

Completion Report

Project Number: 47337-001

Loan Number: 3080

June 2016

Philippines: Emergency Assistance for Relief and Recovery from Typhoon Yolanda

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Asian Development Bank

CURRENCY EQUIVALENTS

Currency Unit – peso/s(P)

At Appraisal At Project Completion

2 December 2013 31 May 2015

P1.00 = \$0.0228 \$0.0223 \$1.00 = P43.77 P44.74

ABBREVIATIONS

ADB – Asian Development Bank
CPS – country partnership strategy

CRRP – Comprehensive Rehabilitation and Recovery Plan

DALA – damage and loss assessment
DBM – Department of Budget Management

DOF – Department of Finance
DRF – disaster risk financing
EAL – emergency assistance loan
GRDP – gross regional domestic product
LIBOR – London interbank offered rate

NEDA – National Economic and Development Authority

OPARR – Office of the Presidential Assistant for Rehabilitation and

Recovery

PARR – Presidential Assistant for Rehabilitation and Recovery

PDNA – post-disaster needs assessment
PDP – Philippine Development Plan
PMO – project monitoring office

PPA – programs, projects, and activities PSA – Philippine Statistics Authority

RAY-BBB – Reconstruction Assistance on Yolanda-Bring Back Better
RAY-I4R – Reconstruction Assistance on Yolanda-Implementation for

Results

YRRP – Yolanda Recovery and Rehabilitation Plan

NOTES

(i) The fiscal year (FY) of the Government of the Philippines ends on 31 December.

(ii) In this report, "\$" refers to US dollars.

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BASIC DATA

A. Loan Identification

1. Country Republic of the Philippines

2. Loan Number 3080

3. Project Title Emergency Assistance for Relief and Recovery

from Typhoon Yolanda

Borrower
 Executing Agency
 Republic of the Philippines
 Department of Finance

6. Amount of Loan \$500 million

7. Project Completion Report PCR:PHI 1563

Number

B. Loan Data

1. Appraisal

Date StartedDate CompletedNot requiredNot required

2. Loan Negotiations

Date StartedDate Completed28 November 201328 November 2013

(technical discussion signed 29 Nov 13)

3. Date of Board Approval 6 December 2013

4. Date of Loan Agreement 23 December 2013

5. Date of Loan Effectiveness

In Loan AgreementActualActual23 March 201428 February 2014

Number of Extensions0

6. Closing Date

In Loan AgreementActualActual31 December 201431 May 2015

Number of Extensions1

7. Terms of Loan

Interest Rate
 London interbank offered rate (LIBOR)-based

– Maturity (number of years)– Grace Period (number of years)8 years

8. Disbursements

. Dates

Initial Disbursement	Final Disbursement	Time Interval
18 March 2014	13 April 2015	12.86 months
Effective Date	Actual Closing Date	Time Interval
28 February 2014	31 May 2015	15.03 months

b. Amount (\$ million)

Category or Subloan	Original Allocation	Last Revised Allocation	Amount Canceled	Net Amount Available	Amount Disbursed	Undisbursed Balance
01 Total	500.00 500.00				500.00 500.00	

C. Project Data

1. Project Cost (\$ million)

Cost	Appraisal Estimate	Actual
Foreign Exchange Cost	500.00	500.00
Total	500.00	500.00

2. Financing Plan (\$ million)

Cost	Appraisal Estimate	Actual
Implementation Costs		
Borrower Financed	0.00	0.00
ADB Financed	500.00	500.00
Total	500.00	500.00

ADB = Asian Development Bank.

3. Project Schedule

Item	Appraisal Estimate	Actual
Other Milestones		
First Installment	23 March 2014	18 March 2014
Second Installment	Based on financing needs	11 July 2014
Third Installment	Based on financing needs	13 April 2015

4. Project Performance Report Ratings [e-Operations (eOps)]

Implementation Period	Ratings	Implementation Progress
Q1 2014 to Q3 2014	On track	
Q4 2014	Actual problem	Did not meet baseline projection on disbursement. Original target was full disbursement by 31 December 2014. The loan closing date was
Q1 2015 to Q2 2015	On track	extended to 30 June 2015. The emergency assistance loan was fully disbursed on 13 April 2015.

Q = quarter.

D. Data on Asian Development Bank Missions

Name of Mission	Date	No. of Persons	No. of Person-Days	Specialization of Members ^a
Project completion review	13 April 2016	2	2	a,b

a = senior economics officer, b = associate operations analyst.

I. PROJECT DESCRIPTION

- 1. On 9 December 2013, the Asian Development Bank (ADB) approved an emergency assistance loan (EAL) of \$500 million to the Government of the Philippines for Emergency Assistance for Relief and Recovery from Typhoon Yolanda ¹ following the catastrophic destruction caused by Typhoon Yolanda ² on 8 November 2013. The project was within the scope of ADB's Disaster and Emergency Assistance Policy. ³ The intended impact was to revitalize the regional economies in the Visayas. The intended outcome was to mitigate the adverse social impact of the typhoon on the poor in the affected areas. The outputs of the project were to (i) finalize the government's Yolanda Recovery and Rehabilitation Plan (YRRP), and (ii) meet funding for the national government expenditure program for 2014. The loan became effective on 28 February 2014. The original closing date was 31 December 2014, but at the request of the government, this was extended to 30 June 2015 to allow full disbursement of the EAL.
- 2. Typhoon Yolanda, one of the strongest storms ever recorded, battered the central part of the Philippines with heavy rains and strong winds reaching 315 kilometers per hour. It caused storm surges over 4 meters high in the seas surrounding the coastal towns of Samar and Leyte, which resulted in the loss of thousands of lives and massive damages to public and private properties. The typhoon affected more than 16 million people; caused over 6,000 deaths; displaced 4.1 million people; and either destroyed or severely damaged more than a million houses, 600,000 hectares of agricultural land, 33 million coconut trees, and hundreds of electric transmission towers and cooperatives. The damages required rebuilding thousands of public offices, markets, and classrooms; hundreds of health facilities and roads; and called for an immediate response from the government. The President of the Philippines declared a state of national calamity on 13 November 2013, and established the Office of the Presidential Assistant for Rehabilitation and Recovery (OPARR) on 6 December 2013 to coordinate and monitor the government's recovery and reconstruction efforts. The post-disaster period may be categorized in three phases—from immediate relief through recovery to reconstruction.
- 3. ADB estimated that the potential impact of the typhoon in the Central, Eastern, and Western Visayas—the hardest hit areas—would be a 4%–8% decrease in their combined real gross regional domestic product (GRDP) growth in 2014. Poverty incidence in the Visayas was expected to surge after the typhoon.
- 4. Since the magnitude of the damage caused by the disaster would stretch government resources, ADB responded to the government's request to support its fiscal response to meet expenditure needs under the government's YRRP and other disaster-related public expenditures. This was because financing the budget gap for 2013 and 2014 would be much larger than what had been projected since (i) the government would have to replenish its calamity and other related funds to ensure budget is available for immediate relief efforts, and (ii) the expected GRDP contraction would result in forgone tax revenues.

