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| 1. CAS Data | |
| Country: Philippines | |
| CAS Year: FY06 | CAS Period: FY06 - FY08 |
| CASCR Review Period: FY06 - FY09 | Date of this review: April 13, 2009 |

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| 2. Executive Summary |
| <p>i. The FY06-08 CAS was in support of the 2004-2010 Medium Term Philippines Development Plan (MTPDP). A progress report in June 2007 extended the CAS through FY09. The CAS was focused on four objectives which were an integral part of the MTPDP: (i) improvements in governance and in (ii) fiscal stability, which in turn were needed for (iii) sustained growth and (iv) social inclusion. Each of the four objectives would be pursued at three levels: national, local government unit (LGU), and private sector. Thus, the results framework contained a total of twelve outcomes. Project proposals and AAA were presented as a menu from which to choose, as circumstances developed.</p> <p>ii. The Bank aligned its strategy closely to that of the Philippine government, increased its lending level appropriately as the fiscal situation improved, and responded flexibly, including through development policy lending, to crises. The Bank's economic analyses are much appreciated and serve as the essential background for the deliberations of the Philippines Development Forum.</p> <p>iii. Of the fifteen projects on the menu in the CAS five materialized, all at the national level. The bulk was in response to government demands to shift from pure investment lending to national program support (sector wide approaches). The prime focus was on institutional development in the different sectors. Of four additional projects not in the CAS, one was focused on LGUs. The most visible and probably most effective contribution of the Bank's AAA was the background material, including regular country economic reports, prepared for the Philippine Development Forum (PDF), a consultative group meeting with a wide variety of stakeholders, including civil society, congress and the business community.</p> <p>iv. In the area of "improvements in governance", the Bank has made small contributions in such areas as budget and procurement reform, but with little visible impact on governance at the country level as a whole. In terms of "improved fiscal performance" the Bank contributed to a significant positive turnaround as well as to improved financial performance of public enterprises. The consolidated public sector balance improved from the equivalent of -4.8 percent of GDP in 2004 to 1.4 percent in 2007. In the area of "sustained growth and increased competitiveness", Bank contributions to infrastructure, in close cooperation with IFC especially in the power sector, were significant, yet the overall investment ratio continued to fall and there is no evidence of increases in productivity. Poverty increased from 30 percent in 2003 to 32.9 percent in 2006. In terms of "increased social inclusion" there is little evidence of improvement. On balance, IEG rates the overall outcome of Bank assistance to the Philippines as <i>moderately satisfactory</i>.</p> <p>v. The CASCR is well-written, comprehensive and, above all, candid. A major finding is that the Bank will need to better understand the link between growth and poverty reduction in the Philippines to help ensure that its interventions increasingly benefit the poor. Also, given the Bank's small role in the economy and Bank resource constraints, a more selective approach may be more effective focusing maybe on only a couple of the key issues.</p> |

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3. CASCR Summary

Overview of CAS Relevance:

1. The FY06-08 CAS, discussed by the Board on May 17, 2005, was in support of the 2004-2010 Medium Term Philippines Development Plan (MTPDP). It was followed by a progress report in June 2007 which extended the CAS through FY09. The CAS and the progress report were focused on four objectives which were an integral part of the MTPDP and considered to be key requirements for sustained growth and poverty reduction in the country: (i) improvements in governance and in (ii) fiscal stability, which in turn were needed for (iii) sustained economic growth and (iv) social inclusion. Economic and social conditions prevalent at that time in the Philippines clearly indicated that these objectives were top priorities, thus making the CAS highly relevant. The strategy was designed such that each of the four objectives would be pursued at three different levels: at the national level, the local government unit (LGU) level, and the private sector level. Thus the results framework contained a total of 12 objectives, or CAS outcomes to be pursued.

2. The relevance of the CAS was somewhat constrained by the fact that none of the 12 CAS outcomes were quantified with specific targets, except that in the area of fiscal stability "increases" in revenue or "reductions" in the fiscal burden of public enterprises could be interpreted as such. Generally, outcomes were defined as "improvements," "more transparency and efficiency" or "increases." The CAS results matrix also contained 49 milestones, again with very little quantification. The CAS argued that the Bank's relatively small role in the Philippines' economy made assessing the Bank's contribution to some macro development outcomes very difficult; e.g. to an improvement in the fiscal situation, privatization in the power sector, or an increase in the investment to GDP ratio. But, CAS results could not be monitored adequately, perhaps because the vagueness and sheer number of CAS objectives and milestones made it difficult, so that ultimate impact on macro-developments of the Bank's wide ranging strategy became the best way to judge Bank contribution.

3. The CAS had three lending scenarios, the essential trigger being the fiscal deficit. Heightened fiscal concerns would mean a low case lending level; no widening of the fiscal deficit and no major policy reversals would lead to the base case; a substantial reduction in the fiscal deficit would warrant a high case. There was also a fourth intermediate scenario, an enhanced base case, if there was some progress towards deficit reduction but not significant enough. The base case lending program that was proposed was in the range of US\$450-900 million for FY06-08, and did not include development policy lending. (The latter would be considered only in the enhanced base case or high case lending scenarios.) While this was below lending levels proposed in the previous CAS, it was above actual earlier deliveries and was realistic, especially given the difficult fiscal situation in the Philippines at the time of CAS approval. In line with policy for Middle Income Countries, the list of project proposals in the CAS (and in the progress report) was meant to be indicative only (a menu of potential projects), with the explicit provision that "depending upon evolving country needs and prioritiesnew projects may be introduced and others may be dropped" The CAS also did not provide a definitive list of new AAA tasks, only a general indication of possible analyses and policy dialogue in support of the four key overall CAS objectives.

Overview of CAS Implementation:

4. The fiscal position of both the central government and of the consolidated public sector continued to show improvement over the CAS period. In response, actual lending commitments reached US\$1,050 million for FY06-08, above the upper limit of US\$900 million in the base case scenario, and including one development policy loan. An additional US\$200 million Development Policy Loan was committed during the first half of FY09.

5. It is difficult to evaluate a program or strategy containing 12 targets and 49 milestones, with virtually no quantification, and having only an indicative list of proposed projects and AAA. Of the 15 projects on the list of "possibles" in the CAS base case scenario, only five materialized, all at the level of the national government. The bulk of this was in response to government demands to shift from pure investment lending to national program support (sector wide approaches) in areas such as basic education, health, environment and natural resource management, and roads. The prime focus was on institutional capacity development in the sector. Implementation of all of these projects started slowly. There were an additional four projects during the FY06-08 CAS period, unplanned in the base case scenario: (1) Support for Strategic Local Development and Investment, focused on local government units; (2) National Program Support for Tax Administration; (3) a first DPL, focused on tax administration, budget execution and strengthening the finances of the power sector; and (4) the Bicol Power Restoration Project, to repair and replace transmission infrastructure damaged by typhoons. Especially noticeable is the absence of support at the private sector level, with the exception of a portion of DPL 1. At the same time, IFC was quite active in the Philippines over the CAS period, especially in infrastructure investments and in providing advisory services, especially in the environment area.

6. Of a long list of "possible" projects in the progress report, none has materialized yet: instead a Development Policy Operation for US\$200 was committed during the first half of FY09 in response to the world wide food crisis. Except the DPLs and Bicol, all of the projects approved during FY06-09 are still under implementation.

7. The current Bank portfolio consists of 21 projects, with a net loan commitment of US\$1.3 billion, not including GEF and IDF. Over the past three years, the percentage of projects at risk has remained fairly low, about 15 percent by number and 7 percent by amount of commitment. IEG ratings for the five projects exiting the portfolio during the CAS period, all with approval dates of FY02 or before, show 100 percent satisfactory outcomes (Annex Table 3).

Non-lending

8. Over the period FY05-08 the Bank spent about 27 percent of its country services budget for the Philippines on country economic and sector work. The most visible and probably most effective contribution is the background material, including economic reports, prepared for the Philippines Development Forum (PDF). The PDF is a consultative group meeting which includes a much greater variety of stakeholders than a traditional consultative group, i.e. apart from government and donors also civil society, congress and the business community, among others. Apart from this, the Bank's AAA was not planned in the CAS but evolved over time as circumstances and government interest directed. Feedback from government counterparts and other stakeholders suggests that the Bank's AAA is valued and much appreciated. At the same time, to date, there has been no systematic evaluation of AAA in the Philippines.

Overview of Achievement by Objective:

Improvements in Governance

9. The prime objectives in the CAS were to make systems and processes for allocating and

executing budgetary resources more transparent and efficient, both at the national and Local Government Unit (LGU) levels, and improve governance of the corporate sector and infrastructure regulatory agencies. Key Bank support consisted of policy advice through its AAA and the PDF on governance issues, through its FY06 National Program Support operation in health and education to improve expenditure planning and through the DPLs.

10. At the national level, budget reform, including the gradual introduction of Medium Term Expenditure Frameworks (MTEFS), strengthening of the procurement system and addressing corruption, is taking place, albeit at a slow pace. The Bank's contribution to this process has consisted of policy advice through its economic analyses, assistance at the project level to specific ministries, and grant assistance to strengthen the Government Policy and Procurement Board, including through training.

11. Through many of its projects, the Bank has helped to develop LGU capacity in a variety of areas: planning, budgeting, procurement, construction supervision, financial management, and management of municipal enterprises and services. While there is evidence that at the individual project level progress is being made, the impact on the LGU system as a whole is unclear. Bank assistance at the level of the private sector has focused on helping the government strengthen its regulatory functions, especially in the water supply and sanitation area (Metro Manila) and in energy.

12. Overall, the Bank has been able to make some small contributions to improvements in governance, as illustrated in paras 10 and 11 above. Also, in the transport sector, a Bank investigation led to the debarment of several firms and one individual for engaging in collusive practices under a major Bank-financed roads project. But there is little visible impact on the country systems as a whole, as suggested by a variety of indicators (WBI, TI, Global Competitiveness Report). (See Annex Table 9). IEG rates the outcome of Bank assistance in this area as *moderately satisfactory*.

Improved Fiscal Performance

13. The objectives in the CAS were to improve public revenue mobilization, at both the national and LGU levels, and to strengthen public expenditure management as well as the management of public enterprises, the latter to reduce their fiscal burden on the central government budget. Bank support came primarily through its regular country economic reports, the PDF, the FY07 National Program Support operation on Tax Administration, and through the DPLs, in particular to strengthen the financial situation of the power sector.

14. At the national level there has been a major turnaround in fiscal outcomes from chronic consolidated public sector deficits to surpluses: the consolidated public sector balance improved from the equivalent of -4.8 percent of GDP in 2004 to 1.4 percent in 2007. The outcome resulted from a combination of improved tax revenue performance as a result of tax reform, improvements in the fiscal situation of public enterprises, revenues from privatization, and capital expenditure cuts: the latter is of some concern because of an already inadequate infrastructure. Bank economic analyses and advice as well as loan conditions were a major contributor to this turnaround, especially in view of the fact that there has been no IMF program in the Philippines since 2000. Grant assistance is helping to further improve tax administration.

15. LGUs continue to depend heavily on central government transfers. The Bank has been active in helping LGUs raise their revenue base through capacity building: there was some limited progress in this area but the Bank's contribution to this progress is unclear.

16. At the private sector level, Bank support for improved financial performance in the power sector, through its development policy lending, was a key factor in reducing the financial burden of public enterprises on the central government.

17. Overall, IEG rates the outcome of Bank assistance in the fiscal area as *satisfactory*.

Sustained Growth and Increased Competitiveness of the Economy

18. The intended CAS outcomes were to improve competitiveness by increasing investment, upgrading infrastructure and adopting reforms aimed at improving productivity of firms, to increase productivity through greater local provision of infrastructure and services, as well as to catalyze private investment in key sectors. The Bank has supported this objective through a variety of means, including the FY01 Metro Manila Urban Transport project, the FY05 Manila Sewerage project, and the FY08 National Program Support for National Roads project.

19. At the national level, growth has been fueled by consumption, largely as a result of growing workers' remittances from overseas. GDP growth averaged close to 6 percent per year during 2004-2007. Undoubtedly, the improved fiscal performance facilitated the growth process. However, the sustainability of growth is in doubt as the low investment ratio has declined further by two percentage points of GDP, and the lack of adequate infrastructure remains a major bottleneck. Moreover, the decline in remittances across the world within the current financial crisis further calls into question the sustainability of the growth process, unless these translate into higher levels of investment. Unemployment has remained high and poverty increased from 30 percent in 2003 to 32.9 percent in 2006. The reasons for the rise in the incidence of poverty, despite a satisfactory growth performance, need to be researched: one possible explanation is that growth favored the corporate sector at the expense of a drop in household income, while the bulk of job creation occurred in urban/industrial areas. The Bank has made an important contribution to the transportation network and to rural electrification, the latter in close cooperation with IFC involvement in the power sector (see Attachment 1) but there is no evidence of increased overall investment or productivity, the CAS' goals.

20. At the LGU level, Bank projects have helped improve access to basic infrastructure and services, especially water and sanitation, in a number of LGUs, but there is no evidence of increases in productivity as a result.

21. Also at the private sector level there are few indications that Bank assistance has helped catalyze private investment in infrastructure in any significant way, with the exception of the Metro Manila Sewerage projects.

22. Overall, the impact of Bank assistance in promoting investment was quite limited. On the other hand, the Bank's contribution to the improved fiscal performance was significant (see above) and helped in sustaining growth. On balance IEG rates the outcome of Bank assistance in the growth and competitiveness area as *moderately unsatisfactory*.

Increased Social Inclusion

23. The intended CAS outcomes were improved performance of institutions to increase access for the poor and disadvantaged groups to basic services at the national and local levels, and to increase access to finance for small and medium enterprises and increase private service delivery of basic social services. Key Bank support was channeled through its education and health projects and through projects with focus on Mindanao, one of the poorest regions, a FY03 Social Fund project and a FY07 Rural Development project.

