Project Summary Information

	Date of Document Preparation/Updated: 07/30/26
Project Name	Economic Resilience and Fiscal Stability Program
Project Number	P001165
AIIB member	Philippines
Sector/Subsector	ERF - Policy-Based Financing
Alignment with AIIB's thematic priorities	Other
Status of Financing	Under Preparation
Objective	To support the Philippines' economic resilience and fiscal stability in response to the impacts of the Middle East situation, including energy supply disruptions, inflationary pressures, and supply chain shocks.
Project Description	The Middle East situation is generating significant macroeconomic and social effects in the Philippines, notably through surging energy prices, supply chain disruptions, and heightened inflationary pressures. The Philippines imports almost all its fuel, primarily sourced from the Middle East, and approximately one-third of its primary energy supply relies on oil. It is also heavily dependent on imported fertilizers, which have also risen markedly in cost. Together, the rising costs of these inputs have driven food inflation. The country is also highly exposed to the Middle East through its large contingent of Overseas Filipino Workers (OFWs). While remittances have thus far remained resilient, OFW deployment has declined sharply following worsening conditions in March 2026. The Government declared a State of National Energy Emergency on 24 March 2026 through Executive Order No. 110, launching the Unified Package for Livelihoods, Industry, Food, and Transport (UPLIFT) as a whole-of-government response framework to support livelihoods, industry, food, and transport. The Government estimates that UPLIFT will cost USD7 billion until the end of 2026. These initiatives are timely, targeted, and temporary, serving as an immediate response to the shock. In this context, the Government has requested AIIB support to co-finance the Asian Development Bank (ADB)'s Assistance for Greater Resilience and Alleviation of Poverty Program (AGAPAY) under its Countercyclical Support Facility (CSF). The joint AIIB and ADB support aims to address constraints in the government's fiscal space, support proposed measures under the UPLIFT program, and provide assistance to vulnerable sectors. The proposed cofinancing operation will provide fast-disbursing budget support to help stabilize the Philippines' fiscal position while maintaining essential

	services and supporting affected households and sectors. The proposed operation will be delivered as Policy-Based Cofinancing (PBCF) under AIIB's Energy, Food Security and Economic Resilience Facility.
Expected Results	Outcome indicator: uninterrupted delivery of essential services, continuity of economic activity, and the welfare of all citizens assured. Output indicators: availability of reasonably priced public and commercial transport maintained, vulnerable sectors and individuals protected, and OFWs safely repatriated and provided with reintegration support.
Environmental and Social Category	C
Environmental and Social Information	**Applicable Policy and Categorization.** AIIB will undertake this proposed operation pursuant to the Cofinancing Agreement Framework for Sovereign Operations by and between ADB and AIIB dated 13 October 2023. ADB's Environmental and Social Framework (2024) and its Independent Accountability Mechanism apply to this project. ADB undertook an environmental and social risk and impact assessment of this operation and classified the risks to be low, which is equal to AIIB's Category C. **Environmental and Social Aspects**. The proposed Program is not expected to have any adverse environmental or social risks or impacts as the loan supports general budget support for time-bound, targeted fiscal measures covering cash transfers, fuel and fertilizer subsidies, fare discounts, and similar social amelioration programs. There is no physical or infrastructure works. With health and social protection subsidies and cash transfers, among others, the Program is expected to yield positive results especially for vulnerable groups including low-income families and workers. Program proceeds will not be used to finance activities or measures prohibited under Philippine law or under international agreements to which the Philippines is a party, including AIIB ESF exclusion list, with such exclusions to be confirmed through periodic reporting. **Grievance Redress Mechanism.** The Philippine government has a mix of central and agency-specific grievance redress or complaint management mechanisms. Among these are: a) the 8888 National Public Service and Anti-Corruption Center, a 24/7 national hotline where any citizen can call to lodge a complaint and the Grievance Machinery in each government agency to settle grievances in the public sector, per mandate of the Civil Service Commission Memorandum Circular No. 2, series of 2001. All these grievance mechanisms are disclosed in their respective websites or portals, including the procedures and forms to use by complainants. In practice, complaints are also lodged through informal channels, such as through their village or local government officials, chieftains or tribal leaders (for IPs) or through CSOs.

	Monitoring and Reporting Arrangement. The government has established institutional arrangements to monitor implementation of the Program. Performance will be tracked against the targets in the Design and Monitoring Framework (DMF) for the Program through 30 June 2027. The executing agency is the Department of Finance. An UPLIFT Committee has been created to coordinate the program's implementation, consisting of the President of the Philippines, the Executive Secretary, and the secretaries of concerned agencies. The government has agreed to provide quarterly monitoring reports and update the UPLIFT website regularly. ADB and AIIB will jointly monitor Program implementation drawing on the UPLIFT Committee's public reporting dashboard and the Philippine Statistics Authority as primary data sources. For internal reporting, AIIB will reflect results and attribution through its project implementation and monitoring report (PIMR), with the joint ADB-AIIB team verifying achievement of the DMF's outcome indicators as evidence of medium-term policy impact.		
Cost and Financing Plan	Asian Development Bank (ADB): USD1500 million AIIB: USD1000 million		
Borrower	Republic of the Philippines		
Estimated date of loan closing	June 2027		
Contact Points:	**AIIB**	**ADB**	**Borrower**
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Date of Singe Review Decision	July 30, 2026		
Estimated Date of Financing Approval	September 2026		

Independent Accountability Mechanism	AIIB's Policy on the Project-affected People's Mechanism (PPM) addresses issues raised under AIIB's ESP, which does not apply to policy-based operations such as this one. Submissions to the PPM under the Program would, therefore, not be eligible for consideration by the PPM. ADB's independent accountability mechanism addresses issues raised by persons adversely affected by an ADB-assisted project and allows them to report alleged noncompliance with ADB's operational policies and procedures, including SPS. Information on ADB's Accountability Mechanism is available at https://www.adb.org/who-we-are/accountability-mechanism.