



Second Disaster Risk Management Development Policy Loan with a CAT-DDO (P155656)

EAST ASIA AND PACIFIC | Philippines | Social, Urban, Rural and Resilience Global Practice Global Practice | IBRD/IDA | Development Policy Lending | FY 2016 | Seq No: 2 | ARCHIVED on 09-Nov-2016 | ISR25596 |

Implementing Agencies: Department of Finance

Key Dates

Key Project Dates

Bank Approval Date:22-Dec-2015

Effectiveness Date:15-Apr-2016

Planned Mid Term Review Date:--

Actual Mid-Term Review Date:--

Original Closing Date:30-Sep-2018

Revised Closing Date:30-Sep-2018

Program Development Objectives

Program Development Objective (from Program Document)

The development objective of the proposed project is to enhance the technical and financial capacity of the Government of the Philippines to reduce disaster risk and manage the socio-economic and fiscal impacts of natural disasters.

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Satisfactory
Overall Risk Rating	● Moderate	● Moderate

Implementation Status and Key Decisions

After a timely declaration of effectiveness on 15 April 2016, implementation has commenced under the leadership of the Department of Finance (DOF). The DOF and the stakeholder agencies reconfirmed their commitment to the policy targets of the CAT-DDO, with planned activities proceeding under both Pillars.



Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● Substantial	● Substantial	● Substantial
Macroeconomic	● Low	● Low	● Low
Sector Strategies and Policies	● Moderate	● Moderate	● Moderate
Technical Design of Project or Program	● Low	● Low	● Low
Institutional Capacity for Implementation and Sustainability	● Moderate	● Moderate	● Moderate
Fiduciary	● Moderate	● Moderate	● Moderate
Environment and Social	● Moderate	● Moderate	● Moderate
Stakeholders	● Low	● Low	● Low
Other	--	--	--
Overall	● Moderate	● Moderate	● Moderate

Results



Results Indicators

► A methodology for national-level risk-informed planning has been developed and applied by the National Economic and Development Authority in planning and public investment programming. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not developed	Not developed	Methodology is under development	Methodology developed and applied in planning and public investment programming
Date	31-May-2015	12-Mar-2016	30-Sep-2016	30-Sep-2018

Comments

A development workshop (in which technical staff of NEDA, the Philippine Statistics Authority, Philippine Statistics Research and Training Institute, and Philippine Institute for Development Studies participated) was held from March 14-17, during which the Methodology was customized for NEDA's policy and planning objectives. Further rounds of customization are planned, to align with the development of the new administration's Philippine Development Plan.

► Disaster risk reduction measures are integrated in revisions to the National Building Code of the Philippines (NBCP) developed by the Department of Public Works and Highways. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not developed	Not developed	Draft revisions under consultation	Revisions integrating disaster risk reduction measures are developed for the NBCP
Date	31-May-2015	12-Mar-2016	24-Oct-2016	30-Sep-2018

Comments

The public consultation process was launched in March 2016, followed by an extensive series of cross-sectoral Focus Group Discussions. Four regional stakeholder consultations (Northern Luzon, Southern Luzon, Visayas, and Mindanao) are being convened by DPWH from September through November 2016. In these consultations, a comprehensive set of Issue Papers (covering: general design requirements, sustainable sites, building materials, building services and sustainability, and legal and institutional arrangements for building code compliance) are being consulted with a broad set of stakeholders. Following the regional consultations, a national consultation is planned for December 2016.



► Provincial Commodity Investment Plans (PCIPs) developed using the expanded Vulnerability and Suitability Assessment (eVSA) tool are approved by the Department of Agriculture under the Philippine Rural (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	47 PCIPs developed and approved	65 PCIPs developed and approved	69 PCIPs developed and approved	80 PCIPs developed and approved; 72 under implementation
Date	09-Jul-2015	12-Mar-2016	17-Oct-2016	30-Sep-2018

Comments

Development is ongoing for an additional 10 provinces.