24. At the national level, a Bank education project led to improved test scores and completion rates in pilot areas, while another project led to improved health and education outcomes in the project area. But there is little evidence of a scaling up of good projects or of an overall increase in access to social services, except that both projects laid the foundation for sector-wide approaches.

25. At the LGU level, individual Bank projects have provided support to local communities in

the delivery of local services and infrastructure with some success. But these have been isolated pockets of progress.

26. Likewise, at the private sector level, Bank efforts to promote access to finance for small rural enterprises and create employment have succeeded, but the results are insignificant in the face of a national unemployment rate which remained at 8 percent throughout the CAS period.

27. Overall, individual Bank projects have successfully contributed to improvements in social service delivery, but there is little evidence of impact beyond the project level. IEG rates the outcome of Bank support for increased social inclusion as moderately unsatisfactory.

| Achievement of CAS Objectives | | | |
|--|--------------------------------|----------------------------------|--|
| Objectives | CASCR Rating | IEG Rating | Explanation / Comments |
| Objective A: Improvements in Governance | <i>Moderately Satisfactory</i> | <i>Moderately Satisfactory</i> | The Bank has been able to make small contributions to improvements in governance, but with little visible impact on country systems as a whole. |
| Objective B: Improved Fiscal Performance | <i>Satisfactory</i> | <i>Satisfactory</i> | The Bank contributed to the national fiscal turnaround as well as to the improvement in the financial situation of public enterprises. |
| Objective C: Sustained Growth and Increased Competitiveness of the Economy | <i>Satisfactory</i> | <i>Moderately Unsatisfactory</i> | Growth over the CAS period has been fueled by growing workers' remittances from overseas. In spite of small Bank contributions to infrastructure investment, the low overall investment ratio has declined further. There is no evidence of increases in productivity in the economy. Poverty has increased. |
| Objective D: Increased Social Inclusion | <i>Moderately Satisfactory</i> | <i>Moderately Unsatisfactory</i> | There is little evidence of a scaling up of good Bank projects or of an overall increase in access to social services. Bank projects have helped create employment but with no visible impact on the overall unemployment rate. |

Comments on Bank Performance:

28. The Bank aligned its FY06-08 CAS closely to the Medium Term Philippines Development Plan, and CAS preparation also drew extensively on consultations with a wide range of stakeholders including national and local government officials, bilateral and multilateral donors, civil society, the business community and the private sector. The Bank acted appropriately in proposing a relatively low base level of lending in the CAS, given experience with the previous CAS and the government's limited fiscal space at that time. Subsequently, as the fiscal situation improved, the Bank was flexible and timely in increasing its lending levels to meet the country's needs, including through development policy lending in response to a food crisis.

29. The CAS included a results framework, but a plethora of objectives and milestones with a generalized lack of baselines and concrete targets undermined its usefulness. About 27 percent of the Bank's country services was allocated to AAA. As reported in IEG's study "Philippines: Client Perspectives on Elements of World Bank Support" AAA was much appreciated by country counterparts. At the same time, there has been no systematic evaluation of the quality of the Bank's AAA, its relation to lending activities, or its impact during the CAS period, a situation which may have to be remedied. On the other hand, there is at least one area where the Bank is playing a highly constructive role: in March 2005, the government and the Bank, co-chairs of the Consultative group (CG) agreed to turn the CG into the Philippines Development Forum (PDF) involving a much broader range of stakeholders to include civil society, congress and the business community, among others. The PDF has since served as a forum to arrive at a consensus on the development agenda among all partners engaged in the country's development efforts. The Bank's economic analyses serve as the essential background for the deliberations of the PDF.

4. Overall IEG Assessment

| | |
|--------------------------|--------------------------------|
| Outcome: | <i>Moderately Satisfactory</i> |
| Bank Performance: | <i>Satisfactory</i> |

Outcome

30. The vagueness with which CAS outcomes were formulated makes it difficult to arrive at an overall judgment on outcome. It would appear that individual Bank interventions have, in a small way, made a contribution towards the espoused CAS outcomes, but that their impact overall has been minor. It is not clear that the Bank's support has been strategically focused to make an impact on the country, while the lack of scaling up and replication of good projects questions the choice of areas of support. At best, Bank interventions have shown the way towards reform. Among the four key CAS objectives there has been solid progress towards fiscal stability. Concerning the other three, evidence suggests that progress has been partial and at the micro-level; at the country level governance has not improved, both public and private investment have remained low or declined, and poverty has increased in spite of good economic growth. Taking into account, however, that fiscal instability was the key constraint, IEG rates the overall outcome of Bank assistance to the Philippines as *moderately satisfactory*.

31. In retrospect, a more concrete specification of CAS outcomes, which recognizes the limited influence of the Bank, and is focused on one or two outcomes, would have shown and could have resulted in more concrete impact.

5. Assessment of CAS Completion Report

32. This is a well-written, comprehensive, lucid and candid CASCR. It provides excellent coverage of the CAS and of developments in the country during the CAS period, and illustrates well both the strengths and the shortcomings of the Bank's strategy. In particular, it demonstrates convincingly that "it was not possible to determine what changes the Bank expected to achieve during the CAS period" because the so-called results framework included neither baselines nor targets against which to measure progress. The CASCR did not review CAS milestones probably because of their excessively large number. Disagreements between the CASCR and IEG on ratings and lessons are discussed in paras. 18-27 and in section 6.

6. Findings and Lessons

33. The key findings and lessons from an evaluation of the Bank's Philippine program over FY06-09 are well articulated in the CASCR.

34. First, the overall CAS strategy was sound and well aligned with the Philippines' government objectives. But, the link between growth and poverty reduction needs to be better understood and, given the Bank's overall small role in the economy and Bank resource constraints, a more selective approach may be more effective.

35. Second, the CAS results framework needs much improvement: fewer objectives and milestones, concrete baselines and targets, so as to make monitoring manageable.

36. Third, however much appreciated by local counterparts and other development partners, an evaluation of the Bank's AAA would help to better understand its effectiveness.

37. An additional lesson is that in middle income countries, where the Bank's presence is limited, a more focused strategy on one or two key issues may have more impact than the broad-range strategy followed to date which has yielded good results at the project level but often little impact on country-wide outcomes.

Annex Table 1: Actual vs. Planned Lending

Annex Table 2: Analytical and Advisory Work: actual vs planned

Annex Table 3: IEG Project Ratings

Annex Table 4: Portfolio Status Indicators by Year

Annex Table 5: IBRD / IDA Net Disbursements and Charges

Annex Table 6: Net Aid Flows (net or gross, ODA or ODA+OOD, as relevant)

Annex Table 7: Economic and Social Indicators

Annex Table 8: Millennium Development Goals

Annex Table 9: Governance Indicators

Annex Table 10: Summary of Achievement of CAS Objectives

ATTACHMENT

Attachment 1: IEG-IFC CASCR Review

Annex Table 1: The Philippines - Base Case Lending Planned vs. Actual Commitments (US\$ millions), FY 06-09

| FY | Project ID | Projects | Proposed Amount | Approved Amount |
|-----------------------------|--------------------------------|---|-----------------|-----------------|
| CAS 2006 | P094063 | National program support for Basic Education | 100 | 200 |
| | P075464 | National program support for Health | 40 | 110 |
| | | National program support for Public Expenditure Rationalization | 80 | Uncertain |
| | | National program support for Participatory Irrigation | 30 | Pipelined 2009 |
| | | National program support for Cities Development | 35 | Uncertain |
| | Sub Total FY 06 | | 285 | 310 |
| CAS 2007 | | National program support for National Roads 2 (NRIMP2) | 200 | Delayed to 2008 |
| | P096174 | National program support for the Environment & Nat'l Resources Mgmt | 30 | 50 |
| | P084967 | National program support for Mindanao Rural Development 2 (MRDP2) | 75 | 84 |
| | | National program support for Municipal Finance | 50 | Dropped in 2007 |
| | | Private sector development support for MWSS financial rehabilitation | 100 | Uncertain |
| | Sub Total FY 07 | | 455 | 134 |
| CAS 2008 | | National program support for Social Protection | 50 | Uncertain |
| | | Local government support for LGUs through performance grants | 50 | Pipelined 2010 |
| | | Local government support for Regional Water Supply | 50 | Pipelined 2010 |
| | | Private sector development support for Rural Power 2 | 40 | Pipelined 2009 |
| | | Private sector development support for Logistics/ Infrastructure | 75 | Uncertain |
| CASPR 2008 | | Private sector development support/PPP Transport (LRT1) | 260 | Pipelined 2009 |
| | | <i>Delay from FY 07</i> | | |
| | P079935 | National program support for National Roads 2 (NRIMP2) | | 232 |
| | Sub Total FY 08 | | 525 | 232 |
| CASPR 2009 | | Private sector development support for CALA North-South national road project | 140 | Pipelined 2010 |
| | | Judicial reform support project 2 | 40 | Pipelined 2011 |
| | | National sector support for social welfare & development reform | 50 | Pipelined 2009 |
| | | WB Support for transco concession | 63 | Uncertain |
| | | NPS for integrated financial management and accounting | TBD | Uncertain |
| | Sub Total FY 09 | | 293 | 0 |
| | Sub Total - Planned | | 1,558 | 676 |
| Non Planned Projects | | | | |
| 2006 | P064925 | Support for strategic local development | | 100 |
| 2007 | P101964 | National program support for Tax Administration | | 11 |
| 2007 | P100706 | DPL1 | | 250 |
| 2008 | P106260 | Bicol power restoration project | | 13 |
| 2009 | P113492 | GFRP DPO | | 200 |
| | Sub Total - Non-Planned | | 0 | 574 |
| | TOTAL | | 1,558 | 1,250 |

Source: Business Warehouse 2.a.1, 2.a.4, 2.a.7, 2.a.8 as of Dec 8 2008; The Philippines CAS 2005, CASPR 2007

Annex Table 2: The Philippines - Actual Analytical and Advisory Work, FY06-08

| | Delivered to Client FY | Output Type | Total Cum Cost (USD in 000) |
|--|------------------------|-------------------------|-----------------------------|
| Economic and Sector Work | | | |
| Account & Audit ROSC | 2006 | Report | 126 |
| Corporate Governance ROSC | 2006 | Report | 117 |
| PH Env Monitor CY05 | 2007 | Report | 493 |
| PH - Development Update | 2007 | Policy Note | 235 |
| PH - Investment Climate | 2007 | Policy Note | 156 |
| PH - Public Expenditure Review - RD | 2007 | Report | 66 |
| PH Env Monitor FY06 (Health) | 2007 | Report | 22 |
| PH-Invigorating Growth, Enhancing its Im | 2007 | Report | 50 |
| PH-LG Finance and Decentralization AAA | 2008 Delayed | Policy Note | |
| PH 2006 Country Proc Assess Report | 2008 | Report | 103 |
| PH Development Policy Update 2007 | 2008 | Report | 205 |
| Tax administration and Policy (PH) | 2008 | Policy Note | 62 |
| Sub Total for ESW | | | 1,635 |
| Technical Assistance | | | |
| PH - Meeting Infrastructure Needs | 2006 | Client Document Review | 191 |
| Partners for Development Forum | 2006 | Knowledge Sharing Forum | 67 |
| PH Social Inclusion | 2006 | Knowledge Sharing Forum | 225 |
| Mindanao Program | 2006 | Institutional Dev Plan | 1,637 |
| PH Youth Development | 2006 | Youth Development | 30 |
| GPOBA-SL4: Philippines Rural Power | 2006 | Institutional Dev Plan | 350 |
| PH-Social Protection | 2007 | Institutional Dev Plan | 51 |
| PH Gender and Conflict in Mindanao | 2007 | "How-to" Guidance | 463 |
| PH Country Systems Mainst and Social SG | 2007 | Client Document Review | 330 |
| PH- Health Policy Dialogue | 2007 | Institutional Dev Plan | 47 |
| PH-Meeting Infra. Needs FY07 (power) | 2007 | "How-to" Guidance | 204 |
| PEM Reform Support | 2008 | Client Document Review | 208 |
| OECD Procurement Assessment Report | 2008 | Institutional Dev Plan | 24 |
| PH - Law & Reg. for Bankruptcy Procedure | 2008 | "How-to" Guidance | 19 |
| Sub Total for ESW | | | 3,846 |
| Total | | | 5,481 |

Source: Business Warehouse "Operations/AAA/ESW/1.4, 4.2.a" and "TA/1.4, 3.2.a";

Operations Portal as of Dec 12, 2008; The Philippines CAS 2005, CASPR 2007

Note: No definitive list of planned AAAs in CAS/CASCR

Annex Table 3: The Philippines - IEG Project Ratings, Exit FY 06-09

| Project ID | | Approved FY | Exit FY | IEG Outcome | IEG Sustainability* | IEG ID Impact* | IEG RDO* |
|------------|--------------------------------------|-------------|---------|-------------------------|---------------------|----------------|----------|
| P004566 | PH-EARLY CHILDHOOD DEVELOPMENT | 1998 | 2006 | SATISFACTORY | LIKELY | SUBSTANTIAL | # |
| P004602 | THIRD ELEMENTARY EDUCATION | 1997 | 2006 | MODERATELY SATISFACTORY | # | # | MODERATE |
| P039019 | PH-NAT'L ROADS IMPROVMT APL1 | 2000 | 2007 | MODERATELY SATISFACTORY | # | # | HIGH |
| P069916 | PH-2nd Social Expenditure Management | 2002 | 2007 | SATISFACTORY | # | # | MODERATE |
| P057598 | PH-RURAL FINANCE III | 1999 | 2008 | SATISFACTORY | # | # | MODERATE |

*Sustainability and Impact were rated until FY06. Risk to Development Objective is rated in projects from FY07 onwards.

| Country/ Region | Total Evaluated (\$M) | Total Evaluated (No) | Outcome % Sat (\$) | Outcome % Sat (No) | RDO % Moderate or Lower Sat (\$)* | RDO % Moderate or Lower Sat (No)* | Inst Dev Impact % Subst (\$)* | Inst Dev Impact % Subst (No)* | Sustainability % Likely (\$)* | Sustainability % Likely (No)* |
|-----------------|-----------------------|----------------------|--------------------|--------------------|-----------------------------------|-----------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| The Philippines | 484.8 | 5 | 100.0 | 100.0 | 70.4 | 75.0 | 100.0 | 100.0 | 100.0 | 100.0 |
| EAP | 8494.7 | 89 | 95.0 | 89.9 | 92.8 | 76.5 | 80.3 | 81.0 | 90.3 | 90.0 |
| Overall Result | 39,151.9 | 556 | 87.6 | 79.2 | 82.9 | 68.6 | 66.7 | 57.0 | 89.1 | 83.3 |

*Sustainability and Impact were rated until around FY06. Data refer to one project only. Risk to Development Objective is rated in projects from FY07 onwards. Data covers four projects.