ADB. 2013. Report and Recommendation of the President to the Board of Directors: Proposed Loan to the Republic of the Philippines for Emergency Assistance for Relief and Recovery from Typhoon Yolanda. Manila.

Internationally known as Haiyan, it was classified a supertyphoon, with maximum winds of at least 241 kilometers per hour according to the United States Joint Typhoon Warning Center.

³ ADB. 2004. Disaster and Emergency Assistance Policy. Manila.

II. EVALUATION OF DESIGN AND IMPLEMENTATION

A. Relevance of Design and Formulation

- 5. The design and formulation of the project was *highly relevant*. It aimed to provide immediate support for the government to meet the expected additional financing arising from new spending initiatives under the government's recovery plan. It also aimed to replenish calamity and related funds as needed by the government. Since no specific uses were earmarked for this loan, the project provided immediate and flexible financing that was deemed suitable for supporting the government's fiscal adjustment.
- 6. The EAL contributed to the key support area in ADB's country partnership strategy (CPS) for the Philippines, 2011–2016—to reduce environmental degradation and vulnerability to climate change and disasters.⁴ This was in line with the Philippine Development Plan (PDP), 2011–2016.⁵

B. Project Outputs

7. The outputs of the project are (i) the government's YRRP finalized, and (ii) funding for the 2014 national government expenditure program met. Both outputs have been achieved. The YRRP was submitted to the President of the Philippines on 1 August 2014 as the Yolanda Comprehensive Rehabilitation and Recovery Plan (CRRP). The President approved the CRRP on 29 October 2014. The government had withdrawn the full amount of the EAL by 13 April 2015. Since the timing of the withdrawals was based on the need for funding implementation of activities under the Yolanda CRRP, the government was able to support the financing requirements of recovery and rehabilitation activities in 2014.

1. Government's Yolanda Recovery and Rehabilitation Plan Finalized

8. Along with other development partners and the United Nations Office for the Coordination of Humanitarian Affairs, ADB coordinated closely with the National Economic and Development Authority (NEDA) in the initial formulation of the YRRP—starting with a rapid damage and loss assessment (DALA) carried out in November 2013. NEDA led the development of the Master Plan for Post-Yolanda Reconstruction, ⁷ working with other government agencies and development partners based in Manila to provide assessments of the damage, loss, and needs of each sector. ADB had identified 40 staff and consultants to assist in the disaster response, of which 16 actively assisted in the DALA. The two planning documents produced by NEDA based on this undertaking were (i) Reconstruction Assistance on Yolanda: Build Back Better (RAY-BBB);⁸ and (ii) Reconstruction Assistance on Yolanda: Implementation for Results (RAY-I4R).⁹

⁴ ADB. 2011. Country Partnership Strategy: Philippines, 2011–2016. Manila. This is consistent with ADB. 2014. Country Operations Business Plan: Philippines, 2016–2018.

⁵ Government of the Philippines, National Economic and Development Authority (NEDA). 2011. *Philippine Development Plan*, 2011–2016. Manila.

⁶ Yolanda CRRP is the name of the finalized YRRP approved by the President in October 2014.

⁷ The Master Plan for Post Yolanda Reconstruction recovery plan (later called the YRRP, then the CRRP) aimed to address both the social and economic impacts of the typhoon. The plan included assessing damage to infrastructure and preparing more resilient design standards for infrastructure projects.

⁸ Government of the Philippines, NEDA. 2013. Reconstruction and Assistance on Yolanda: Build Back Better.

Government of the Philippines, NEDA. 2014. Reconstruction and Assistance on Yolanda: Implementation for Results. Manila.

- 9. The RAY-BBB, published by NEDA in December 2013, was presented by the President of the Philippines at an international donors' conference in Manila on 18 December 2013. Guided by the "build back better" principle, the RAY-BBB was the basis for immediate government intervention to address critical and immediate needs in the affected areas, and was to facilitate international donor assistance. The RAY-BBB was also designed to help in the development and implementation of recovery and reconstruction plans over the medium term. It estimated the overall damage and loss caused by Typhoon Yolanda to be P571 billion. The total estimated amount of resources needed for recovery and reconstruction was P360.9 billion, of which P34.5 billion were for critical immediate actions, P90.6 billion for short-term interventions (2014), and P235.8 billion for medium-term needs (2015–2017).
- 10. The RAY-I4R, published by NEDA in October 2014, provided an overall results framework for monitoring progress in the recovery and rehabilitation program, consistent with the PDP, 2011–2016. It highlighted that a large portion of the recovery and reconstruction needs was related to the private sector. The RAY-I4R provided a framework for identifying policies, operational strategies, and roles and responsibilities for implementation to guide decisions affecting short- to medium-term recovery and rehabilitation. Additional policies aimed at strengthening disaster resilience might be required to sustain the recovery process.
- 11. The Office of Civil Defense conducted a post-disaster needs assessment (PDNA) from January to March 2014, with technical support from the United Nations Development Programme. Completed in April 2014, the PDNA estimated the total damage caused by Typhoon Yolanda at P89.6 billion, loss at P42.8 billion, and needs at P104.6 billion. The needs figure was the amount required for physical reconstruction. While the RAY-BBB provided a comprehensive estimate of total public and private economic damage, loss, and needs, the PDNA focused on government financing needs, mainly physical reconstruction costs. The RAY-BBB used national government agency data while the PDNA, with a bottom—up approach, used information from the rehabilitation and reconstruction plans submitted by local government units.
- 12. OPARR formulated the Yolanda CRRP based on the RAY prepared by NEDA and the PDNA from the Office of Civil Defense. The CRRP listed the reconstruction investment projects, detailing the formulation, implementation, updating, and monitoring of the recovery and full rehabilitation phases. The CRRP provided programs, projects, and activities (PPAs) to meet the needs identified in the PDNA. The planning process for the CRRP considered gender sensitivity since men and women differ in their experience of, response to, and recovery from disasters. This aimed to minimize vulnerability, especially of women, and to allow equal benefits for men and women.
- 13. To facilitate management and coordination, OPARR established four clusters at the national level, each representing an area of support in the Yolanda CRRP. Each cluster was chaired by a department secretary, with members representing national government agencies. An additional cluster, the support cluster, included members from oversight agencies, i.e., NEDA, the Department of Budget Management (DBM), and the Department of Finance (DOF). Guided by the RAY-BBB and RAY-I4R, national line agencies and local government units had submitted projects for inclusion in the Yolanda CRRP. Table 1 provides details of each cluster.

