



Philippines: Increasing Competitiveness for Inclusive Growth Program (Subprogram 2)

Project Name	Increasing Competitiveness for Inclusive Growth Program (Subprogram 2)	
Project Number	43396-014	
Country	Philippines	
Project Status	Closed	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan 3233-PHI: Increasing Competitiveness for Inclusive Growth (Subprogram 2) Ordinary capital resources US\$ 350.00 million	
Strategic Agendas	Inclusive economic growth	
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development	
Sector / Subsector	Industry and trade - Industry and trade sector development	
Gender Equity and Mainstreaming	Effective gender mainstreaming	
Description	<p>The program supports the government's key reform priorities aimed at employment generation by increasing competitiveness in the economy with an inclusive approach through the labor market. The structural reform priorities include efforts to enhance the business climate by promoting competition policy, regulatory efficiency, competitive logistics, and private sector participation in infrastructure projects through public-private partnerships (PPPs). The program also supports the government in promoting competitive labor markets by piloting a youth employment program to empower young people to find decent jobs (known as JobStart Philippines) and a tourism-industry-led skills and services development program, and through longer-term labor policy reforms.</p>	
Project Rationale and Linkage to Country/Regional Strategy	<p>Subprogram 2 includes two innovative pilot projects that apply policy in practice, with clearly defined and measurable performance indicators. The two pilot projects are supported by two ADB technical assistance (TA) projects financed by the Government of Canada to the amount of Can\$12.5 million. Each pilot project is subject to an impact evaluation to provide evidence prior to a nationwide rollout of these programs. The first intervention is the youth employment program known as JobStart Philippines. Drawing on successful models in Latin America, Canada, and Europe, JobStart provides job placement assistance to young people. JobStart is currently being piloted in four local government units and helps 1,600 out-of-school youths to find quality jobs. The second innovative intervention is the tourism skills development program, a PPP between the Department of Tourism (DOT), employers, and industry groups, and is being piloted in Bohol, Cebu, Davao, and Palawan, which are fast-growing tourism destinations. The tourism skills development program includes a grants scheme whereby employers can avail of grants to train workers so as to upgrade skills and services.</p>	
Impact	Improved investment climate	

Project Outcome

Description of Outcome	Improved competitiveness of selected sectors
Progress Toward Outcome	
Implementation Progress	
Description of Project Outputs	<ol style="list-style-type: none"> 1. Structural policy reforms to promote competitiveness implemented 2. Efficient market for infrastructure projects through PPPs enhanced 3. Competitiveness of labor markets improved

Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

Safeguard Categories

Environment	C
Involuntary Resettlement	C
Indigenous Peoples	C

Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

Stakeholder Communication, Participation, and Consultation

During Project Design	Subprogram 2 has been jointly formulated by the Government of the Philippines and ADB, with input into outputs 1 and 2 of the policy matrix from the Government of Japan and inputs into output 3 by the Government of Canada. The government, through the Department of Finance (DOF), has coordinated the reform agenda with other development partners participating in the program policy forum (the governments of Canada, France, and Japan) through the program steering committee.
During Project Implementation	During implementation of subprogram 2, the government and ADB agreed to shift two original policy triggers to the post-program partnership framework (P3F) (para. 30) without materially affecting the program's impact and outcome. One new policy trigger was added to subprogram 2. The first policy trigger shifted to the P3F required the government to approve the ports utilization plan designed to decongest container traffic at the Port of Manila and enhance port sales in the Subic Bay Freeport and the Port of Batangas. While the Philippines Port Authority (PPA) had drafted a plan and submitted it to the National Economic Development Authority (NEDA) board for approval, the NEDA board referred the plan back for further revisions, especially in light of the 2014 truck ban that exacerbated congestion at the Port of Manila. The revised draft plan is expected to be resubmitted to NEDA in early 2015. This policy trigger is shifted to the P3F and is replaced in subprogram 2 with the government's interim measure to decongest the Manila container port (para. 19). The second policy trigger shifted to the P3F required the government to provide budgetary financing for the tourism skills development program upon completion of the tourism skills pilot funded under ADB's TA. This policy trigger has been shifted to the P3F because the pilot will be completed at the end of 2015.

Business Opportunities

Procurement Subprogram 2 covers October 2012_ October 2014. The P3F covers November 2014_ March 2016. DOF is the executing agency for the program and is responsible for the overall implementation of subprogram 2, P3F and the medium-term results framework and coordination among the implementing agencies. The program implementing agencies_ DOJ, DOLE, DOT, NEDA, DOTC, DTI, the Bureau of Customs, and BIR_ are responsible for day-to-day implementation of subprogram 2.

Responsible Staff

Responsible ADB Officer	Hattel, Kelly L.
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Public Management, Financial Sector and Trade Division, SERD
Executing Agencies	<i>Department of Finance DOF Building Bangko Sentral ng Pilipinas Complex Roxas Blvd., Manila, Philippines</i>

Timetable

Concept Clearance	-
Fact Finding	28 Apr 2014 to 27 Jun 2014
MRM	10 Oct 2014
Approval	15 Dec 2014

Last Review Mission

-

Last PDS Update

22 Jan 2015

Loan 3233-PHI

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
15 Dec 2014	12 Feb 2015	12 May 2015	31 Dec 2015	-	10 Nov 2015

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	350.00	Cumulative Contract Awards			
ADB	350.00	15 Dec 2014	350.00	0.00	100%
Counterpart	0.00	Cumulative Disbursements			
Cofinancing	0.00	15 Dec 2014	350.00	0.00	100%

Project Page <https://www.adb.org/projects/43396-014/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=43396-014>

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