Source: Business Warehouse "Operations/Evaluations/4.a.5, 4.a.6" as of Dec 12, 2008

Annex Table 4: The Philippines - Portfolio Status Indicators, FY 05-08

| Country/Region | Fiscal Year | 2005 | 2006 | 2007 | 2008 |
|-----------------|------------------|------|------|------|------|
| The Philippines | # Proj | 20 | 21 | 20 | 21 |
| | Net Comm Amt | 1090 | 1383 | 1217 | 1314 |
| | # Proj At Risk | 2 | 3 | 3 | 3 |
| | % At Risk | 10 | 14 | 15 | 14 |
| | Comm At Risk | 46 | 95 | 84 | 95 |
| | % Commit at Risk | 4 | 7 | 7 | 7 |
| Cambodia | # Proj | 13 | 12 | 11 | 14 |
| | Net Comm Amt | 271 | 256 | 229 | 333 |
| | # Proj At Risk | 2 | 3 | 5 | 3 |
| | % At Risk | 15 | 25 | 45 | 21 |
| | Comm At Risk | 27 | 63 | 80 | 86 |
| | % Commit at Risk | 10 | 24 | 35 | 26 |
| Indonesia | # Proj | 29 | 25 | 25 | 25 |
| | Net Comm Amt | 2574 | 2300 | 2742 | 2879 |
| | # Proj At Risk | 4 | 2 | 4 | 8 |
| | % At Risk | 14 | 8 | 16 | 32 |
| | Comm At Risk | 261 | 106 | 305 | 513 |
| | % Commit at Risk | 10 | 5 | 11 | 18 |
| Georgia | # Proj | 17 | 18 | 18 | 14 |
| | Net Comm Amt | 329 | 290 | 309 | 253 |
| | # Proj At Risk | 0 | 2 | 1 | 2 |
| | % At Risk | 0 | 11 | 6 | 14 |
| | Comm At Risk | 0 | 56 | 16 | 19 |
| | % Commit at Risk | 0 | 19 | 5 | 7 |
| Ukraine | # Proj | 11 | 12 | 11 | 12 |
| | Net Comm Amt | 789 | 1009 | 924 | 1208 |
| | # Proj At Risk | 4 | 3 | 4 | 6 |
| | % At Risk | 36 | 25 | 36 | 50 |
| | Comm At Risk | 297 | 260 | 431 | 726 |
| | % Commit at Risk | 38 | 26 | 47 | 60 |
| Mexico | # Proj | 16 | 18 | 16 | 15 |
| | Net Comm Amt | 2767 | 2630 | 2178 | 2057 |
| | # Proj At Risk | 1 | 2 | 2 | 2 |
| | % At Risk | 6 | 11 | 13 | 13 |
| | Comm At Risk | 350 | 371 | 270 | 129 |
| | % Commit at Risk | 13 | 14 | 12 | 6 |

Source: Business Warehouse "Operations/Supervision/3.a.4" as of Dec 12, 2008

Note: GEFs and IDFs are not included

Annex Table 5: The Philippines - IBRD/IDA Net Disbursements and Charges (in million US\$), FY 05-08

| Fiscal Year | Disb. Amt. | Repay Amt. | Net. Amt. | Interest | Fees | Transfers |
|-------------|------------|------------|-----------|----------|------|-----------|
| 2005 | 121.2 | 383.5 | -262.3 | 112.3 | 2.2 | -376.8 |
| 2006 | 139.5 | 382.0 | -242.6 | 132.0 | 2.1 | -376.7 |
| 2007 | 379.9 | 406.0 | -26.1 | 150.0 | 2.9 | -179.0 |
| 2008 | 188.6 | 430.1 | -241.5 | 157.5 | 3.1 | -402.2 |
| Total | 829.1 | 1,601.6 | -772.5 | 551.8 | 10.4 | -1334.7 |

Source: WB Loan Kiosk, Net Disbursements and Charges Report as of Dec 12, 2008

Annex Table 6: The Philippines - Total Net- ODA¹⁾, OOF²⁾, and Private (in million US\$), Calendar Year 01-07

| Donors | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |
|--------------------|---------|---------|---------|---------|---------|---------|---------|
| Total Net Receipts | 2085.76 | 2221.06 | 267.37 | 1147.16 | 3064.28 | 1906.18 | 3141.58 |
| o/w ODA | 501.78 | 509.14 | 675.42 | 413.14 | 524.74 | 519.44 | 547.39 |
| o/w OOF | -92.85 | -371.25 | -539.26 | -960.72 | -758.63 | -730.20 | 1702.35 |
| o/w Private | 1676.83 | 2083.17 | 131.21 | 1694.74 | 3298.17 | 2116.94 | 891.84 |
| ODA+OOF, total | 408.93 | 137.89 | 136.16 | -547.58 | -233.89 | -210.76 | 2249.74 |
| o/w Multilateral | 48.61 | -113.54 | 20.25 | -284.12 | -157.01 | 78.89 | 466.95 |
| o/w IBRD | -192.05 | -148.95 | -143.15 | -233.38 | -253.38 | -258.02 | -37.83 |
| o/w IBRD % | | | | | | | |

Source: OECD DCA online database as of Dec 24, 2008

1) Official development assistance is defined as those flows to countries and territories on the DAC List of ODA Recipients and to multilateral development institutions which are: i.) provided by official agencies, including state and local governments, or by their executive agencies; and ii.) each transaction of which: a) is administered with the promotion of the economic development and welfare of developing countries as its main objective; and b) is concessional in character and conveys a grant element of at least 25 per cent (calculated at a rate of discount of 10 per cent).
2) Other official flows are official sector transactions which do not meet the ODA criteria, e.g.: i.) Grants to developing countries for representational or essentially commercial purposes; ii.) Official bilateral transactions intended to promote development but having a grant element of less than 25 per cent; iii.) Official bilateral transactions, whatever their grant element, that are primarily export-facilitating in purpose. This category includes by definition export credits extended directly to an aid recipient by an official agency or institution ("official direct export credits"); iv.) The net acquisition by governments and central monetary institutions of securities issued by multilateral development banks at market terms; v.) Subsidies (grants) to the private sector to soften its credits to developing countries [see Annex 3, paragraph A3.5.iv)b)]; vi.) Funds in support of private investment.

Annex Table 7: The Philippines - Economic and Social Indicators, 2003-2007

| Series Name | The Philippines | | | | | The Philippines | Cambodia | Indonesia | Georgia | Ukraine | Mexico |
|--|-----------------------------|--------|--------|--------|--------|---------------------|----------|-----------|---------|---------|-----------|
| | 2003 | 2004 | 2005 | 2006 | 2007 | Average 2003 - 2007 | | | | | |
| | Growth and Inflation | | | | | | | | | | |
| GDP growth (annual %) | 4.9 | 6.4 | 4.9 | 5.4 | 7.3 | 5.8 | 10.6 | 5.5 | 9.7 | 7.8 | 3.3 |
| GDP per capita growth (annual %) | 3 | 4 | 3 | 3 | 5 | 3.7 | 9 | 4 | 11 | 9 | 2 |
| GNI, PPP (current international \$) (Millions) | 226922 | 249239 | 270516 | 296217 | 327763 | 274,131 | 19,381 | 683,164 | 16,446 | 264,343 | 1,156,623 |
| GNI, Atlas method (current US\$) (Millins) | 86758 | 97899 | 107232 | 120190 | 142623 | 110,940 | 6,164 | 280,988 | 6,281 | 77,894 | 759,125 |
| Inflation, consumer prices (annual %) | 3.5 | 6.0 | 7.6 | 6.2 | 2.8 | 5.2 | 4.3 | 8.6 | 7.4 | 9.9 | 4.2 |
| Composition of GDP | | | | | | | | | | | |
| Agriculture, value added (% of GDP) | 14.6 | 15.1 | 14.3 | 14.2 | 13.5 | 14.3 | 30.6 | 13.9 | 15.8 | 10.1 | 3.8 |
| Industry, value added (% of GDP) | 31.9 | 31.7 | 31.9 | 31.6 | 31.3 | 31.7 | 25.5 | 45.8 | 25.6 | 33.2 | 26.0 |
| Services, etc., value added (% of GDP) | 53.4 | 53.2 | 53.7 | 54.2 | 55.2 | 54.0 | 43.9 | 40.4 | 58.6 | 56.7 | 70.2 |
| Other Macroeconomic Indicators | | | | | | | | | | | |
| Gross domestic savings (% of GDP) | 10.9 | 13.1 | 10.4 | 13.1 | 10.4 | 11.6 | 12.1 | 30.2 | 8.2 | 23.3 | 20.0 |
| Gross fixed capital formation (% of GDP) | 16.8 | 16.1 | 14.4 | 13.8 | 14.9 | 15.2 | 19.0 | 22.9 | 27.2 | 22.2 | 19.8 |
| Official exchange rate (LCU per US\$, period average) | 54.2 | 56.0 | 55.1 | 51.3 | 46.1 | 52.6 | 4,048.3 | 9,104.2 | 1.9 | 5.2 | 11.0 |
| External Accounts | | | | | | | | | | | |
| Exports of goods and services (% of GDP) | 49.6 | 50.9 | 47.6 | 46.4 | 39.4 | 46.8 | 63.4 | 31.4 | 32.3 | 51.5 | 30.2 |
| Imports of goods and services (% of GDP) | 55.6 | 54.6 | 51.8 | 47.6 | 43.9 | 50.7 | 71.6 | 26.3 | 52.2 | 50.6 | 32.0 |
| Current account balance (% of GDP) | 0.4 | 1.9 | 2.0 | 5.0 | .. | 2.3 | -4.9 | 1.9 | -12.2 | 2.7 | -0.8 |
| Total debt service (% of GNI) | 11.9 | 12.3 | 9.3 | 10.7 | .. | 11.0 | 0.5 | 7.1 | 3.8 | 7.7 | 6.8 |
| External debt, total (% of GNI) | 73.2 | 65.2 | 57.8 | 47.1 | .. | 60.8 | 62.0 | 50.7 | 35.9 | 45.5 | 23.6 |
| Government Finance | | | | | | | | | | | |
| Tax revenue (% of GDP) | 12.8 | 12.4 | 13.0 | 14.3 | .. | 13.1 | 8.0 | 12.4 | 11.1 | 15.5 | .. |
| Revenue, excluding grants (% of GDP) | 14.8 | 14.6 | 15.0 | 16.2 | .. | 15.1 | 9.7 | 17.8 | 16.7 | 33.0 | .. |
| Central government debt, total (% of GDP) | 71.4 | 77.7 | .. | .. | .. | 74.6 | .. | 29.2 | 40.2 | .. | .. |
| Social Indicators | | | | | | | | | | | |
| Health | | | | | | | | | | | |
| Immunization, DPT (% of children ages 12-23 months) | 79.0 | 79.0 | 88.0 | 88.0 | .. | 83.5 | 79.0 | 70.0 | 81.3 | 97.5 | 96.8 |
| Improved sanitation facilities (% of population with access) | .. | .. | .. | 78.0 | .. | 78.0 | 28.0 | 52.0 | 93.0 | 93.0 | 81.0 |
| Life expectancy at birth, total (years) | .. | .. | 71.1 | 71.4 | .. | 71.2 | 58.6 | 68.0 | 70.7 | 68.1 | 74.4 |
| Mortality rate, infant (per 1,000 live births) | .. | .. | 25.0 | 24.0 | .. | 24.5 | 65.8 | 27.2 | 28.5 | 19.7 | 29.3 |
| Population | | | | | | | | | | | |
| Population growth (annual %) | 2.1 | 2.1 | 2.0 | 2.0 | 1.9 | 2.0 | 1.7 | 1.3 | -1.0 | -0.8 | 1.0 |
| Population, total (Millions) | 81.2 | 82.9 | 84.6 | 86.3 | 87.9 | 84.6 | 14.0 | 220.3 | 4.5 | 47.1 | 103.1 |
| Urban population (% of total) | 61.0 | 61.9 | 62.7 | 63.4 | 64.2 | 62.6 | 19.7 | 48.0 | 52.6 | 67.8 | 76.3 |
| Education | | | | | | | | | | | |
| School enrollment, preprimary (% gross) | 37.8 | 39.0 | 40.0 | 44.6 | .. | 40.3 | 9.4 | 31.8 | 50.6 | 84.1 | 92.6 |
| School enrollment, primary (% gross) | 111.8 | 111.5 | 111.2 | 109.5 | .. | 111.0 | 125.5 | 114.4 | 94.7 | 100.6 | 112.2 |
| School enrollment, secondary (% gross) | 83.6 | 85.5 | 84.8 | 83.1 | .. | 84.3 | 31.3 | 62.7 | 83.0 | 95.2 | 84.1 |
| School enrollment, tertiary (% gross) | 29.4 | 28.8 | 28.0 | 28.5 | .. | 28.7 | 3.6 | 16.7 | 42.0 | 66.7 | 24.7 |