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¹⁰ Government of the Philippines, NEDA. 2014. Yolanda Comprehensive Rehabilitation and Recovery Plan. Manila.

Table 1: Yolanda Comprehensive Rehabilitation and Recovery Plan Clusters

Cluster	Lead Agency	Responsibility
Infrastructure	Department of Public Works and Highways	In charge of the rehabilitation programs and projects relating to infrastructure. Includes construction, repair, and restoration of damaged roads, bridges, and other public infrastructure
Resettlement	Housing and Urban and Development Coordinating Council	Responsible for the programs and projects relating to the resettlement of affected families living in danger zones to safe areas and for the development of secure, comprehensive, and sustainable settlements.
Social Services	Department of Social Welfare and Development	Responsible for the immediate relief operations and community services in the affected areas. Includes food, health, education, emergency shelter, and core shelter assistance.
Livelihood	Department of Trade and Industry	Responsible for the provision of livelihood and emergency employment assistance to the affected families. Includes crop production and industry and trade services, forestry, fishery, and livestock and poultry industries.
Support (additional cluster to address concerns among the above four clusters)	Department of Budget and Management (DBM) and National Economic Development Authority (NEDA)	In charge of addressing crosscutting policy concerns and issues among the different clusters. Includes assisting the Office of the Presidential Assistant for Rehabilitation and Recovery (OPARR) in the consolidation of the evaluated cluster action plans and identification and provision of funding support to the major programs and projects as well as addressing policy matters

Source: Government of the Philippines, NEDA. 2014. Yolanda Comprehensive Rehabilitation and Recovery Plan.

14. The cluster arrangement helped OPARR oversee the relevant government agencies' implementation of plans and programs. It also facilitated submission of status reports on implementation of the clusters, as required by the President of the Philippines. OPARR managed and coordinated implementation of the Yolanda CRRP until the responsibilities were transferred to NEDA beginning 22 April 2015. NEDA, via the Yolanda project monitoring office (PMO), has since undertaken all coordination, monitoring, and evaluation functions previously done by OPARR. NEDA Yolanda PMO posts updates on the Yolanda CRRP implementation on its website showing key results statistics on the status of PPAs from each cluster, i.e., statistics on activities that are completed, under procurement, ongoing, or not started. ¹¹

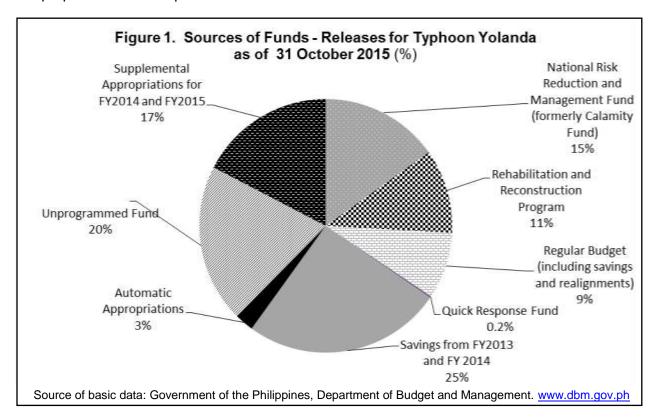
2. Funding of the National Government Expenditure Program for 2014 Met

- 15. Prior to the approval of the CRRP, much of the funding for work on recovery and rehabilitation was made available through the reallocation of budget resources from ongoing local and national programs. By the end of August 2014, the DBM had released about P38.7 billion for Yolanda recovery and reconstruction (P26.7 billion from the 2013 budget and P12.0 billion from the 2014 budget).
- 16. Following approval of the CRRP in October 2014, the full CRRP reconstruction program commenced. Based on the CRRP cluster budgets submitted by the lead government agencies, the overall estimated amount of rehabilitation and recovery inputs in the affected areas was

¹¹ Government of the Philippines, NEDA. Yolanda Rehabilitation and Recovery Plan. <u>www.yolanda.neda.gov.ph</u>

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about P170.0 billion. This amount was needed to supplement the already-approved General Appropriations Act, 2014. As of 30 September 2015, based on the validation made by the NEDA Yolanda PMO with the agencies of each of the clusters, the required funding for rehabilitation and recovery was revised to P150.03 billion, of which P93.9 billion had already been released. Figure 1 shows the sources of funds in the national budget released for Typhoon Yolanda. Some 25% of the funds released as of 31 October 2015 came from savings from the FY2013 and FY2014 budgets. Appendix 2 details the fund sources and releases up to 31 October 2015 and proposed releases up to the end of 2016.



17. Given the funds released for Typhoon Yolanda, Table 2 presents the progress of CRRP implementation per cluster as of November 2015. The DBM website provides updated information on the list of releases for the CRRP and reports on the progress of each CRRP cluster. 12

Table 2: Yolanda Comprehensive Rehabilitation and Recovery Plan Progress as of November 2015

20 0. 1.0.0111001 2010			
Cluster Status			
Infrastructure	Remaining reconstruction of infrastructure for transportation, flood control, and rehabilitation of colleges and universities		
	is targeted to be completed within 2016.		
Resettlement	Target completion of all housing units, with funds released as of October 2015, is December 2016.		
Social Services	Distribution of emergency shelter assistance is ongoing— 96% accomplished. Distribution of learning kits has been completed. For the community-driven development projects, (i) the repair and rehabilitation of damaged structures of all		

¹² Government of the Philippines, Department of Budget and Management. <u>www.dbm.gov.ph</u>

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Cluster	Status		
	48 funded subprojects have been completed, and (ii) the construction of new structures is 20% complete (2,839 out of the funded 13,828 subprojects).		
Livelihood	Provision of livelihood packages for farmers, fisherfolk, micro-entrepreneurs, and skilled workers has been completed.		