► Policy framework for post-disaster shelter assistance (through recovery and reconstruction phases) formulated by the member agencies of the Social Development Committee and endorsed to the Social Deve (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not formulated	Not formulated	Draft policy framework under development	Policy framework formulated and endorsed to Social Development Committee – Technical Board
Date	31-May-2015	12-Mar-2016	24-Oct-2016	30-Sep-2018

Comments

The Chairperson of the Housing and Urban Development Coordinating Council (HUDCC) confirmed that HUDCC will serve as the lead agency for the development of the policy framework for post disaster shelter recovery. Under the convening authority of HUDCC, the first draft of the policy framework is scheduled for distribution by December 2016, for consultation with government and other stakeholders in 2017.

► Multi-hazard vulnerability assessments of priority cultural heritage sites completed by the Department of Tourism and assessment methodology adopted in the Philippine Standards for Conservation. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	2 sites assessed	17 sites assessed	18 sites assessed	Vulnerability assessment completed for 5 priority cultural heritage sites and assessment methodology



				adopted in the Philippine Standards for Conservation
Date	31-May-2015	12-Mar-2016	30-Sep-2016	30-Sep-2018
Comments In parallel to adoption in the Philippine Standards for Conservation (scheduled for completion in late 2017), the Multi-Hazard Vulnerability Assessment (MHVA) methodology is planned to be adopted by the cultural agencies through a National Commission for Culture and the Arts Board resolution. This will allow for the MHVA to serve as a reference for the cultural agencies' budget preparations.				

► Joint catastrophe risk insurance program for Local Government Units (LGUs) developed by the Department of Finance. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not developed	Not developed	Institutional structure for the Local Disaster Resilience Insurance Facility, as well as product design, are under consultation	Long term program is developed with 10 LGUs participating
Date	31-May-2015	13-Mar-2016	21-Oct-2016	30-Sep-2018

Comments

A Technical Working Group (TWG) has been established that includes DOF, the Department of Interior and Local Government, the Office of Civil Defense, the Union of Local Authorities of the Philippines, and GSIS. This TWG is leading the establishment of the LDRIF as a mechanism for rapid response financing to LGUs after a disaster event, to complement their local disaster funds.

► Number of line agencies that have developed and piloted their Disaster Risk Financing and Insurance (DRFI) strategy. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not developed	Not developed	Not developed	2 agencies have developed and piloted their DRFI strategy
Date	31-May-2015	13-Mar-2016	21-Oct-2016	30-Sep-2018

Comments

At the request of GSIS, a prototype product for a portfolio of schools was developed. Potential catastrophe insurance solutions for the Department of Education (DepEd), such as a parametric insurance product to provide immediate post-disaster response financing for public assets located in the provinces of the Eastern Seaboard (22 provinces), are under discussion as part of a DRFI Strategy for DepEd. Discussions are ongoing with the Housing and Urban Development Coordinating Council (HUDCC) on potential options for developing a DRFI Strategy for HUDCC, focusing on financing schemes with embedded micro-insurance features to incentivize people currently living in hazardous areas to undertake risk reduction measures.



► Design of property catastrophe risk insurance pool for homeowners established by the Department of Finance and the Insurance Commission. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not established	Not established	Not established	Design established
Date	31-May-2015	13-Mar-2016	21-Oct-2016	30-Sep-2018

Comments

The Department of Finance is currently reviewing a proposal for such a pool in the Philippines that has been developed by the Philippine Insurers and Reinsurers Association and the Insurance Commission, with IFC support.

► Program developed and commenced for post-disaster emergency income support by the Department of Budget and Management, Department of Social Welfare and Development, and the Department of Finance. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not developed	Not developed	Not developed	Program developed and commenced
Date	31-May-2015	13-Mar-2016	21-Oct-2016	30-Sep-2018

► Catastrophe risk insurance database template updated and adopted by the Insurance Commission. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not updated	Not updated	Updated template developed	Updated template adopted
Date	31-May-2015	13-Mar-2016	21-Oct-2016	30-Sep-2018

Comments

A draft template has been developed with plans for pilot implementation by the Insurance Commission. A working group has been established for consultation with the Philippine Insurers and Reinsurers Association and the top 10 domestic insurers.



Overall Comments

Data on Financial Performance

Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P155656	IBRD-85760	Effective	USD	500.00	500.00	0.00	2.50	497.50	1%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P155656	IBRD-85760	Effective	22-Dec-2015	20-Jan-2016	15-Apr-2016	30-Sep-2018	30-Sep-2018

Tranches

Restructuring History

There has been no restructuring to date.

Related Operations

There are no related projects.