Source: WB DDP as of December 12, 2008

Annex Table 8: The Philippines - Millennium Development Goals

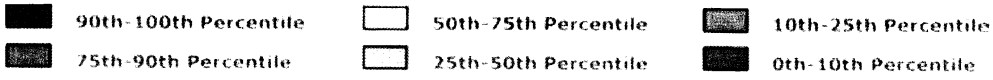
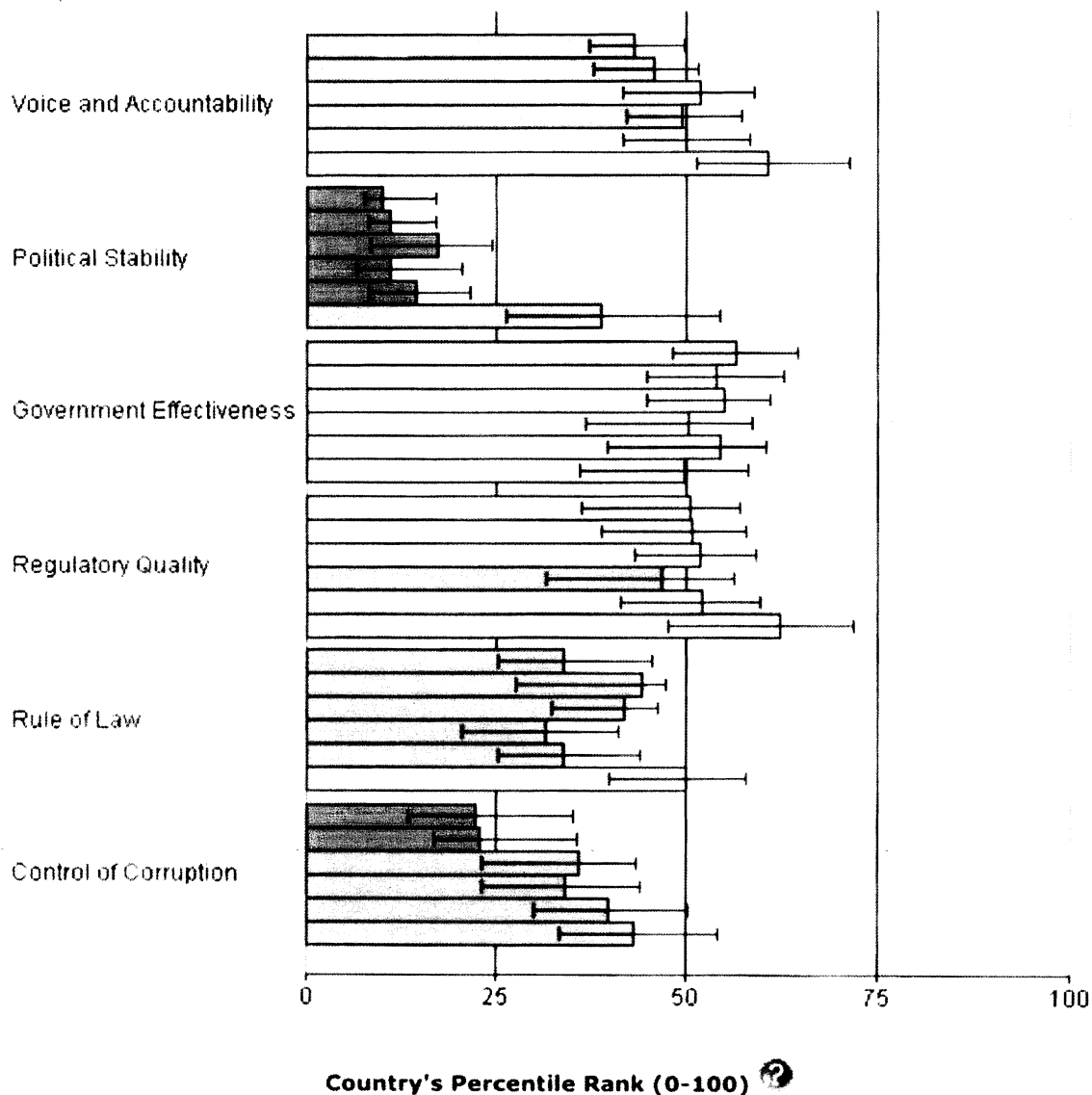
| | 1990 | 1995 | 2000 | 2007 |
|---|------|------|-------|-------|
| Goal 1: Eradicate extreme poverty and hunger | | | | |
| Employment to population ratio, 15+, total (%) | .. | 61 | 58 | 64 |
| Employment to population ratio, ages 15-24, total (%) | .. | 43 | 39 | 44 |
| Income share held by lowest 20% | 7 | 6 | 5 | .. |
| Malnutrition prevalence, weight for age (% of children under 5) | .. | .. | .. | .. |
| Poverty headcount ratio at national poverty line (% of population) | .. | 32 | .. | .. |
| Prevalence of undernourishment (% of population) | .. | .. | .. | .. |
| Vulnerable employment, total (% of total employment) | .. | .. | .. | 45 |
| Goal 2: Achieve universal primary education | | | | |
| Literacy rate, youth female (% of females ages 15-24) | 97 | .. | 96 | .. |
| Literacy rate, youth male (% of males ages 15-24) | 96 | .. | 94 | .. |
| Persistence to last grade of primary, total (% of cohort) | .. | .. | 70 | 70 |
| Primary completion rate, total (% of relevant age group) | 86 | .. | 89 | 94 |
| Total enrollment, primary (% net) | .. | .. | 92 | 93 |
| Goal 3: Promote gender equality and empower women | | | | |
| Proportion of seats held by women in national parliament (%) | 9 | .. | 12 | 22 |
| Ratio of female to male enrollments in tertiary education | .. | .. | 126 | 124 |
| Ratio of female to male primary enrollment | .. | .. | 100 | 99 |
| Ratio of female to male secondary enrollment | .. | .. | 109 | 111 |
| Ratio of young literate females to males (% ages 15-24) | 101 | .. | 101 | .. |
| Share of women employed in the nonagricultural sector (% of total nonagricultural employment) | .. | 40 | 41.1 | 41.9 |
| Goal 4: Reduce child mortality | | | | |
| Immunization, measles (% of children ages 12-23 months) | 85 | 72 | 81 | 92 |
| Mortality rate, infant (per 1,000 live births) | 41 | 35 | 30 | 24 |
| Mortality rate, under-5 (per 1,000) | 62 | 49 | 40 | 32 |
| Goal 5: Improve maternal health | | | | |
| Adolescent fertility rate (births per 1,000 women ages 15-19) | .. | .. | 50 | 48 |
| Births attended by skilled health staff (% of total) | .. | 53 | 58 | .. |
| Contraceptive prevalence (% of women ages 15-49) | 36 | 51 | 47 | .. |
| Maternal mortality ratio (modeled estimate, per 100,000 live births) | .. | .. | .. | 230 |
| Pregnant women receiving prenatal care (%) | .. | 83 | 86 | .. |
| Unmet need for contraception (% of married women ages 15-49) | .. | 26 | 19 | .. |
| Goal 6: Combat HIV/AIDS, malaria, and other diseases | | | | |
| Children with fever receiving antimalarial drugs (% of children under age 5 with fever) | .. | .. | .. | .. |
| Condom use, population ages 15-24, female (% of females ages 15-24) | .. | .. | .. | .. |
| Condom use, population ages 15-24, male (% of males ages 15-24) | .. | .. | .. | .. |
| Incidence of tuberculosis (per 100,000 people) | 337 | 320 | 305 | 287 |
| Prevalence of HIV, female (% ages 15-24) | .. | .. | .. | .. |
| Prevalence of HIV, total (% of population ages 15-49) | .. | .. | .. | 0 |
| Tuberculosis cases detected under DOTS (%) | .. | 0 | 48 | 77 |
| Goal 7: Ensure environmental sustainability | | | | |
| Annual freshwater withdrawals, total (% of internal resources) | .. | .. | .. | .. |
| CO2 emissions (kg per PPP \$ of GDP) | 0.4 | 0.5 | 0.4 | .. |
| CO2 emissions (metric tons per capita) | 0.7 | 0.9 | 1 | .. |
| Forest area (% of land area) | 35 | .. | 27 | 24 |
| Improved sanitation facilities (% of population with access) | 58 | 66 | 72 | 78 |
| Improved water source (% of population with access) | 83 | 87 | 90 | 93 |
| Marine protected areas, (% of surface area) | .. | .. | .. | .. |
| Nationally protected areas (% of total land area) | .. | .. | .. | .. |
| Goal 8: Develop a global partnership for development | | | | |
| Aid per capita (current US\$) | 21 | 13 | 8 | 7 |
| Debt service (PPG and IMF only, % of exports of G&S, excl. workers' remittances) | 26 | 14 | 10 | 15 |
| Internet users (per 100 people) | 0 | 0 | 2 | 6 |
| Mobile phone subscribers (per 100 people) | 0 | 1 | 8 | 50 |
| Telephone mainlines (per 100 people) | 1 | 2 | 4 | 4 |
| Other | | | | |
| Fertility rate, total (births per woman) | 4.3 | 3.9 | 3.6 | 3.3 |
| GNI per capita, Atlas method (current US\$) | 740 | 1040 | 1050 | 1620 |
| GNI, Atlas method (current US\$) (billions) | 45.4 | 71.2 | 80.3 | 142.6 |
| Gross capital formation (% of GDP) | 24.2 | 22.5 | 21.2 | 15 |
| Life expectancy at birth, total (years) | 66 | 68 | 70 | 71 |
| Literacy rate, adult total (% of people ages 15 and above) | 94 | .. | 93 | .. |
| Population, total (millions) | 61.2 | 68.6 | 76.2 | 87.9 |
| Trade (% of GDP) | 60.8 | 80.5 | 108.9 | 83.3 |

Source: World Development Indicators database as of Dec 5 2008

Table 9: Governance Indicators

PHILIPPINES

Comparison between 2007, 2006, 2005, 2004, 2003, 1998 (top-bottom order)



Source: Kaufmann D., A. Kraay, and M. Mastruzzi: 2008, Governance Matters VII, Governance Indicators for 1996-2007
Note: The governance indicators presented here aggregate the views on the quality of governance provided by a large number of enterprise, citizen and expert survey respondents in industrial and developing countries. These data are gathered from a number of survey institutes, think tanks, non-governmental organizations, and international organizations. The aggregate indicators do not reflect the official views of the World Bank, its Executive Directors, or the countries they represent.

Annex Table 10: The Philippines - Summary of Achievement of CAS objectives
Pillar 1 : Improved Governance

| CAS Outcomes | | Actual Results | Comments |
|---|---|---|---|
| 1. National Platform: Systems and processes for allocation and executing budgetary resources are more transparent and efficient | | Budget reform is taking place at a slow pace. Poor governance limited the effectiveness of public institutions | |
| 2.. Local Platform: Systems and processes of Local Government Units (LGU) for planning, budgeting, delivering services, and investments are transparent and efficient | | Bank support helped develop LGU capacity, at the individual project level progress is being made, but the impact on the LGU system as a whole is unclear. | |
| 3. Private Sector Platform: Improved governance of corporate sector and infrastructure regulatory agencies | | Bank support helped strengthen the government's regulatory functions. | |
| CAS Outcomes | Target Outcomes | Actual Results | Comments |
| 1. National Platform: Systems and processes for allocation and executing budgetary resources are more transparent and efficient | Performance principles used to realign budget process for at least 3 national agencies | The government is proceeding with budget reforms, introducing MTEFs with the 2007 budget and the Budget strategy paper and forward estimates with the 2008 budget. 2009 Budgets for education and health prepared based on MTEF. Recent Economic Report noted that not all agencies are implementing MTEFs, progress on rationalizing the bureaucracy has been very slow. | CAS objectives mentioned in the CAS text (such as civil service reforms, streamlining of agency staffing, strengthening banking supervision, and pension reforms) were reflected neither in the CAS matrix nor in the CASCR. No baseline data/target data provided. |
| | Budget allocation, execution, and fiduciary processes improved in at least 3 national agencies | On-going system improvements and dialogue in National Program Support (NPS) operations in agriculture, health and education.(PR) Bank provided two grants to help Government Policy and Procurement Board develop and pilot test generic procurement manuals, institute a national procurement training program through state universities and colleges, and prepare and pilot test Agency Procurement Performance Indicators. Country Procurement Assessment Report (2008) noted that the public procurement system has become more efficient, many loopholes have been closed, and the promotion of e-procurement improved transparency and efficiency. | |
| | Rationalization of staff previously performing devolved functions in at least 1 national agency | Program has proceeded more slowly and at a reduced scope. Milestone dropped in the Progress report.(PR) | |
| | Capacity and outcomes strengthened in at least 2 key anti-corruption agencies | 83% of procurement staff of national agencies trained. Activities ongoing at the Supreme Court and Presidential Anti-Graft Commission (PAGC). (PR) Corruption continues to be an issue. The Philippines ranked 112 out of 125 in a list of countries where irregular payments are required for public contracts. | |
| | Bid invitation and award results disclosed publicly for at least 50% of the major transaction in 3 agencies | 9 out of 12 major procuring departments publishing bid invitations and awards.(PR) | |
| | Scope of civil society participation in bids and awards committees expanded with ongoing training & dissemination | Trained community members managing the CDD procurement process in 1,700 barangays | |
| 2.. Local Platform: Systems and processes of LGUs for planning, budgeting, | LGU performance framework developed and accepted by various stakeholders and partners | Local Government Performance Management System (LGPMS) was developed and rolled out in 2006 and over 80% of the LGUs use the LGPMS. | Only progress information given, without baseline data. |
| | At least 10 LGUs assisted in preparing and implementing local plans, with inputs from communities | Assisted 61 cities develop city strategies using participatory approaches through the Cities Alliance Program. | |

| | | | |
|---|--|--|--|
| delivering services, and investments are transparent and efficient | Local resource mobilization and local ownership of community projects increased --> Local mechanisms for investment prioritization, O&M, counterpart financing institutionalized in at least 50 communities (Revised PR) | NO OUTCOME INFORMATION. | |
| 3. Private Sector Platform: Improved governance of corporate sector and infrastructure regulatory agencies | Capacity of at least one regulatory agency in the infrastructure sector strengthened | Significant achievements in the Energy Regulatory Commissions and Metropolitan Waterworks and Sewerage Systems (MWSS) Regulatory Office. (PR) Water and sanitation concessions (Manila water company inc). Created a wholesale electricity spot market in Luzon in 2006. Proceeding with a concession for Transco's transmission function. | No substance to verify the "significant achievements". |
| | Public awareness and debate on corporate governance issues increased | Training program on corporate governance designed and pilot tested. (PR) Bank conducted a ROSC on accounting standards and training on corporate governance, but the effect of these interventions is not well understood. | Pilot program tested but no results information given. |