Source: Government of the Philippines, Department of Budget and Management. www.dbm.gov.ph

C. Project Costs

18. The EAL of \$500 million from ADB's ordinary capital resources supported the government's fiscal response to meet additional public spending needs under the Yolanda CRRP. No specific end uses were earmarked for this loan. The government withdrew the loan proceeds in three installments (two in 2014 and one in 2015).

D. Disbursements

19. Disbursement of this EAL was similar to that of a program loan. The first installment of \$200 million was released on 18 March 2014, two weeks after loan effectiveness. The second installment of \$100 million was released on 11 July 2014. During 2014, only 60% of the total EAL had been withdrawn by the government in accordance with the financing program for Yolanda recovery in place at that time. The third and final tranche of \$200 million was released on 13 April 2015.

E. Project Schedule

20. The EAL was planned to be implemented from loan approval (6 December 2013) until 31 December 2014. However, in October 2014, the government requested extension of the loan closing date to 30 June 2015 since full withdrawal of the loan proceeds was not expected within 2014. Full disbursement took a longer time than envisaged because the speed of rehabilitation had been overestimated. The actual loan closing date was 31 May 2015, 5 months after the original loan closing date.

F. Implementation Arrangements

21. The DOF was the executing agency for the EAL. Since the proceeds of the loan were withdrawn based on financing needs planned in the Yolanda CRRP, ADB and the DOF had not agreed on a definite number of drawdowns. However, they had regular direct communication regarding the possible timing of installment releases, and this coordination ensured the timely release of loan proceeds.

G. Conditions and Covenants

22. As shown in Appendix 3, all covenants in the loan agreement have been complied with. The covenants relating to the government's support for the coordination and monitoring of the Yolanda CRRP were all relevant, as they were crucial for the smooth and timely implementation of the loan. The Yolanda PMO in NEDA, which is in charge of coordination and monitoring Yolanda rehabilitation and recovery programs, regularly updated information on the status of the Yolanda CRRP activities. ¹³

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¹³ See footnote 11.

H. Consultant Recruitment and Procurement

23. The project provided immediate and flexible financing to support the government's fiscal adjustment. No specific uses were earmarked for this loan, hence, there was no consultant recruitment and procurement under this project.

I. Performance of Consultants, Contractors, and Suppliers

24. There was no consultant, contractor or supplier under this emergency assistance loan.

J. Performance of the Borrower and the Executing Agency

25. The overall performance of the borrower and the executing agency is rated *highly satisfactory*. The DOF coordinated closely with the Philippine Bureau of the Treasury (on the estimated schedule of need for funds for CRRP activities) and ADB (for the timing of withdrawal of loan proceeds). Regular updates from the DOF allowed ADB to prepare funds for disbursements in a timely manner. The government coordinated closely with ADB on the timing, and requested an extension of the loan closing date as early as 2 months before the original closing date when it had information on the latest financing program in place at that time. The government established the OPARR and later the PMO in NEDA to coordinate and monitor all activities under the CRRP.

K. Performance of the Asian Development Bank

26. The overall performance of ADB is rated *highly satisfactory*. ADB responded quickly to the government's request for emergency assistance. It processed and approved the EAL in record time—within three weeks. ADB provided its resources and was proactive in dealing with the government from processing up to full disbursement. Immediately after the disaster, it mobilized its staff resources and worked closely with NEDA and other development partners in preparing the DALA, which formed the basis of the government's recovery plan whose finalization is an output of this EAL.

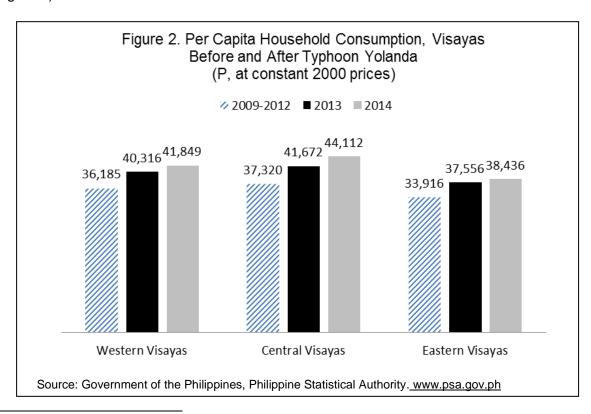
III. EVALUATION OF PERFORMANCE

A. Relevance

- 27. The project is rated *highly relevant*. The EAL was the appropriate lending modality as it provided immediate assistance to the government in sustaining its national expenditure program, while responding to the urgent needs of emergency relief efforts and the recovery plan. It provided quick and flexible support since the EAL was not earmarked for specific end uses but was to be utilized by the government based on its financing program for recovery from Typhoon Yolanda. It promoted government ownership of the recovery plan since the loan proceeds were coursed through the national government budget.
- 28. Given that the CRRP has integrated build back better principles, the loan is in line with (i) ADB's CPS, 2011–2016, which highlighted the reduction of the country's vulnerability to climate change and disasters as one of its key development outcomes to achieve high, inclusive, and sustainable growth; and (ii) the PDP, 2011–2016, which includes the country's increased resilience to natural disasters as one of its development outcomes.

B. Effectiveness in Achieving Outcome

- 29. The project is rated *highly effective* in achieving its expected outcome. After the typhoon, during the relief phase, poverty incidence in the Visayas was expected to surge—with a contraction in the regional economies, a rise in unemployment, and an increase in commodity prices. By bridging the financing gap in the national government expenditure program to support financing for the implementation of Yolanda CRRP activities, the project contributed to mitigating the adverse social impact of Typhoon Yolanda on the poor.
- 30. Based on the report on poverty released by the Philippine Statistics Authority (PSA) in the first semester of 2015, the overall poverty incidence in the Philippines declined from 27.9% in 2012 to 26.3% in 2015. Poverty incidence in the Visayas was higher than that of the country overall, but Western and Central Visayas recorded improvements. The poverty incidence in Western Visayas fell from 31.7% in 2012 to 30.5% in 2015; in Central Visayas, it declined from 33.6% in 2012 to 30.5% in 2015. In Eastern Visayas, whose major source of income is coconut production (which was severely affected by Typhoon Yolanda), the poverty incidence increased from 45.4% in 2012 to 47.3% in 2015. ADB had earlier estimated that poverty incidence in Eastern Visayas would be 55.7% after Typhoon Yolanda without the Yolanda recovery plan. Clearly, the government stimulus in the Visayas helped mitigate the worst effect of the disaster on poverty.
- 31. Despite the disaster, real per capita household consumption in the Western, Central, and Eastern Visayas increased but at a slower rate than its medium-term trend. This also suggests that the government's recovery efforts offset the economic effects of the disaster (Figure 2).



