, the needs of the affected people are varied. It consists of food and non-food items, medicines, health care, supplies for repairs of damaged shelter, or main sources of income. In order to quickly respond to the immediate needs of the affected population, DSWD designed an Emergency Cash Transfer (ECT) Program to provide support to hasten recovery and rehabilitation in the aftermath of disasters. The DSWD has issued guidelines for the implementation of the ECT as a strategy in responding to varied relief and early recovery needs of affected people. The provision of cash empowers the affected population to decide on their own how to address their needs using available local resources. This will complement the provision of in-kind assistance during emergencies.

The DSWD’s adoption of social protection reforms such as the ECT program and the NCDDP-DROM to implement recovery projects ensures faster and more effective post-disaster recovery. Setting up the policies, criteria, and procedures prior to disasters allows DSWD, the LGUs, communities and beneficiaries to prepare, build capacity and readily implement the programs to: (i) ensure that cash or non-cash assistance would reach the intended beneficiaries immediately after a disaster and (ii) increase community participation in implementing post-disaster recovery projects. These reforms directly build the resilience of people and communities, allowing them to recover and quickly resume their day-to-day activities after disasters.

The DSWD Memorandum Circular adopting the Guidelines for the implementation of the Emergency Cash Transfer Program in disaster affected areas was issued on August 30, 2019. The ECT program already identifies the types of disasters and triggers, the beneficiaries using the robust and existing 4Ps targeting system, and the mechanism for delivery of cash or in-kind assistance in the aftermath of disasters. This will ensure that assistance will reach the affected beneficiaries faster. This builds on the experience of ad-hoc emergency cash support and recognizes that the needs of the disaster-affected families vary from food to non-food items which may sometimes include urgent requirements for medicines and health care or even buying more nutritious food items that are not part of the government-provided supplies.

As part of its social protection adaptive strategies, DSWD has opportunities to further institutionalize a disaster response modality in the NCDDP for disaster-affected communities to implement post-disaster recovery projects. The NCDDP employs community-driven development (CDD) as a strategy in engaging communities together with their local governments (barangay and municipal) to choose, design, and implement development projects to address their most pressing needs. It directly provides funds to community-identified service delivery and development projects such as small infrastructure and livelihood projects among others. Currently, the DROM is a built-in component of the NCDDP that already covers procedures specific to disaster response, early recovery and rehabilitation. It was designed to simplify
procedures in case of disasters, triggered by the government’s declaration of a state of calamity. To institutionalize the use of NCDDP-DROM, DSWD needs to revise the implementing guidelines and build the capacity of LGUs and local stakeholders in the use of the DROM to implement post-disaster recovery projects.

**The program will support DSWD to implement the following results:** (i) implementation of the ECT Program in disaster affected areas. This will be implemented nationwide and triggered based on DSWD’s assessment criteria set in the ECT Program Guidelines. For its implementation the target will be that the ECT program guidelines/manual is adopted by all DSWD Regional offices and implemented in disaster affected areas from 2021 onwards; and (ii) preparation and issuance of the revised NCDDP-DROM guidelines for post-disaster recovery by 2022 and its dissemination in all disaster-prone areas identified by Government. The target is also for the guidelines to be used by communities in all disaster-affected areas under state of calamity.

**E. Implementation**

Institutional and Implementation Arrangements

The DOF is the main liaison with the World Bank on budget support operations, including the proposed operation. However, policy dialogue and monitoring and evaluation of the program will be supported in close collaboration with NDRRMC – Office of Civil Defense, DBM, NEDA, DPWH, DILG, and DOST. The government has designated the DOF International Finance Group as the Bank’s main counterparts in the policy dialogue and monitoring of the operation.

Indicators selected to monitor progress toward achievement of the program development objective (PDO) reflect defined areas of action and correspond to the expected outcomes of the prior actions. They include an appropriate mix of specific qualitative and quantified targets, which are attributable, relevant, and time-bound, and are expected to be sufficient to enable effective monitoring of the project’s achievement of the PDO. Moreover, the Pillars and result indicators in the policy framework are aligned with government priorities. Since the policy targets are aligned with regular programs of the relevant agencies, their reporting mechanisms will be used.