Instruments for Pillar 1

| | Actual Deliverables | Comments |
|-----------------------------------|--|---|
| Pre- CAS/ On-going Lending | 2nd Social Expenditure Mgmt | p069916, Latest PDO rating: Satisfactory |
| | Laguna de Bay Institutional Strengthening | p070899, Latest PDO rating: Satisfactory |
| | Diversified Farm Income & MKT. Devt | p075184, Latest PDO rating: Moderately Unsatisfactory |
| | Judicial Reform Support Project | p066076, Latest PDO rating: Satisfactory |
| | ODS phase out | No information found, NEED P# |
| | LGU Finance & Development | P048588, Latest PDO rating: Moderately Satisfactory |
| New Lending | Manila Sewerage 3 | p079661, Latest PDO rating: Satisfactory |
| | National Program Support for Environment & Nat'l Resources Mgt | p096174, Latest PDO rating: Satisfactory |
| | NP Support for HNP | p075464, Latest PDO rating: Satisfactory |
| New Non Lending | NP Support for Basic Ed | p094063, Latest PDO rating: Satisfactory |
| | Corporate Governance ROSC | Delivered in 2006 |
| | Partners for Development Forum | Delivered in 2006 |
| | Development Update | Delivered in 2007 |
| | Development Policy Update | Delivered in 2008 |

Pillar 2 : Fiscal Stability

| Objectives | Actual Results | Comments |
|--|--|-----------------------|
| 1. National Platform: Improved public revenue mobilization, public expenditure management, and management of state owned enterprises | Bank contributed to improve tax revenue performance. | |
| 2.. Local Platform: Expanded local LGU revenue base and increased revenues from local sources in at least 20 LGUs | LGU continue to depend heavily on central government transfers. | |
| 3. Private Sector Platform: Reduced fiscal burden through financial strengthening of government corporations and financial institutions | Bank support helped reduce the financial burden of public enterprises. | |
| Sub-Objectives | Target Outcomes | Actual Results |
| | | Comments |

| | | | |
|---|--|---|---|
| 1. National Platform: Improved public revenue mobilization, public expenditure management, and management of state owned enterprises | Level of public awareness and debate around fiscal management issues heightened | Awareness and debate raised and broad based consensus formed through the Philippine Development Forum (PDF) working group and the joint Bank-IMF report on the country's fiscal health.(PR) | |
| | | | |
| 2.. Local Platform: Expanded local LGU revenue base and increased revenues from local sources in at least 20 LGUs | The share of own-source revenue in total revenue increased in at least 20 LGUs | LGUs continued to depend on national government transfers. | Good progress but Bank's contribution to the achievement is marginal. |
| | | 535 LGUs participated in the training financed by the Bank project. These LGUs increased their local revenues by P 8.7 billion or by 114% and increased the share of local source revenue from 24% to 26% between 2000 and 2007. But it's impossible to differentiate the impact of the WB program from other influences. | |
| | | LGUs participating in the project increased revenues through investments in bus terminals and markets and through implementation of business and real property tax enhancement programs. | |
| 3. Private Sector Platform: Reduced fiscal burden through financial strengthening of government corporations and financial institutions | All contingent liabilities for major state owned enterprises accounted for and time bound action plans to reduce contingent liabilities put in place | Government Owned and Controlled Corporations' financial position improved. A deficit of 1.9% of GDP in 2004. Eliminated it in 2006. | In this case, target outcomes in the matrix coincide well with these in the CAS text. However, two of actual results were not discussed in the CASCR. |
| | Tariff adjustments and cost recovery mechanisms implemented in the water and energy sectors | A 30 % increase in tariffs in 2004-2005 and the resulting reduction in National Power Corporation's deficit. | |
| | Reduced fiscal burden through sale of 1) non-performing assets in National Home Mortgage Corporation(NHMFC) and in Natioinal Development Corporation, 2) government equity investments in listed and non-listed companies. (New milestones introduced after the CAS board meeting. PR) | NHMFC assets sold in FY05. (PR) Partial privatization of PNOC-EDC through IPO with 5% IFC equity investments. Sale of PTIC/PLDT shares and other assests completed. | |
| | Progress made in reforms in at least 1 infrastructure regulatory agency (Combined with milestone Governance- Private sector platform PR) | | |
| | Public awareness and debate on pension liabilities increased | Advised provided and administrative reform options identified in government -run pension funds but consensus still needs to be developed | |

Instruments for Pillar 2

| | Deliverables | Comments |
|----------------------------------|--|---|
| Pre-CAS/ On-going Lending | LGU Finance & Development | Refer to Pillar 1 |
| New Lending | DPL 1 | p100706, No rating |
| | National Program support for Tax Administration Reform | p101964, Latest PDO rating: Moderately Unsatisfactory |
| New Non Lending | Account & Audit ROSC | Delivered in 2006 |
| | Public Expenditure Review | Delivered in 2007 |

| | |
|--|-------------------|
| PEM Reform Support | Delivered in 2008 |
| 2006 Country Procurement Assessment Report | Delivered in 2008 |
| Tax administration and Policy | Delivered in 2008 |
| OECD Procurement Assessment Report | Delivered in 2008 |
| Law & Reg. for Bankruptcy Procedure | Delivered in 2008 |

Pillar 3: Growth

| Objectives | | Actual Results | Comments |
|--|--|---|--|
| 1. National Platform: Competitiveness of the economy improved by increasing investment, upgrading infrastructure, and adopting reforms aimed at improving productivity of firms | | Bank made some contribution to the transportation network and to rural electrification, but no evidence of increased overall investment or productivity. | |
| 2.. Local Platform: Productivity increased through local provision of infrastructure and services | | Data not available. Disparities most likely continue to persist between LGUs. Bank and other development partner projects are most likely having an impact in their participating LGUs. | |
| 3. Private Sector Platform: Catalyze private investment in key sectors including infrastructure | | Few indications the Bank helped catalyze private investment, except the Metro Manila Sewerage projects. | |
| Sub-Objectives | Target Outcomes | Actual Results | Comments |
| 1. National Platform: Competitiveness of the economy improved by increasing investment, upgrading infrastructure, and adopting reforms aimed at improving productivity of firms | Service delivery improved via effective public investments in at least 3 national government agencies, as measured by project level indicators | Strengthen the management of the road network. 1) updated 382 km of national road, 2) conducted preventive maintenance on 721km of national roads, 3) piloted performance based maintenance contracts on another 254km. | In this case, target outcomes in the matrix do not coincide with the CAS objectives mentioned in the text (e.g. lowering the costs of doing business and improving financial intermediation). No baseline/target data. |
| | Creditworthiness improved, in at least 6 electric cooperatives | 6 Electric cooperatives obtained Development Bank of the Philippines (DBP) financing for operational and financial improvements. (PR) | |
| | Number of barangays provided with electricity increased | About 95% barangay electrification achieved in 2006. (PR) NO BASELINE DATA. | |
| | Rural productivity, as measured by project level indicators in project areas, increased | In project areas, 20% increase in yield, 24% increase in real net income, 10.9% increase in business assets. | |
| | Market orientation of government agricultural support services enhanced | Progress on reforms and implementation of diversified farm income & market development project slow. | |
| | Land titling procedures streamlined and valuation system in project areas implemented | Improved land records integrity procedures introduced. Cost and time for issuing titles reduced in project areas, Improved land valuation system piloted in 2 LGUs and expanded in other LGUs. (PR) | |
| | Significant improvements made in environmental protection and management arrangements | NO INFORMATION. | |
| | Coverage of sewerage services in Metro Manila increased | Household coverage increased but proportion of population covered remains unchanged. Requires major effort to meet MDG targets. | |
| 2.. Local Platform: Productivity increased through local provision of | Financing for investment subprojects supported by the Bank tapped by at least 10 LGUs | More than 20 LGUs availed financing from GFIs under LGU water and WDDP. In addition, another 27 projects are on-going under SSLDIP project implemented by Land Bank. | The CAS objectives for this pillar, Local platform level, were not explicitly discussed in the text. No |

| | | | |
|---|--|---|---|
| | | | actual results discussed in the CASCR, but mostly in the CASPR. |
| infrastructure and services | More effective LGU financing framework adopted and implemented | Progress has been slow, with limited headway in pursuing 5 of the 7 LGU financing framework objectives. (PR) Department of Finance formally adopted the LGU Financing Framework in Jan 2007. | |
| | Stock of LGU-provided infrastructure increased, as measured by project level indicators | Over 2,200 community-based infrastructures sub-projects completed. (PR) LGUs provided cash counterpart amounting to ph 907 million for the implementation of 260 infrastructure subprojects. NO BASE LINE AND NO PROEJECT LEVEL INDICATORS. | |
| | Environment protection and management strengthen through CDD approaches (Mapped to Governance - Local Platform in CASPR) | Multi-stakeholder approach in environmental planning and implementation institutionalized in 24 micro watersheds in Laguna de Bay. Public disclosure performance of industries improved. LGU permitting, monitoring and enforcement procedures upgraded. (PR) | |
| 3. Private Sector Platform: Catalyze private investment in key sectors including infrastructure | Public awareness and debate increased on investment climate issues and ways to reduce costs of doing business | Increased public awareness and debate through the investment climate assessment and PDF working group. (PR) | |
| | Private infrastructure investments increased and relevant regulatory policies and agencies streamlined, in response to government demand | 2007 Budget strategy reflected increased private sector involvement in infrastructure. (PR) | |

| Instruments for Pillar 3 | | |
|----------------------------|--|--|
| | Deliverables | Comments |
| Pre- CAS/ On-going Lending | Third Elementary Education (TEEP) | P004602, IEG rating: Moderately Satisfactory |
| | Water Districts Development Project | P004576, Latest PDO rating: Satisfactory |
| | National Roads Improvement APL 1 | P039019, IEG rating: Moderately Satisfactory |
| | Diversified Farm Income & MKT. Devt | Refer to Pillar 1 |
| | Second Agrarian Reform Communities Dev | p071007, Latest PDO rating: Satisfactory |
| | Land Admin and management 2 | P073206, Latest PDO rating: Moderately Unsatisfactory |
| | Laguna de Bay Institutional Strengthening | Refer to Pillar 1 |
| | Matro Manila Urban Transport (MMURTRIP) | P057731, Latest PDO rating: Moderately Satisfactory |
| | Community Based Resources Mgt | P004595, IEG rating: Moderately Satisfactory |
| | Manila Sewerage 3 | Refer to Pillar 1 |
| New Lending | Rural Finance 3 | P057598, IEG rating: Satisfactory |
| | National Program Support for National Roads 2 (NRIMP 2) | P079935, Current ISR rating not provided, last ISR PDO rating: Satisfactory |
| | National Program Support for Environment & Nat'l Resources Mgt | Refer Pillar 1 |
| | NP Support for Basic Ed | Refer to Pillar 1 |
| New Non Lending | Support for Strategic Local Development | P064925, Current ISR rating not provided, last ISR PDO rating: Moderately Satisfactory |
| | Meeting Infrastructure Needs | Delivered in 2006 |

| | |
|--------------------------------------|-------------------|
| Meeting Infrastructure Needs (Power) | Delivered in 2007 |
| Env Monitor for 2005 | Delivered in 2007 |
| Investment Climate | Delivered in 2007 |
| Invigorating Growth | Delivered in 2007 |

Pillar 4: Social Inclusion

| Objectives | Actual Results | Comments |
|---|---|----------|
| 1. National Platform: Improved performance of national institutions and increased access for the poor and disadvantaged groups to basic services | Improved health and education outcomes in the project areas. But little evidence of an overall increase in access to social services. | |
| 2. Local Platform: Greater voice and improved access for the poor and disadvantaged in the planning and delivery of education, health, and other basic services at the local level | Individual Bank projects have provided support to local communities in the delivery of local services and infrastructure with some success, but no significant progress overall. | |
| 3. Private Platform: Increased access to financing of micro enterprises, cooperatives, and small & medium enterprises and increased private delivery of basic social services | Promoted access to finance for small rural enterprises and created employment successfully. But the results are insignificant with 8% of unemployment rate throughout the CAS period. | |

| Sub-Objectives | Target Outcomes | Actual Results | Comments |
|---|---|---|--|
| 1. National Platform: Improved performance of national institutions and increased access for the poor and disadvantaged groups to basic services | Framework clarified for targeting national government grant assistance for programs at local level for the poor and disadvantaged | Community-based poverty monitoring tools endorsed by GOP but not widely adopted. (PR) | The CAS objectives/outcomes for this pillar were not explicitly discussed in the text. No actual results discussed in the CASCR. |
| | Number of project schools with effective/functioning school governing councils increased (Mapped to Growth - NP in CASPR) | All 8,613 Third Elementry Education Project (TEEP) schools have functioning school governing boards. (PR) Expansion/roll-out of school based management practices in public schools nationwide ongoing. | |
| | Achievement scores in project schools improved from 51.7% in 2001 (Mapped to Growth - NP in CASPR) | Overall MPS of the 23 TEEP provinces improved from 39% in 1999 to 46% in 2005. (PR) TARGET DATA IS LOWER THEN THE CAS BASE LINE DATA. | |
| | Elementary school completion rates in project schools improved from 66.3% in 2002 (Mapped to Growth - NP in CASPR) | Completion rate at national level increased to 73.06% in 2008. TARGET DATA IS LOWER THAN BASE LINE DATA. NO PROJECT LEVEL DATA PROVIDED. | |
| | Increased awareness and debate on the reduction of out-of-pocket expenditures on health by the poor | No LGU level data on the level of out-of-pocket expenditures on health by the poor. Lack of data. | |
| | Strategy for reducing maternal mortality developed | Department of Health came out with Administrative Order 29 s of 2008 which describes the strategy to rapidly reduce maternal mortality. AO 29 is essentially based on the components of the Second Women's Health and Safe Motherhood Project | |
| | National framework and strategy for social protection articulated more clearly | NO INFORMATION. | |
| | Capacity of national and local institutions to promote efficient service delivery in conflict-affected areas in Mindanao strengthened | Sub projects of ARMM provided social services to over 108 municipalities. 600+ local People's Oranization were established and trained in project management, procurement, construction, operation and maintenance. | |
| Sub-projects implemented in at least 15 conflict-affected communities in Mindanao | Over 50 community subprojects completed and function in conflict-affected barangays. | | |