¹⁴ Philippines Statistical Authority. 2016. Poverty Incidence among Filipinos registered at 2.3%, as of First Semester. Press Release. 18 March.

C. **Efficiency in Achieving Outcome and Outputs**

- The project is rated highly efficient in achieving its expected outcome and outputs. As it 32. was an EAL, implemented similarly to a program loan, assessment is based on the efficiency of the process. The design and underlying business process of the project was very efficient in helping the government mitigate the impacts of the devastation caused by Typhoon Yolanda. Both ADB and the government fast-tracked processing to ensure a timely response to the disaster. To show ADB's commitment to support the government in recovering from Typhoon Yolanda, ADB began processing the project as the government was still drafting its recovery plan. A small-scale technical assistance was approved and implemented to support the formulation of the YRRP. ¹⁵ By December 2013, in coordination with ADB and other development partners, NEDA finalized and completed the initial YRRP (the RAY-BBB), the government's strategic plan on recovery and reconstruction.
- 33. The project supported the quick release of financial resources to meet the funding requirements of the national government expenditure program for 2014. The close coordination between ADB and the DOF (along with the Bureau of the Treasury) ensured timely disbursements under the project. The DBM's updated detailed list of Yolanda releases is posted on its website.16
- By ensuring that financing requirements for implementation of the Yolanda CRRP were 34. met, the project contributed to easing the social impact of Typhoon Yolanda. This was shown by the reduction in the poverty incidence of the Visayas region from 2012 (35.6%) to the first semester of 2015 (34.2%).

D. **Preliminary Assessment of Sustainability**

- 35. The project is *likely sustainable*. The assessment is made in the context of the project being an emergency loan designed to meet urgent financing needs. After the EAL's full disbursement in April 2015 to help meet the financing needs in the CRRP, the Yolanda CRRP is still being implemented by the government. Since the CRRP integrated build back better principles which sought to rebuild to higher levels of disaster resilience, this should also contribute significantly to the sustainability of the project. The DBM website shows the list of planned Yolanda releases up until 2016 based on the financing requirements of the CRRP. Funding beyond the original plan would depend on improvements in the country's revenue collections.
- The government has demonstrated its commitment to sustain recovery and rehabilitation 36. efforts through President Aquino's issuance of Memorandum Order No. 62 on 6 December 2013, appointing a Presidential Assistant for Rehabilitation and Recovery (PARR) to unify the efforts of the involved government and other agencies. The PARR acted as the overall manager and coordinator of all government departments and agencies involved in the post-disaster efforts related to Typhoon Yolanda. The PARR's functions included coordinating with the National Disaster Risk Reduction Management Council, related agencies, and local government units for the formulation of plans for rehabilitation; proposing funding support for the implementation of plans and programs; and overseeing the implementing agencies of these plans and programs. Over a year after Typhoon Yolanda, Memorandum Order No. 79 (22 April

¹⁵ ADB. 2013. Technical Assistance to Philippines for Support for Post Typhoon Yolanda Disaster Needs Assessment and Response. Manila. (TA-8536-PHI, approved on 20 November 2013)

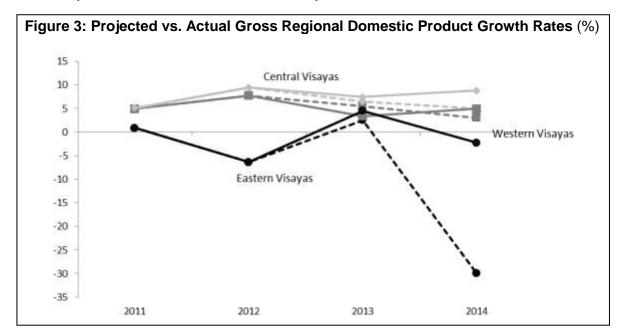
16 Government of the Philippines, Department of Budget Management. List of Releases for Yolanda RRP.

www.dbm.gov.ph/?page_id=14171

2015) was issued by President Aguino to transfer the functions of the PARR to NEDA to carry out coordination and monitoring activities. NEDA is represented in all the four clusters (Table 1) to validate, integrate, and prepare periodic progress reports on Yolanda PPAs. Barring any major natural calamity of Typhoon Yolanda's scale that would add burden to the government budget, the project is likely sustainable.

E. **Impact**

- 37. The intended impact of the project was to revitalize regional economies in Visayas by the end of 2019. The impact is deemed significant in the short term. ADB estimated that the economic impact of Typhoon Yolanda would be devastating to the Western, Central, and Eastern Visayas regions since they rely heavily on agriculture, fisheries, and agro-based industries for their livelihoods; and that the whole Visayas economy would contract by 4%-8% in 2014. Based on actual data from 2011 to 2014, real GRDP growth in the Visayas was stable at 5.6% in those 4 years compared with real GRDP growth of 4.2% from 2002 to 2009. Tigure 3 shows a comparison of ADB's estimated GRDP growth for the Western, Central, and Eastern Visayas without the implementation of the Yolanda CRRP, and the actual GRDP growth rates in 2013 and 2014 based on data from the PSA. Actual data show that in 2014, Central and Western Visayas have higher GRDP growth than estimated by ADB. Similarly, Eastern Visayas recorded a much lower economic contraction of (-2.3%) than the 30% contraction estimated by ADB. These suggest that the government stimulus dampened the negative effects of Typhoon Yolanda on the economy.
- 38. Beyond the scope of the EAL, the long-term challenge will be to develop the Eastern Visayas economy—as one of its two main crops was severely damaged, with 33 million coconuts either damaged or destroyed. Farmers have lost long-term resources since it would take 10-15 years for coconut trees to mature fully.