**F. Poverty and Social Impacts and Environmental Aspects**

Poverty and Social Impacts

The prior actions and policy reforms supported in this DRM DPL3 are expected to have significant positive poverty and social impacts on the poor and vulnerable groups. The results indicators under the two Pillars on strengthening the policy and institutional framework for disaster risk reduction and disaster recovery are expected to improve welfare of the poor as they are less resilient to natural disasters, therefore faster physical and financial response and quicker recovery interventions post disasters are expected to benefit the poor more. Coordinated efforts and efficient management of resources to ensure that interventions reach communities are likely to reduce the unmet needs of the poorest households and most vulnerable male and female population in the event of a disaster, and in this way contribute to poverty reduction and shared prosperity. The proposed DRM DPL3 will support the implementation of the streamlined ECT Program by DSWD in disaster affected areas. Efficient targeting ensures that these safety nets covers the poor and vulnerable in the aftermath of disasters.

Supporting disaster preparedness for LGUs through strengthening institutional frameworks and building capacity in planning, financing and implementing climate and DRM programs post disaster will speed up response and recovery efforts and improve the conditions of the poor and vulnerable in disaster-affected communities. The capacity building
of the LGUs in the preparation and implementation of local recovery and rehabilitation plans with local disaster risk finance strategies would have positive poverty and social impacts on the poor and vulnerable groups. In addition, building the preparedness of communities to implement sub-projects using the NCDDP DROM in the aftermath of disasters are adaptive social protection measures that helps the poor and vulnerable bounce back faster due to climate shocks and disasters. Moreover, in large urban centers like Metro Manila, the establishment of the DPWH ER-PMO with its focus on strengthening public infrastructure through retrofitting of public school buildings and hospitals would help minimize the disruption of social and public services in case of earthquakes and related disasters.

Environmental Aspects

The GOP has adopted a comprehensive, multi-hazard approach that considers many types of geological and hydro-meteorological hazards to which the country is exposed. The existing vulnerability of communities is being evaluated through impact and risk assessments, including the Pre-Disaster Risk Assessments conducted by LGUs and DILG in order to inform preparedness measures. The Government’s approach is also informed by the implications of climate change, particularly since this has resulted in significant changes in baseline environmental conditions. These changes affect the underlying disaster risk factors, such as exposure to storms, floods, droughts and other weather-related hazards. The GeoRiskPH allows national and local government, communities, and other stakeholders access to multi-hazard map that has incorporated various hazards and risks in the country. In improving the physical resilience of public infrastructure under this proposed operation, the environmental impacts of strengthening infrastructure assets are also considered. The prioritized multi-year plan for an earthquake-resilient Greater Metro Manila under the program includes technical standards and designs to improve physical resilience of public infrastructure. The resilience standards would be part of a checklist that guides national and local governments in planning and implementing various infrastructure projects.

Through this proposed operation, the Government is addressing technical and financial barriers to enable the adoption of a risk-informed approach to development. Regarding environmental safeguard systems, the Government has initiated integration of disaster risk management and climate change adaptation issues with the EIA System, together with local development, DRM and climate action plans. Guidelines have been developed by the DENR, outlining the basic policy and operating principles to strengthen the incorporation of climate risk in the EIA System. This is supported by a guidebook, a set of technical guidelines, and a training program. This initiative will require development projects to include mandatory consideration of climate extremes and variability in the baseline assessment, analysis/management of impacts on and of the project, and environmental risk assessment.

G. Risks and Mitigation

The overall program risk rating is Moderate. The Government has shown strong leadership in pursuing the DRM agenda, and the country has already achieved substantial results, with the support from the two DRM DPLs with a CAT-DDO (CAT-DDO 1 and 2). The Bank’s long and comprehensive programmatic engagement in DRM has reduced the risk of political and social resistance to reforms. The principal challenge remains to be the effective and timely implementation of reforms which are often blocked by a variety of vested interests and where implementation is dependent on actions and varying capacities across levels of government and agencies. This risk is being mitigated through a strong legal foundation and public demand for reforms. The DRM sector strategies and policies are strongly anchored in Philippine law and development plans. This agenda also has strong support from Congress, and public pressure for better disaster risk management is significant due to the frequency and intensity of disasters in the Philippines.
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