| | | | |
|--|---|--|--|
| <p>2. Local Platform: Greater voice and improved access for the poor and disadvantaged in the planning and delivery of education, health, and other basic services at the local level</p> | Local service delivery in project areas, as measured by project level indicators, increased | Bank has been engaging local communities directly in the delivery of local services and infrastructure, targeted the poor. 65% of participating households in a national program, CBRMP, experienced an increase in income (compared a target of 25%). Participating households in ARCDP2 are estimated to have experienced a 21 percent increase in real income three years after joining the project. Kalahi-CIDSS investment estimated economic rates of return of 22% for rural roads (farm to market) and 65%for small water supply investments. | Only progress information given, without baseline/target data. |
| | Unmet need for contraception in project areas reduced | No reliable LGU level data on contraception prevalence rate nor the LGU level "unmet" need for contraception. | |
| | Portion of attended births in health facilities in project areas increased | From the 2004 of 28% in Sorsogon and 18% in Surigao del Sur, the percentage of births attended in health facilities have increased to 42% in Sorsogon and 35% in Surigao del Sur by the end of 2007. | |
| | Health coverage of indigent and informal sector in project areas increased | 4.9 million members enrolled in the Philhealth indigent program in 2006 from 2.5 million members in 2005. (PR) | |
| | Communities and stakeholders participate in the decision making process in at least 50 LGUs | Communities involved in decision-making in 100 ARMM municipalities, contributed to the city development strategies in 40 cities, and influenced local development plans in 183 municipalities. (PR) | |
| | CDD sub-projects designed and implemented in at least 50 communities | CDD sub-projects designed and implemented in more than 1,700 barangays.(PR) 10 Urban slum communities in 8 cities involved in the design and implementation of CDD sub-projects. | |
| <p>3. Private Platform: Increased access to financing of micro enterprises, cooperatives, and small & medium enterprises and increased private delivery of basic social services</p> | Sustainable livelihoods promoted through improved access to finance | A total of 546 sub loans were made to rural enterprises for a total investment of P 11.1 million, creating close to 17,000 jobs. Another 114,902 micro-loans for US\$15 million were made to rural micro-enterprises through the People's credit and finance corporation. | |
| | Private services in health, education and water improved | Expanded water and sewerage services by private concessionaires in Metro Manila. Support by private and civil society organizations to public schools significantly expanded. (PR) | |
| | Advocacy for promoting private investments in Mindanao, including IFC investments increased | IFC is providing the Banana subsector in Mindanao with source-to-market assistance. No IBRD intervention information. | |

| Instruments for Pillar 4 | | |
|----------------------------|--|---|
| | Deliverables | Comments |
| Pre- CAS/ On-going Lending | Early Childhood Development | P004566, IEG rating: Satisfactory |
| | Water Districts Development Project | Refer to Pillar 3 |
| | ARMM Social Fund | P073488, Latest PDO rating: Satisfactory |
| | 2nd Social Expenditure Mgmt | Refer to Pillar 1 |
| | Second Agrarian Reform Communities Dev | Refer to Pillar 3 |
| | TEEP | Refer to Pillar 3 |
| | KALAH-CIDSS | P077012, Latest PDO rating: Moderately Satisfactory |

| | | |
|-------------------------------|--|---|
| | 2nd Women's health & Safe Motherhood | P079628, Latest PDO rating: Moderately Satisfactory |
| | LGU Urban Water APL 2 | P069491, Latest PDO rating: Satisfactory |
| | Rural Finance 3 | Refer to Pillar 3 |
| New Lending | National Program support for Basic Education | Refer to Pillar 1 |
| | National Program support for Health | Refer to Pillar 1 |
| | National Program support for Mindanao Rural Development 2 (MRDP 2) | Refer to Pillar 3 |
| | Bicol Power Restoration Project | P106262, Latest PDO rating: Satisfactory |
| New Non Lending | Social Inclusion | Delivered in 2006 |
| | Mindanao Program | Delivered in 2006 |
| | Youth Development | Delivered in 2006 |
| | GPOBA-SL4: Philippines Rural Power | Delivered in 2006 |
| | Social Protection | Delivered in 2007 |
| | Gender and Conflict in Mindanao | Delivered in 2007 |
| | Country Systems Mainst and Social SG | Delivered in 2007 |
| | Health Policy Dialogue | Delivered in 2007 |
| Env Monitor for 2006 (Health) | Delivered in 2007 | |

Notes: 1) Milestones in the text of the CAS are often differently phrased or different from those in the matrix. We have chosen the Matrix information.

2) Achievement of these matrix milestones are insufficiently discussed in the CASCR. Therefore, we have used information in CASPR as much as possible.

1. .CAS INFORMATION

Country: Philippine

CPS Year: FY05

CPS Review Period: FY05-FY08

Date of This Review: March 20, 2009

2. BACKGROUND

The Philippines sustained high economic growth over the CAS period, although the recent crisis has slowed down the pace.

The Philippines recorded higher growth with low inflation during the review period. Annual real GDP growth between 2005 and 2008 was about 5.5 percent — higher than the average 4.5 percent between 2001 and 2004, and 3.1 percent growth between 1997 and 2001. CPI inflation was 3.9 percent in 2007. The current account surplus was 4.4 percent of GDP, compared to the 2002-06 average of 1.7 percent. External debt declined from 68 percent of GDP in 2005 to 44 percent in 2007. Growth was driven by private consumption and service sector, which together contributed around 70 percent of the growth, supported largely by growing remittances from migrant workers. However, investment in the Philippines, especially in the private sector, has stagnated. The share of fixed capital formation to GDP dropped slightly from about 16 percent in 2003 to less than 15 percent in 2007.

Sustainability of growth was a major concern of the 2005 CAS and continued to be a concern throughout the CAS period. Key challenges include sustaining the high levels of growth and reducing poverty, particular in rural areas. Major constraints for private sector development are: (i) inadequate infrastructure; (ii) weak financial intermediation, (iii) weak governance and regulatory regime.

3. IFC AREAS OF FOCUS DURING THE CAS PERIOD

The CAS identified three levels of engagement for the Bank Group: national, local and private sector. IFC focused mainly on the private sector and at the local level. The CAS put a strong emphasis on Bank-IFC collaboration to promote private investment by strengthening regulatory agencies and reducing the cost of doing business. In the CAS, IFC's role was expected to promote financial intermediation and financing investment for infrastructure through both its investments and advisory services (AS), by 1) Lowering the cost of doing business, 2) strengthening regulatory agencies, 3) improving financial intermediation, and 4) financing infrastructure investments. In the CAS, under the base-case scenario, IFC commitments were expected to be around \$350 million.

Lowering the cost of doing business: IFC intended to help improve the land registration system through a private entity working with the Land Registration Authority under a public-private partnership (PPP).

Strengthening regulatory agencies: WBG helped strengthen regulatory capacity and independence of the metropolitan waterworks and sewerage system (MWS). For the power sector, the strategy focused on enhancing capacity of the Energy Regulation Committee through World Bank's technical assistance. IFC was expected to provide financing for the privatization.

Improving financial intermediation: IFC planned to develop housing finance, deepening the capital market, and strengthen the banking sector. In housing finance, it intended to invest in mortgage-servicing institutions and help restructure the national home mortgage finance corporation. IFC work on deepening the capital market included TA to the Philippines Stock Exchange and support for trading of bonds. In the banking sector, IFC sought to help reduce non-performing loans through investments in asset management companies that can dispose of NPLs. IFC also intended to provide acquisition financing to strong banks to assist in the consolidation of banking sector. In municipal finance, IFC aimed to support SME access to finance in Mindanao.

Infrastructure investments: IFC advised the Government on attracting private sector investment for light rail projects, small power utilities, and bulk water supply projects. IFC's investments were anticipated in toll roads, water, and power. IFC's emphasis on power included significant advisory services program for renewable energy, rural electrification, and transportation.

2) Local platform:

IFC intended to explore ways to enhance private financial institutions' access to long-term funds that would be retailed directly to Local Government Units for purely commercial projects. In addition, IFC sought to support the development of specialized private firms necessary for the smooth functioning of municipal bond market.

4. RELEVANCE OF IFC'S AREAS OF FOCUS

The CAS identified a wide range of IFC objectives that became more focused during the CAS period. The focus areas identified by IFC in the CAS were relevant to the Philippine's development needs. Philippine's underinvestment in infrastructure is a major obstacle to private sector investment. Improving the regulatory framework and capacity building for regulatory agencies, at national level and municipal levels, are key requirements for greater private sector participation in infrastructure.

Access to finance has been a key issue for many private businesses, as Philippines has a few market players in the middle market between microfinance and large commercial and public banks. The level of financial intermediation is still low. Banks are numerous but their asset size is small and need some consolidation to improve their efficiency. Supporting equity and bond markets are critical for effective financial intermediation in the economy.

5. IFC ACTIVITIES DURING THE CAS PERIOD

The CASCR contains little information on IFC activities. Therefore this CASCR Review supplemented the information contained in the CASCR with information from desk reviews of portfolio and the data gathered in the previous IEG-IFC evaluations (on Middle Income Countries, Health, and IEDR 2009).

A. IFC Investment Operations

During the CAS period, IFC committed more than twice the amount indicated in the CAS's base case. IFC's committed portfolio more than doubled during the CAS period and Philippines is now IFC's 8th largest exposure world-wide. During the CAS period, IFC committed \$754 million in 12 projects - more than double the base case presented in the CAS (\$350 million), and over three times the \$248 million committed during the prior four years. This accounted for 3 percent of IFC's worldwide commitments during the period. The table 1 compares Philippines against the other 6th to 10th largest IFC portfolio countries, namely Argentina, Mexico, Columbia and Indonesia.

New investments were predominantly in infrastructure and the financial sector. The three largest sectors of new investments were infrastructure (50%), financial markets (33%), and manufacturing and health services (8% each). In terms of committed amount, nearly two-thirds (66%) of IFC's commitment was in infrastructure, including the largest investment to date by IFC in the Philippines for \$275 million in the power sector in 2008. IFC made 4 investments in the power sector. IFC invested in one water project, the third investment in the Manila Water Company (\$30 million commitment), and one transportation project in toll way (\$50 million commitment).

Investments in financial sector comprised of one commercial bank, one insurance and three specialized financial companies. Equity investments were only 10 percent of IFC's portfolio, lower than the IFC-wide average of 20 percent. Share of greenfield projects halved from 48 percent in FY2001-04 to 24 percent in FY2005-08. Average investment size increased from \$10 million in FY2001-04 to \$62 million in FY2005-08 due to several large infrastructure projects.

Table 1. Philippine - Comparative Investment Data, FY05-08

| | Philippines FY05-08 | Philippine FY01-04 | Argentina FY05-08 | Mexico FY05-08 | Columbia FY05-08 | Indonesia FY05-08 | All Countries FY05-08 |
|---|------------------------|-----------------------|----------------------|-------------------|---------------------|----------------------|-----------------------------|
| Net IFC Commitments (\$m, net) | 754.289 | 247.637 | 1,004.246 | 743.214 | 774.760 | 787.649 | 29,910.493 |
| Number of Projects | 12 | 23 | 20 | 36 | 23 | 34 | 1209 |
| Average Investment Size (\$m) | 62.86 | 10.77 | 50.21 | 20.64 | 33.69 | 23.17 | 24.74 |
| Average Commitments per year (\$m) | 188.57 | 61.91 | 251.06 | 185.80 | 193.69 | 196.91 | 7,477.62 |
| Equity commitments (% of total) | 10% | 14% | 4% | 28% | 41% | 8% | 17% |
| Cancellations (percent of original commitments) | 5% | 39% | 0% | 15% | 10% | 7% | 4% |
| Commitments per capita (average annual US\$) | 2.17 | 0.17 | 6.35 | 1.76 | 4.20 | 0.87 | Na |
| Commitments/FDI (average annual percent) | 15% | 6% | 21% | 4% | 12% | 11% | Na |
| By Main Development Objective | | | | | | | |
| Infrastructure | 57% | 35% | 9% | 32% | 5% | 0% | 15% |
| Manufacturing/Services | 17% | 22% | 0% | 19% | 11% | 33% | 20% |
| Finance | 19% | 35% | 3% | 32% | 50% | 24% | 42% |

| | | | | | | | |
|-------------------------------|----|----|-----|----|-----|-----|----|
| Agribusiness | 0% | 0% | 67% | 0% | 29% | 40% | 8% |
| Health and Education | 2% | 9% | 4% | 2% | 0% | 1% | 4% |
| By Greenfield/Existing | | | | | | | |
| Existing Project | 76 | 52 | 72 | 63 | 57 | 47 | 60 |
| Greenfield | 24 | 48 | 28 | 37 | 43 | 53 | 40 |

Source: IFC MIS, World Bank data, Dec 2008

B. IFC Advisory Services Operations

IFC's advisory services operation in the Philippines is the 10th largest in terms of funding.