Philippine Statistics Authority. http://www.psa.gov.ph (accessed 29 April 2016). Note that the real gross real domestic product data were rebased from 1985 to 2000 prices beginning 2010. Data from 2010 onwards are based on 2000 prices, while data prior to 2010 are based on 1985 prices.

Note: Dotted lines represent Asian Development Bank (ADB) estimates of gross regional domestic product growth for 2013 and 2014. Solid lines represent actual figures for 2011–2014.

Sources: Estimates for 2013 and 2014 are from ADB¹⁸; actual real gross regional domestic product growth rates for 2011–2014 are from the Philippine Statistics Authority. www.psa.gov.ph

39. In Eastern Visayas, particularly in Samar, the mat weaving industry, which employs mostly women, has flourished more than before Typhoon Yolanda—with the help of the Department of Trade and Industry (the CRRP livelihood cluster lead agency), nongovernment organizations, and the United Nations Development Programme.

IV. OVERALL ASSESSMENT AND RECOMMENDATIONS

A. Overall Assessment

40. The project was implemented as conceived and is rated *highly successful*. ADB provided a valuable contribution to the initial formulation of the government's recovery and rehabilitation plan, particularly in the rapid damage and needs assessment. The quick-disbursing and flexible support allowed the government to ensure that immediate government spending needs arising from the damages caused by the disaster were met. The project has contributed to moderating the poverty incidence in the Visayas after Typhoon Yolanda. In the context of the implementation period of the project and the support it provided to CRRP, much has been achieved to date in terms of providing the needs as outlined in the four main CRRP clusters. Although the final installment of the EAL was withdrawn by the government almost 4 months later than originally estimated, the outputs and outcomes were achieved highly effectively and efficiently because close cooperation and coordination between ADB and the government allowed flexibility and facilitated speed in meeting the financing needs of the CRRP.

B. Lessons

- 41. Lessons learned from the project processing and implementation were the following:
 - (i) Processing of the emergency loan before the government finalized its YRRP (called the CRRP in its final form) provided the government with the certainty of funding, and ensured the effectiveness of CRRP implementation. ADB worked with the government in the design and monitoring framework of the CRRP.
 - (ii) Given that the government planned to withdraw the loan proceeds based on its financing needs to support CRRP implementation, and the lack of a definite schedule for disbursements, close coordination between ADB and the government was crucial. This ensured ADB's timely release of funds when needed.
 - (iii) Even if funds were available, delays in the implementation of the CRRP were inevitable because existing government policies obstructed smooth implementation of the CRRP PPAs. Examples of such policies are procurement laws and land use policies. Some policies may have to be reviewed to meet post-disaster recovery related needs, and other mechanisms established to speed up post-disaster public procurement.

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¹⁸ See footnote 1.

C. Recommendations

1. Project Related

- (i) Future monitoring. With the establishment of the NEDA Yolanda PMO to monitor implementation of the CRRP, it is recommended that ADB continue to be updated on the country's recovery from Typhoon Yolanda. Transparency in monitoring the progress of the recovery can be enhanced. Given the outpouring of resources to the government to support the post-Yolanda recovery, establishing a system that provides regular updates on the programs and projects on the ground is crucial to build not just accountability, but also credibility for the process. Communicating the results of monitoring and evaluation is also important to enable different stakeholders to achieve a common and clear understanding of the challenges on the ground and the direction the recovery process is taking. It is also vital to ensure that build-back better parameters are fully adopted to reduce the underlying vulnerabilities that existed before the disaster. The impact of Typhoon Yolanda was exacerbated long-standing development concerns bγ communities—a large number of the population living along easements and fragile areas, a high level of rural poverty, inadequate infrastructures, among others. Typhoon Yolanda provides an opportunity to address these shortfalls through risk-sensitive community and town planning, compliance with building code standards and designs, and the establishment of mitigation measures, among others.
- (ii) **Covenants.** The covenants (Appendix 3) should be maintained in their existing form.
- (iii) Further action or follow-up. No further action from ADB is needed because implementation of the project has been completed with full disbursement of the emergency loan in 2015, which ensured that funding of the national government expenditure was met. Sustainability of the project will largely depend on both the government's commitment to sustain recovery and rehabilitation efforts, and the extent to which the build back better principles on which the plan was based were achieved.
- (iv) Additional assistance. ADB provided several assistance projects for Yolanda-affected areas immediately after Typhoon Yolanda in 2013 and early 2014. The EAL, as part of ADB's Yolanda portfolio, has provided information and lessons to move forward increased resilience agenda as a strategic thrust of the program, including on disaster risk financing. Further assistance for Yolanda recovery and rehabilitation will depend on the outcome of the upcoming country partnership strategy for the Philippines.
- (v) Timing of the project performance evaluation report. To assess the impact of the project further, a project performance audit is recommended to be undertaken not earlier than 2019. By 2019, the YRRP rehabilitation phase is scheduled to be completed and the impact on the revitalization of the Visayas region is expected to have been met.

2. General

- (i) Review and strengthen oversight and coordination of the country's disaster risk management plan. The government's comprehensive disaster risk management strategy is called the National Disaster Risk Reduction and Management Plan, 2011–2028. It fulfills the requirement of Republic Act No. 10121 of 2010, which provides the legal basis for policies, plans, and programs to deal with disasters. The recently completed review of Republic Act No. 10121 proposes the establishment of a Disaster Risk Reduction and Management Authority attached to the Office of the President to provide stronger oversight of disaster risk management, including mainstreaming disaster risk reduction into development and risk-sensitive land use planning, among others.
- (ii) Institutionalize implementation of the government's disaster risk financing strategy. The government has adopted a disaster risk financing (DRF) strategy and has some DRF instruments. Implementation of the DRF strategy and enhancement of the development of a pool of instruments for DRF will help improve the country's financial resilience against shocks triggered by natural hazards, so it will help safeguard gains from previous economic growth and poverty reduction against shocks from natural disasters. Examples of DRF instruments are deferred drawdown options and disaster insurance programs.
- (iii) Establish permanent tracking systems to monitor disaster risk reduction and disaster response spending (including international assistance). NEDA is in charge of coordinating and monitoring CRRP implementation. Tracking systems to monitor disaster risk reduction and preparedness projects are recommended beyond implementation of the CRRP. This may help strengthen pre-disaster recovery planning, providing planning frameworks and identification of critical infrastructure for priority reconstruction, among others, which can be used to speed up development of recovery plans after an event.
- (iv) Review Disaster and Emergency Assistance Policy to allow the use of ADB's emergency assistance loan mechanism to support Policybased loans. This will help contribute to greater efficiency and effectiveness in delivering emergency assistance.

