

ELIGIBILITY CRITERIA FOR EMERGENCY ASSISTANCE

Criteria (DEAP, para 92; Staff Instructions para 15)	Remarks applicable to EAL for Marawi
<p>1. The government or an internationally legitimate governing authority, e.g., UN in Timor Leste, or the transitional Government of Afghanistan, will make the official request for assistance.</p>	<p>In August 2018 and September 2018, the government sent official requests for ADB Emergency Assistance Loan (EAL) for Reconstruction and Recovery of Marawi in the amount of \$400 million, split between quick disbursing component of \$300 million and a loan project for \$100 million. In addition, DOF and Department of Public Works and Highways (DPWH) sent official requests to prepare 2 Grant projects of \$5 million each to be prepared under ADB’s disaster emergency assistance policy. Both Grants will finance immediate rehabilitation of small-scale projects in water supply, health clinics, procurement of mobile clinics, and fund the delivery of primary education to children of IDPs and adult emergency employment programs.</p>
<p>2. The potential impact on economic, social, and governance needs and priorities has been identified in a damage and needs assessment, as appropriate.</p>	<p>The government through the Office of Civil Defense with inputs from ADB and other development partners carried out a post-disaster needs assessment (PDNA). The draft report was completed in December 2017. Based on the PDNA, the government prioritized economic, social and governance needs and incorporated these activities in the <i>Bangon Marawi Comprehensive Rehabilitation and Recovery Program</i>. The program was finalized in June 2018, endorsed by the Government in July 2018 and presented to development partners in August 2018. The main purpose of the EAL will be to mitigate the adverse impact of the armed conflict on the economic and social needs of affected persons and provide the stepping stones for recovery.</p>
<p>3. In the case of chronic natural hazards (e.g., flooding or drought) normal reconstruction and development investments should be used, if possible. However, when the event involves significant economic dislocation, an EAL, may address immediate needs and/or expedite the preparation of a normal project.</p>	<p>The armed conflict resulted in up to 369,000 displaced persons and damage to infrastructure, properties, and livelihoods. The BMCRRP estimates the cost of rehabilitation and reconstruction of physical assets and restoration of economic and social life exceeding PhP47.2 billion. The EAL outputs include: (i) quick disbursing support to meet increased public spending arising from the implementation of programs, projects and activities (PPAs) under the BMCRRP. The quick disbursing support will cover the soft components of the BMCRRP such as governance and peacebuilding, social sector,</p>

	<p>livelihoods, other related expenditures, as well as ARMM recurrent expenditures in the national government budget; (ii) project loan to rehabilitate and reconstruct back better infrastructure projects (roads, bridges, etc) under the BMCRRP. The grants will cover (i) restoration of water utilities and health infrastructure and (ii) improvement in social services and livelihoods.</p> <p>Outcome: Adverse social impact of the armed conflict on affected persons mitigated.</p>
<p>4. The security risks to ADB staff, particularly in the case of conflict-driven emergencies, must be at the acceptable levels for engagement as determined by UN.</p>	<p>The security situation in Marawi, and in Lanao del Sur province generally, is currently deemed at acceptable levels for engagement as determined by the UN. The most affected area of Marawi (MAA) is restricted to ADB staff due to security situation. The UNSMS circulates a weekly report known as the Mindanao Situation Report, which provides an update on Mindanao security situation. Staff register missions with the UNSMS for travel clearance. ADB has also engaged a security adviser residing in Davao city who assists with missions to Marawi. Over the past 10 months, ADB staff and consultants have made regular, short missions to Greater Marawi (excl. the MAA). ADB staff usually stay in accommodation in Illigan city in Lanao del Norte. A consultancy office has been set up in Illigan city.</p>
<p>5. The level of burden and risk sharing among partners, especially shareholders and other key local and international sectors, should be appropriate.</p>	<p>ADB is closely coordinating with development partners (DPs). The government has requested the World Bank to establish a multi-development partner trust fund to finance the monitoring of BMCRRP implementation. The government, through DOF, has reached out to DPs for funding PPAs under the BMCRRP. The Government of Japan proposes to provide loan and grant financing for reconstruction of roads in Marawi.</p>

EAL Characteristics

Characteristics (DEAP, paras 85-88 and 111; Staff Instructions para 16)	Remarks applicable to EAL for Marawi
<p>1. It helps rebuild high-priority physical assets and restore economic, social, and governance activities after emergencies.</p>	<p>The proposed EAL will comprise of \$300 million quick disbursing component and \$100 million project loan. The emergency assistance will also include 2 Grants of \$5 million each.</p> <p>The EAL project component will rebuild high priority physical assets and restore economic and social activities in Marawi and surrounding areas affected by economic and social dislocation and where infrastructure and public services have become strained because of the overwhelming numbers of displaced persons. Based on BMCRRP, the EAL will support the government's prioritized transport infrastructure for reconstruction and rehabilitation in Marawi and surrounding areas including roads, flood channels, and bridges.</p> <p>The EAL quick disbursing component will be used to meet increased public spending arising from the BMCRRP and will cover the soft components included in a positive list of eligible expenditures.</p> <p>In addition, the two grants will restore water utilities, health infrastructure, procure mobile clinics, fund emergency employment programs and delivery of primary education to children. All program and project activities are included in the BMCRRP.</p>
<p>2. It is designed to mitigate immediate losses to priority assets, capacity or productivity, rather than to provide relief or comprehensive reconstruction</p>	<p>The proposed EAL and grants are designed to restore capacity and productivity that would contribute to restarting social and economic life post-conflict by rehabilitating or improving the road, drainage and water infrastructure, and by restoring livelihoods. The overall project costs are estimated at \$430.7 million funded from OCR loans (\$400 million), \$10 million grants from ADB administered trust funds, and \$20.7 million from government counterpart funding.</p>
<p>3. It provides immediate short term transitional assistance</p>	<p>The activities under the proposed EAL and grant are transitional in that rehabilitating the targeted physical assets will restore social and economic life post-conflict.</p>

	<p>Separately, under the new CPS, 2018-2023, the promoting local economic development pillar will include ADB financed investment projects that are intended to lay the foundations for longer term growth and development through; (i) the Mindanao regional development projects planned for delivery in 2019 and 2021, (ii) building livable cities project planned for delivery in 2020, and (iii) Mindanao integrated flood risk management project in three Mindanao river basins planned for delivery in 2020.</p>
<p>4. It is restricted to the transition phase and exclusively for priority rehabilitation</p>	<p>All project activities identified for the EAL and grant are in the transition stage and are exclusively for priority rehabilitation, as well as for the restoration of social and economic activities. All present activities are included in the BMCRRP and are deemed as critical for recovery. See item 1 above for details.</p>
<p>5. It is linked with and complements humanitarian relief efforts by other development partners to ease the transition from relief to normal development</p>	<p>As the EAL and grant activities are closely linked with and complement the relief efforts of other development partners to ease the transition from relief to normal development.</p>
<p>6. It may include quick disbursing components, but is not a policy-based loans</p>	<p>The EAL will include \$300 million for quick disbursing support that will cover categories of eligible expenditures identified in the BMCRRP, other related emergency expenditures, and recurrent expenditures of the ARMM budget.</p>