**Table2. Philippines - Comparative Advisory Services Data, FY05-08
IFC Advisory Services: Top 10 by Volume (Funding Amounts) (FY05-08)**

| Rank by amount | Country | Funding Amount (US\$ million) | Rank by number | Number of projects |
|----------------|--------------------|-------------------------------|----------------|--------------------|
| 1 | China | \$48.6 | 1 | 79 |
| 2 | Indonesia | \$40.3 | 3 | 65 |
| 3 | Ukraine | \$38.4 | 11 | 35 |
| 4 | Russian Federation | \$36.6 | 4 | 64 |
| 5 | Kenya | \$35.0 | 8 | 41 |
| 6 | India | \$33.4 | 2 | 69 |
| 7 | Bangladesh | \$29.1 | 5 | 48 |
| 8 | Vietnam | \$24.8 | 6 | 45 |
| 9 | Madagascar | \$19.3 | 26 | 20 |
| 10 | Philippines | \$19.3 | 15 | 32 |
| | IFC total | \$1,242.7 | | 1622 |

| AS Projects | Philippines | | Mexico | | Argentina | | Columbia | | Indonesia | |
|-------------|-------------|-----------|--------|-----------|-----------|-----------|----------|-----------|-----------|-----------|
| | # | US\$ mil. | # | US\$ mil. | # | US\$ mil. | # | US\$ mil. | # | US\$ mil. |
| Total | 32 | \$19.3 | 23 | \$6.6 | 4 | \$1.1 | 17 | \$4.6 | 65 | \$40.3 |

| | Philippines | | | Mexico | | | Argentina | | | Columbia | | | Indonesia | | |
|---------------------------------------|-------------|--------|-----|--------|--------|-----|-----------|--------|-----|----------|--------|-----|-----------|--------|-----|
| | # | \$ mil | % | # | \$ mil | % | # | \$ mil | % | # | \$ mil | % | # | \$ mil | % |
| Access To Finance | 7 | 3.6 | 19 | 7 | 2.5 | 38 | 0 | 0 | 0 | 4 | 0.2 | 5 | 14 | 13.2 | 33 |
| Business Enabling Environment | 7 | 2.1 | 11 | 8 | 2.8 | 44 | 0 | 0 | 0 | 5 | 0.8 | 17 | 24 | 4.2 | 10 |
| Corporate Advice | 3 | 0.8 | 4 | 1 | 0 | 0 | 1 | 0.1 | 9 | 1 | 0.02 | 0 | 15 | 10.3 | 26 |
| Environment and Social Sustainability | 5 | 6.6 | 34 | 4 | 0.2 | 3 | 3 | 1.0 | 91 | 6 | 1.7 | 37 | 8 | 9.7 | 24 |
| Infrastructure | 10 | 6.1 | 32 | 3 | 1.0 | 15 | 0 | 0 | 0 | 1 | 1.9 | 41 | 4 | 2.8 | 7 |
| Total | 32 | 19.3 | 100 | 23 | 6.6 | 100 | 4 | 1.1 | 100 | 17 | 4.6 | 100 | 65 | 10.3 | 100 |

IFC advisory services are heavily concentrated in Environment and Sustainability, followed by infrastructure, and Business Enabling Environment. By volume, the largest share of AS activities are in the Environment and Social Sustainability areas, including some of the sizable

Global Environment Facility (GEF) projects totaling nearly US\$9 million: Solar Photovoltaic demonstration project (\$4 million), Sustainability Energy Financing Program (\$2.7 million) and Asian Conservation Company — a private equity investment holding company that purchases majority ownership of companies operating in areas of significant marine biodiversity in the Philippines (\$2 million). Advisory services in infrastructure are the second biggest, with 32 percent of the funding (\$6.1 million). It includes assistance for privatization, corporate governance enhancement for privatized firms, and assistance to power and water companies to improve their environment standards. For improving business enabling environment, IFC committed \$1.4 million for conducting “Doing Business” surveys at the level of municipalities. IFC launched a large SME finance initiative (\$1.36 million) to raise awareness among the local banks on the advantages of SME financing and to provide long-term technical assistance to a small number of local financial institutions aimed at building their SME lending capacity.

Coordination with the World Bank:

The 2005 CAS contain well-integrated results metrics and discussions of coordinated efforts in infrastructure and PPP. In particular, collaboration in water sector had been high – IBRD and IFC assistance started in 1997, with privatization of Manila Water Utility. The World Bank provided loan for sewerage operations, while IFC’s investment accelerated the Utility’s privatization. In the power sector, the Bank provided advice on investing in downstream power investments (transmission and distribution) including rural electrification, while IFC focused on advising on privatization and investing in private companies.

IFC launched dedicated Advisory Services facility in the Philippines in 2006. PEP Philippine is the youngest Private Enterprise Program (PEP) and is funded by IFC, Australia and Canada. It has applied lessons from past facilities, including the recommendations from IEG evaluation of the PEP-ECA. PEP Philippines focused on three key areas: Access to finance, Business enabling environment, and Agriculture. In the Access to finance, the program focused on SMEs under-served by the lack of financial institutions that provide services to the middle market between microfinance and universal banks. The Business Enabling Environment program focused on lessening administrative barriers in the country and emphasized expanding the coverage of Doing Business indicators into municipal areas (the Sub-national Doing Business indicators), and investment promotion. Advisory services in agriculture are confined to the Mindanao Island.

To assist World Bank Group coordination, one new staff position was created in the Manila office with prime responsibility to coordinate both institutions, funded jointly by the Bank and IFC.

5. IFC INVESTMENT OUTCOMES

Throughout the CAS period, the credit quality of IFC’s portfolio in the Philippines has been weak. IFC's credit risk ratings (CRRs) as of June 30, 2008 point to many problem assets in IFC's portfolio in Philippines. Seven out of 21 loans and 10 out of 23 active equities have Credit Risk Rating of 5 or higher, indicating weak financial performance. Out of 34 active projects, eight (24 percent) are in the Department of Special Operations (CSO) for intensive restructuring, workout and/or legal actions. Other two projects are covered jointly between industry department and CSO

for additional credit monitoring. General Manufacturing and Services projects are the dominant group among those covered by the CSO (50%), followed by financial markets (30%) and agribusiness and information technology (10% each). Weakness in the portfolio could get worse with the onset of the financial crisis and the portfolio investments should be monitored closely.

Chart 1. Average Loan Credit Risk Ratings in Philippines, Indonesia, Argentina and IFC Average

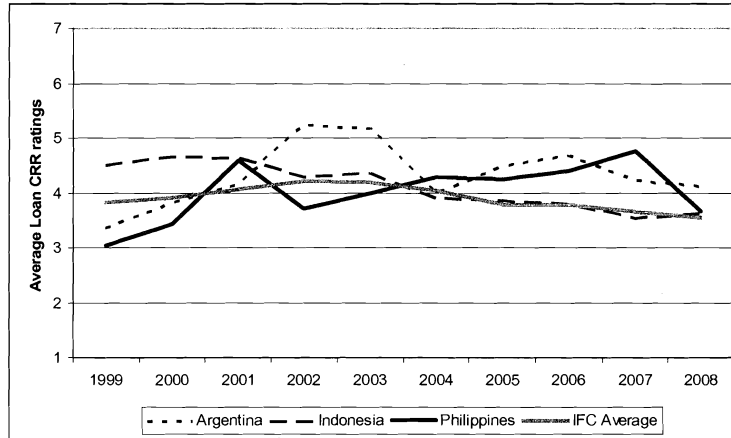
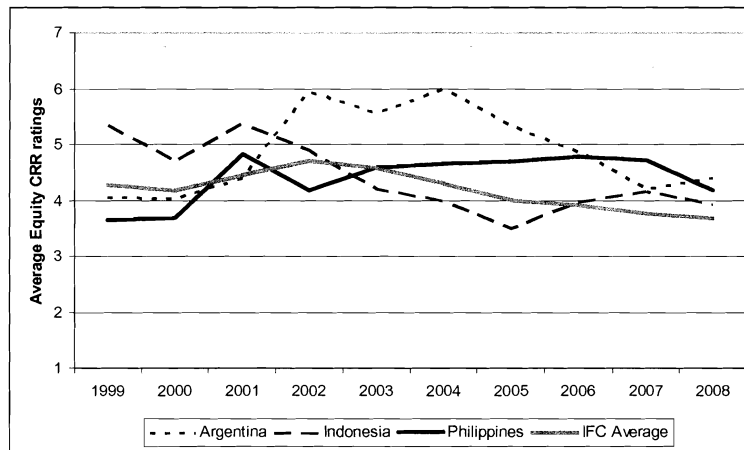


Chart 2. Average Equity Credit Risk Ratings in Philippines, Indonesia, Argentina and IFC Average



Past projects saw a relatively low proportion of investment outcome success. A sample of XPSR data shows a relatively lower level of satisfactory investment outcomes on projects evaluated between 2005 and 2008. Table 3 shows that 67 percent of the sample of the Philippine projects evaluated between 2005 and 2008 were satisfactory, compared to 70 percent IFC-wide. However, the results may be much lower as two investments in the XPSR sample were not yet reflected in the results because of they are under litigation. The results in the general manufacturing

and service sector were poorer, similar to the poor performance in terms of incidence of NPLs among the sector projects in the country portfolio.

Table 3. Investment Outcome Results of Projects Evaluated Between 2005-08

| <i>(All figures are percent of projects with successful outcomes)</i> | Philippines | Mexico | Argentina | Columbia | Indonesia | All Countries |
|---|-------------|------------|------------|-------------|------------|---------------|
| Investment Outcome | 67%* | 75% | 38% | 100% | 67% | 70% |
| Loan | 67% | 91% | 50% | 100% | 100% | 86% |
| Equity | 67% | 25% | 50% | 100% | 50% | 67% |

Source: IEG XPSR Database as of January 14, 2009

*XPSR investment outcome data for Philippine excludes 2 projects that are under litigation.

6. IFC's CONTRIBUTION TO PRIVATE SECTOR DEVELOPMENT

Table 4. Development Outcome Results of Past Projects Evaluated between 2005 and 2008

| <i>(All figures are percent of projects with successful outcomes)</i> | Philippines | Mexico | Argentina | Columbia | Indonesia | All Countries |
|---|-------------|------------|------------|-------------|------------|---------------|
| Development Outcome | 50% | 67% | 25% | 100% | 60% | 64% |
| Project Business Success | 75% | 33% | 29% | 75% | 80% | 53% |
| Economic Sustainability | 75% | 67% | 29% | 100% | 80% | 69% |
| Environment and Social Sustainability | 67% | 55% | 83% | 57% | 100% | 68% |
| Private Sector Development | 75% | 100% | 57% | 100% | 80% | 86% |

Source: IEG XPSR Database as of January 14, 2009

Based on sample of projects which reached maturity during the CAS period (approval between 2000 and 2003, evaluated between 2005 and 2008), projects in Philippines performed relatively poorly compared to the other countries with high IFC exposure. Projects in trade finance and information technology registered low development outcomes, while projects in transportation finance and professional services had high development ratings. As noted in the investment outcome section above, there are high numbers of projects under the workout, restructuring and legal action.

During the current CAS period, despite the growth in commitment volume, IFC's investments have a much lower risk profile.

Out of 12 commitments made during the CAS period, three are repeat projects. Again, during 2000-2002 period, (which were evaluated by IEG-IFC between 2005 and 2008), about one-third of sampled projects had sponsor with weak experience, commitment or capacity. On the other hand, none of the sampled projects approved between 2005 and 2007 had weak sponsors.

I) Private Sector Platform

A) Financing infrastructure: IFC has made significant contributions to the power sector, which followed the government's reform initiatives emphasizing the role of the private sector.

Power

IFC made a significant contribution in the power sector through investment and advisory services. The Electric Power Industry Reform Act (the "EPIRA") was enacted in 2001 but gained momentum only in 2006. IFC investment in the sector is closely aligned with policy reform. IFC assisted intensively in power sector privatization through advisory services and invested in 4 power companies.

IFC's investment in PNOC-EDC, larger of the two companies currently exploiting geothermal sources of energy in the country, helped it to launch initial public offering (IPO) at the Manila Stock Exchange to reduce the government ownership from 100 percent to 60 percent. Prior to the IPO, IFC provided advisory services to the company to prepare for the private sector corporate governance structure (such as the role of the board of directors). The IPO was fully subscribed by local and international private investors, sending a positive signal to investors on the prospects of the Government's power sector reform program. The company was fully privatized in December 2007.

IFC financed Magat Hydro, one of the first merchant power plants in East Asia and is being privatized under the EPIRA. IFC supported the transaction with a loan of \$105 million. The project included IFC's use of a significant amount of long-tenor Philippine peso financing, which will help to mitigate foreign exchange risk.

Masinloc Power is the second power privatization project with significant foreign participation and the second merchant power plant to be financed internationally in a developing country in East Asia. After IFC's commitment to the project, two follow-on privatizations have already occurred (Ambuklao-Binga and Tiwi-Makban).

IFC also supported Cagayan Electric, the electricity distribution company. IFC's corporate loan was aimed to support the company's expansion plan with long-term peso denominated loan, which it does not have access in the market.

IFC is also supporting private participation in the power sector through advisory services, especially rural electrification. IFC was requested by the government to assist increasing private participation in the areas covered by the National Power Corporation's Small Power Utility Group (SPUG), the monopoly of power supply in the islands and off-grid areas. IFC prepared a regulatory framework for private sector participation in SPUG areas; drafted model contractual documents, such as the Power Supply Agreement and Subsidy Agreement; and designed, managed, and implemented a competitive and transparent process to select new private power providers. The first pilot SPUG transaction was completed in 2005, covering the areas of Marinduque, Tablas, and Romblon. It was followed by SPUG II in 2006-07 in the fourth poorest province of Masbate, and most recently, in 2007-08, in Basilan Island, a conflict-ridden area south of Mindanao.

Other types of advisory services in this sector were targeted to more venture-type activities in the power sector. Through advisory services, IFC supported rural electrification and use of environmentally-friendly technology. For example, IFC conducted market research for potential of district-level power generation such as small hydro, through Portfolio Approach to Distributed Generation Opportunity (PADGO), which aims to improve access to cleaner and more reliable

sources of energy for underserved populations. Similarly, IFC demonstrated a solar photo-voltaic project in 2007, and rural electrification advisory services programs in 2008.