¹⁹ National Disaster Risk Reduction Management Council. 2010. National Disaster Risk Reduction Plan 2011-2028, Manila.

DESIGN AND MONITORING FRAMEWORK

	DESIGN AND MONITORING FRAMEWORK						
Design Summary	Performance Targets and Indicators with Baselines	Data Sources and Reporting Mechanisms	Assumptions and Risks				
Impact	By end of 2019:						
Regional economies in the Visayas revitalized	Growth rates in real GRDP in the affected areas recover to pre-typhoon levels (Baseline: average growth rates 2002–2012)	NEDA RGDP reports	Assumption Macroeconomic stability maintained				
	Performance at Project Completion Pre-typhoon real GRDP growth in the Visayas region (%) ^a Baseline values 2002–2009 4.64 2011–2012 5.47	Philippine Statistical Authority.http:// www.psa.gov.p h (accessed: 29 April 2016)	Risk Further natural disasters and their adverse impact on the regional economies in the Visayas				
	Achieved as of April 2016 2013 5.58 2014 5.55						
Outcome	By end of 2017:						
Adverse social impact of the typhoon on the poor mitigated	Per capita consumption (adjusted for inflation) of poorest 50% of households in the affected areas recovers toward to pretyphoon levels (Baseline: average per capita consumption 2009–2012) Performance at Project Completion Real per capita household consumption: (P, at constant 2000 prices) ^b Baseline values: 2009–2012 Western Visayas: 36,185 Central Visayas: 37,320 Eastern Visayas: 33,916 Achieved as of April 2016 2013 Western Visayas: 40,316 Central Visayas: 41,672 Eastern Visayas: 37,556 2014 Western Visayas: 41,849 Central Visayas: 44,112 Eastern Visayas: 38,436	NEDA RGDP data and poverty data Philippine Statistical Authority.http://www.psa.gov.ph (accessed: 29 April 2016)	Risk Government's administrative capacity and resources may be stretched, thereby limiting implementation of its disaster recovery program.				

		Data Sources	
Design Summary	Performance Targets and Indicators with Baselines	and Reporting Mechanisms	Assumptions and Risks
Design Summary	Poverty incidence among the population, first semester (%) Baseline values 2009 Visayas: 37.6 Western Visayas: 34.2 Central Visayas: 37.2 Eastern Visayas: 43.8 2012 Visayas: 35.6 Western Visayas: 31.7 Central Visayas: 33.6 Eastern Visayas: 45.4 2015: Visayas: 34.2 Western Visayas: 30.5 Central Visayas: 30.5 Central Visayas: 30.5 Eastern Visayas: 47.3	Wechanishs	RISKS
Outputs	By December 2014:		
1. Government's YRRP finalized 2. Funding of the national government expenditure program for 2014 met	Financing for the YRRP finalized and initiatives launched to mobilize resources from domestic and international sources Performance at Project Completion Output 1 Achieved. The CRRP (title of the approved YRRP) was submitted to the President of the Philippines by the Office of the Presidential Assistant on Rehabilitation and Recovery on 1 August 2014. The President approved the CRRP on 29 October 2014. Output 2 Achieved. The emergency assistance loan was fully disbursed on 13 April 2015 in accordance with the government's financing program for the implementation of activities under the CRRP.	YRRP	Risk Weak interagency coordination

CRRP = Comprehensive Rehabilitation and Recovery Plan, GRDP = gross regional domestic product, PSA = Philippine Statistical Authority, YRRP = Yolanda Recovery and Rehabilitation Plan.

Source: Source: Philippine Statistical Authority. http://www.psa.gov.ph (accessed: 29 April 2016)

^a Real GRDP data from 2002–2009 are at constant 1985 prices; data from 2009 onward are at constant 2000 prices.

No data available on real household consumption per income level. For estimating achievement of outcome, in lieu of real per capita household consumption of the poorest 50% of household in the affected areas (Visayas), we calculated per capita household consumption of the population in the Visayas region and included data on poverty incidence for the Visayas region.

FUND SOURCES FOR TYPHOON YOLANDA (FY2013–FY2016) Released and Proposed Fund Sources as of 31 October 2015 (million pesos)

Fund Source	FY2013	FY2014	FY2015		FY2016	Total
	Released			Proposed		
FY2012 Budget, Republic Act 10155						
Calamity Fund, Continuing Appropriations	77	0	0	0	0	77
FY2013 Budget, RA 10352	0	0	0	0	0	0
Calamity Fund	992	0	0	0	0	992
Calamity Fund, Continuing Appropriations	0	1,728	0	0	0	1,728
Regular Budget and/or Savings,						
Realignments within Agency	4,385	0	0	0	0	4,385
Regular Budget and/or Savings,						
Realignments within Agency, Continuing						
Appropriations	0	2,326	0	0	0	2,326
Overall Savings	19,557	0	0	0	0	19,5771
Unprogrammed Fund	1,706	0	0	0	0	,706
FY2014 Budget, RA 10633	0	0	0	0	0	0
National Disaster Risk Reduction and						
Management Fund	0	11,170	0	0	0	11,170
National Disaster Risk Reduction and						
Management Fund, Continuing						
Appropriations	0	0	41	0	0	41
Regular Budget and/or Savings,						
Realignments within Agency	0	555	0	0	0	555
Regular Budget, Continuing						
Appropriations	0	0	752	0	0	752
Rehabilitation and Reconstruction						
Program	0	6,327	0	0	0	6,327
Rehabilitation and Reconstruction						
Program, Continuing Appropriations	0	0	3,782	0	0	3,782
Quick Response Fund	0	162	0	0	0	162
Overall Savings	0	4,266	0	10,007	0	14,273
Automatic Appropriations	0	2,156	100	0	0	2,256
Unprogrammed Fund (Support to FAPs)	0	1,788	0	0	0	1,788
FY2015 Budget, RA 10651	0	0	0	0	0	0
National Disaster Risk Reduction and						
Management Fund	0	0	160	0	0	160
Unprogrammed Fund	0	0	0	0	0	0
Rehabilitation and Reconstruction Fund	0	0	9,314	0	0	9,314
Support for Infrastructure Projects and						
Social Program	0	0	6,181	0	0	6,181
Supplemental Appropriations	0	0	0	0	0	0
RA10634	0	6,248	0	0	0	6,248
RA10652	0	0	10,084	0	0	10,084
FY2016 Proposed Budget (NEP)	0	0	0	0	0	0
Regular Budget	0	0	0	0	27,252	27,252
Special Purpose Fund	0	0	0	0	18,896	18,896
TOTAL	26,736	36,724	30,414	10,007	46,148	150,030