IFC interventions contributed to the government's efforts to promote more cost-efficient supply of electricity through privatization and sustainable power sector development. However, the slow adjustment of electricity-tariffs to global input prices (e.g., oil price) and lack of transparency in the pricing mechanism remain a matter of concern for investors. Moreover, Philippines power sector has high dependency on fossil fuels as the primary source of power generation.

Water supply

IFC had successful water PPP. IFC's support to urban water supply started with assisting PPP in Manila Water Company. It has achieved significant increases in connections, expansion of networks, reductions in NRW and other performance indicators. The company also implemented a number of schemes under its Tubig Para Sa Barangay (TPSB - Water For The Urban Poor) program to enable lower-income households to connect to the pipewater system at a reduced cost. The program has already benefited more than 148,000 poor households since its inception in 1997, and it will be substantially expanded during 2006-2009 to connect many more poor households.

The company had a successful IPO in 2005, and also attracted additional loans. It was the winner of IFC's 2007 Client Leadership Award. The experiences of Manila Water can be contrasted to its Metro Manila counterpart, Maynilad, which had a corporate restructuring. The government had to re-privatize the concession in 2006. During the CAS period, IFC committed a third investment to MWC. The main objectives of the investment program are: (i) expansion of services to include underserved poor neighborhoods in urban and peri-urban areas beyond the existing network; improvement in the availability and quality of water supply, and; (iii) substantially improving and extending the sanitation services network.

Transport

The project in the road sector faced construction delays and the undisbursed loan is in the process of cancellation. The project was designed to rehabilitate and expand the South Luzon Expressway (SLEX), thereby providing an efficient and safe expressway for the southern region of Manila. The project encountered various difficult legal issues and its completion is not expected until 2010 compared to the original completion target of December 2008. The company did not meet conditions of disbursement and preferred to cancel the IFC's loan.

B) Improving financial intermediation

The performance so far is mixed in housing finance investments. IFC invested in one project (*Filinvest Land*) for new mortgage financing, and so far it has been exceeding expectation in terms of providing new mortgage lending. IFC also helped develop the country's first specialized third party servicer (*Bahay Financial Services*). On the other hand, investment in resolution of non-performing loans and securitization has underperformed (*Baliktaan*). IFC has been assisting consolidation of insurance industry and banking sector. In the banking sector, IFC's investment in Banco de Oro has played a consolidator in the industry and is now the country's largest bank. IFC

is supporting SME finance through the establishment of the SME Banking program under Access to finance program which aims to build the capacity of financial institutions to lend to SMEs.

IFC also started to implement energy efficiency finance program, although it is too early to assess the results. The Philippines Sustainable Energy Financing Program has funding from GEF. This program leverage IFC's experiences in Eastern Europe, Russia and China in assisting financial institutions, technical service providers and utilities, for developing sustainable financing mechanisms for energy efficiency investments.

C) lowering the cost of doing business, and D) strengthening regulatory agencies

Several IFC's advisory services projects were aimed at investment promotion. This involves assistance to investment promotion policy development, promotional activities of certain regions (islands), and assistance to board of investment aftercare programs. Furthermore, IFC is expanding the coverage of Doing Business indicators to the municipality level within the country. This means that IFC is not just working with private sector but also with governments at different levels. IFC also actively participates in the Philippine Development Forum (PDF) – a year long series of activities culminating in an annual event to facilitate substantive policy dialogue between the Philippine government and stakeholders on the country's development agenda. The PDF is co-chaired by the government and the World Bank. IFC focuses on the Growth and Investment Climate Working Group as co-chair.

II)Local platform:

IFC intensified its activities targeting to the sub-national entities. On August 1, 2006, the Board endorsed a three-year joint World Bank-IFC sub-national finance initiative, which was followed by the creation of the joint World Bank-IFC Sub-national Finance Department. The program aims to scale up financial and capacity-building support to sub-national entities and facilitate the development of local credit markets and mobilize local private financing. The initial IFC support to the geothermal arm of the Philippines National Oil Company's (PNOC), both as a cornerstone equity investor and as governance-related advisory services, was derived from this initiative. .

7. IFC'S ADDITIONALITY

Besides providing financial additionality through its investments, IFC demonstrated other types of non-financial additionality, especially in the area of public-private risk allocation and the establishment of better standards. During the CAS period, IFC concentrated its efforts in mainly two sectors-- infrastructure and financial markets. IFC played strong role in infrastructure activities during the CAS period. As the power sector reform under EPIRA gained momentum, IFC supported the sector transformation by advising the government on privatization, assisting in regulatory framework and investing in privatization of utility companies. The IFC investments bring confidence in the reform, and provided funding where private lenders were not enthusiastic to provide. IFC also leveraged its additionality, by not just providing long-term financing, but also through other innovative products, such as local currency denominated long-term

loans. IFC was also active in enhancement of corporate governance.

7. IFC'S PERFORMANCE

During the CAS period, IFC's performance was positive in its infrastructure operations (especially in the power sector); launching sizable advisory services operations in environment and sustainability. It is commendable that IFC was managed to engage in many different areas (from privatization to rural electrification) in a relatively short period of time in the power sector to realize sizable investment and advisory service projects.

On the other hand, IFC portfolio performance has been weak. IFC is still working with some problem projects, in some financial market and general manufacturing and service companies. This was reflected in IFC's mixed results from the projects evaluated over the CAS period. Based on the XPSR ratings, IFC's work quality was weaker in the projects in the Philippines compared to the other countries. The supervision of work quality reflects actual work performed during the evaluation periods 2005-2008, which was far lower (50%) than the IFC overall result (84%).

Table 5. IFC Work Quality of Past Projects Evaluated between 2005-08

| <i>(All figures are percent of projects with successful outcomes)</i> | Philippines | Mexico | Argentina | Columbia | Indonesia | All Countries |
|---|-------------|------------|------------|-------------|------------|---------------|
| IFC Work Quality | 50%* | 75% | 57% | 100% | 80% | 78% |
| Screening, Appraisal and Structuring | 50% | 58% | 43% | 100% | 80% | 67% |
| Supervision and Administration | 50% | 83% | 57% | 100% | 80% | 84% |
| IFC Role and Contribution | 75% | 92% | 57% | 88% | 80% | 82% |

Source: IEG XPSR Database as of January 14, 2009

*XPSR IFC work quality data for Philippines excludes 2 projects that are under litigation.

8. LESSONS AND CHALLENGES

- Prepare for the impact of the global financial crisis.** The current global financial crisis is likely to have an impact on the Philippines. As the recent growth was attributed to the domestic consumption, partly financed by migrant workers' remittances, this income flow is most likely to be affected by the global downturn. IFC need to manage the tension between protecting the portfolio and responding to opportunities for new investments during the crisis. Problem projects in the current portfolio, especially in the financial sector, where performance to date has been particularly weak, may consume extra efforts for the country. IFC may need to: (i) accelerate exiting or restructuring of less successful projects in the portfolio; (ii) explore ways to systematically de-link work-out cases from the portfolio by supporting initiatives to manage distressed assets.
- High concentration in infrastructure may constrain IFC's capacity to expand in the sector within the prudential limits.** IFC has been investing heavily in infrastructure, both through advisory services and investment. The projects' results are also positive. IFC's

activities meet the country's acute needs in infrastructure investments. However, this large concentration of exposure to the sector may not be prudent in terms of portfolio diversification and risk management. IFC has to consider ways to transfer exposure in infrastructure to other parties through securitization in order to maintain some headroom for flexible operations in infrastructure.

- **Poor business climate constrains IFC's effectiveness.** The 2009 Doing Business Report ranked the Philippines as the 140th in the Ease of Doing Business Ranking. This is much lower than other high exposure countries (ranks for Columbia was 53, Mexico 56, Argentina 113 and Indonesia 129). Such poor business environment affects the quality and performance of investments, as indicated by the relatively weak credit quality in certain IFC investments in the past.
- **Extending IFC's reach to more challenging areas, such as agriculture, assistance to rural areas, and mining.** IFC need to follow through the current IFC Philippine strategy which includes focusing on the agribusiness and the natural resource sectors particularly mining. In agribusiness, IFC currently has an advisory program in Mindanao focused on the banana value chain which offers investment opportunities further down the road. In mining, IFC is focused on identifying transactions that can be implemented in line with industry best practice and full compliance with our environmental and social performance standards. IFC should also put emphasis on demonstration of results from these limited interventions.

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Standard Annex Tables

Table 1: List of Investment Operations Committed in Philippines, FY05-08 (US\$'000)

| Project ID | Project Short Name | Approval FY | Project Status Name | IFC Sector group name | Secondary Sector Name | Total Commitment | Total |
|-------------|--------------------|-------------|---------------------|----------------------------|--|------------------|----------|
| 21476 | NHMFC Asset Sale | 2005 | Active | Finance | Housing Finance | 32646.47 | 32646.47 |
| 22015 | PLGIC | 2005 | Active | Finance | Insurance | 1500 | 1500 |
| 22294 | Cagayan Electric | 2005 | Active | Infrastructure | Electric Power | 14948.14 | 14948.14 |
| 24131 | Filinvest Land | 2005 | Active | Finance | Housing Finance | 41364.1 | 41364.1 |
| 24143 | SLTC | 2007 | Active | Infrastructure | Transport Service | 50175.61 | 50175.61 |
| 24262 | Eastwood II | 2005 | Closed | Construction and Materials | Construction and Real Estate | 12500 | |
| 25321 | MWC III | 2007 | Active | Infrastructure | Water and Other Waste Treatment | 30000 | |
| 25389 | PNOC-EDC | 2007 | Active | Infrastructure | Electric Power | 50000 | 49330.34 |
| 25701 | BDO Tier 2 | 2008 | Active | Finance | Commercial Banking | 153339.4 | 153339.4 |
| 26041 | Magat Hydro | 2008 | Active | Infrastructure | Electric Power | 105000 | 105000 |
| 26201 | Asian Hospital 2 | 2008 | Active | Health | Hospitals, Clinics, Laboratories & Other | 30984.88 | 30984.88 |
| 26405 | Masinloc Power | 2008 | Active | Infrastructure | Electric Power | 275000 | 275000 |
| Grand Total | | | | | | | 754288.9 |

Table 2: List of Advisory Services Projects in India (US\$), FY05-08

| Project ID | Project Name | FY of Project Approval | Sector | Primary Business Line | Total |
|------------|--|------------------------|---------------------------------|---------------------------------------|-----------|
| 23314 | Manila LRT | 2005 | Transportation | Infrastructure | 1,807,000 |
| 24151 | BOT Center Water | 2005 | Water | Infrastructure | 1,239,000 |
| 523746 | CCF Manila Water | 2005 | Other | Environment and Social Sustainability | 30,300 |
| 530940 | Philippines Micro Enterprise Bank Emergency Institutional Building Program | 2005 | Microfinance and Small Business | Access To Finance | 90,000 |
| 532243 | Assessment and Market Analysis of the Healthcare Industry | 2005 | Health | Infrastructure | 163,000 |
| 532849 | Banco de Oro: Strengthening FI in East Asia | 2005 | Finance & Insurance | Access To Finance | 425,000 |
| 532946 | Boracay Island Private Sector Investment Opportunities Assessment | 2005 | Other | Business Enabling Environment | 218,000 |
| 534063 | Sustainability Assessment of Megaworld's New Port City Development | 2005 | Construction and Real Estate | Environment and Social Sustainability | 150,000 |
| 537269 | Banco de Oro- CG | 2005 | Finance & Insurance | Value Addition to Firms | 51,700 |
| 538427 | Diffusion and Linkages Between Multinational and Domestic Firms | 2005 | Other | Business Enabling Environment | 91,800 |
| 538786 | Assistance with the development of a Retention, Expansion and Diversification (RED) Program. | 2005 | Other | Business Enabling Environment | 102,165 |
| 502486 | GEF SE CEPALCO SOLAR PHOTOVOLTAIC DEMONSTRATION PROJECT | 2007 | Power | Environment and Social Sustainability | 4,185,000 |
| 506048 | GEF Asian Conservation Company (ACC)- (Tranche I) | 2007 | Finance & Insurance | Environment and Social Sustainability | 2,020,000 |
| 507694 | GEF Philippines Sustainable Energy Financing Program | 2007 | Other | Environment and Social Sustainability | 2,700,000 |
| 548306 | Philippines Investment Promotion Policies | 2007 | Other | Business Enabling Environment | 229,000 |
| 548725 | Credit Bureau Development in Philippines | 2007 | Finance & Insurance | Access To Finance | 229,000 |
| 550225 | Bank SME TA Phil | 2007 | Other | Access To Finance | 2,550,000 |
| 553125 | Doing Business Plus (Phil) | 2007 | Other | Business Enabling Environment | 1,363,000 |
| 553705 | Technical Assistance to subnational entities in the Philippines | 2007 | Other | Infrastructure | 150,000 |
| 556085 | PADGO Philippine Market Research | 2007 | Other | Environment and Social Sustainability | 216,666 |
| 558265 | Philippines Board of Investment Aftercare Program | 2007 | Other | Business Enabling Environment | 25,000 |
| 26513 | Small Power Utilities Group | 2008 | Power | Infrastructure | 125,000 |
| 26783 | SPUG Sulu | 2008 | Power | Infrastructure | 110,000 |
| 26815 | Olongapo Power | 2008 | Other infrastructure | Infrastructure | 600,000 |
| 549585 | Phils SEF | 2008 | Other | Access To Finance | 545,000 |
| 554187 | Philippines Rural Electrification | 2008 | Distribution | Infrastructure | 547,000 |
| 560045 | PHILIPPINES CORPORATE GOVERNANCE SCORECARD | 2008 | Other | Value Addition to Firms | 145,000 |
| 561416 | Mindanao Banana Value Chain | 2008 | Agribusiness | Value Addition to Firms | |
| 562567 | PPDialogue | 2008 | Other | Business Enabling Environment | 96,000 |