FAP – Foreign-assisted project; FY - Fiscal year; NEP – National Expenditure Program; RA - Republic Act, Source: Department of Budget Management website:http://www.dbm.gov.ph/wp-content/uploads/YOLANDA/List%20 of%20Releases%20(excel%20file)/DBM.pdf

STATUS OF COMPLIANCE WITH LOAN COVENANTS

	Reference in	
Covenant	Loan Agreement	Status of Compliance
The Borrower shall ensure that the activities of its departments and agencies with respect to the carrying out of EARTY are conducted and coordinated in accordance with sound administrative policies and procedures.	Article IV, Section 4.02	Complied with. Details of the fund releases for Yolanda projects sourced from the government budget for 2013, 2014, and 2015 are available at the Department of Budget and
 (a) The Borrower shall maintain, or cause to be maintained, records and documents adequate to identify the Eligible Items financed out of the proceeds of the Loan and to indicate the progress of the YRRP. (b) The Borrower shall enable ADB's representatives to inspect any relevant records and documents referred to in paragraph (a) of this Section. 	Section 4.03	Management (DBM). ^a The website shows the list of fund releases disaggregated per year and per implementing agency, with details such as Special Allotment Release Order, purpose, and fund source. Updates on the implementation progress of the Yolanda Comprehensive Rehabilitation and Recovery Plan (CRRP) are likewise publicly available at the website maintained by the National Economic and Development Authority (NEDA) Yolanda Project Monitoring Office. ^b
As part of the reports and information referred to in Section 7.04 of the Loan Regulations, the Borrower shall furnish, or cause to be furnished, to ADB all such reports and information as ADB shall reasonably request concerning the use of Loan proceeds and the implementation of the YRRP.	Article IV, Section 4.04	Complied with. During implementation, the Department of Finance communicated regularly with ADB Public Management, Financial Sector and Trade Division (SEPF) on the timing of the withdrawal of loan proceeds. The status of implementation of the CRRP is being made available in the NEDA Yolanda PMO. ^b
Within 2 months of the Effective Date, the Borrower, through its National Economic and Development Agency, shall establish a coordination framework of the YRRP, which includes coordination of the concerned line agencies in implementation and monitoring of the YRRP.	Schedule 4, para. 1	Complied with. The Office of the Presidential Assistant for Rehabilitation and Recovery (OPARR) was established on 6 December 2013 to coordinate and monitor the government's recovery and reconstruction efforts.
The Borrower shall work with ADB and other donors to monitor the implementation of the YRRP, including joint assessment and the impact assessment of YRRP. Such monitoring shall include public disclosure of information and other issues, as agreed with the Borrower.	Schedule 4, para. 2	Complied with. The status of implementation of the Yolanda Recovery and Rehabilitation Plan (YRRP) is being made available on the NEDA website. ^b

	Reference in	
Course	Loan	Status of Commission of
Covenant	Agreement	Status of Compliance
The Borrower shall provide necessary resources for proper implementation of the YRRP. The Borrower shall regularly update ADB on the implementation of the YRRP and shall ensure that necessary cooperation and support are provided to ADB to review and monitor the status of key indicators agreed to with ADB.	Schedule 4, para. 3	Complied with. Memorandum Order No. 79 dated 22 April 2015 transferred the responsibilities of OPARR to NEDA. NEDA has assumed the responsibilities of the OPARR in coordination, monitoring, and evaluation functions previously held by the PARR. The status of implementation of the YRRP is being made available on the NEDA website. ^b
Good Governance and Transparency. The Borrower shall comply with ADB's Anticorruption Policy (1998, as amended to date). The Borrower, consistent with its commitment to good governance, accountability and transparency, agrees (a) that ADB reserves the right to investigate, directly or through its agents, any alleged corrupt, fraudulent, collusive or coercive practices relating to EARTY, and (b) to cooperate fully with any such investigation and to extend all necessary assistance, including providing access to all relevant books and records, as such relate to EARTY and may be necessary for the satisfactory completion of any such investigation.	Schedule 4, para. 5	Gomplied with. Various government agencies, such as the Commission on Audit and the OPARR, undertake the necessary measures to ensure proper use of funds allocated for programs and projects relating to Yolanda. The government remains committed to cooperate on deemed legal and appropriate investigations the Asian Development Bank (ADB) might undertake on cases of corruption relating to the loan.
Safeguard Compliance. The Borrower shall ensure that the Loan proceeds are not used for any programs and activities which have any environmental, indigenous peoples or involuntary resettlement impacts, all within the meaning of ADB's Safeguard Policy Statement (2009). In the event that the Loan proceeds are used for any programs and activities which do have any such impact, the Borrower shall take all steps required to ensure that EARTY complies with the applicable laws and regulations of the Borrower and with ADB's Safeguard Policy Statement.	Schedule 4, para. 6	Complied with. Through the disaster audit being maintained by the Commission on Audit, and other relevant audit reports and monitoring documents such as the detailed list of releases issued by the DBM, the government ensures that Yolanda funds are properly spent and not used for any activities with deemed negative effects on the environment and indigenous peoples.

^a Government of the Philippines, DBM. http://www.dbm.gov.ph. http://www.dbm.gov.ph. http://www.dbm.gov.ph. http://www.dbm.gov.ph.

CONTRIBUTION TO THE ADB RESULTS FRAMEWORK

No.	Level 2 Results Framework Indicators (Outputs and Outcomes)	Targets	Methods/Comments
1	None	None	The emergency assistance Loan contributed to the government's rehabilitation and recovery plan through the mitigation of adverse effects of typhoon Yolanda on the livelihood of affected communities.