

Project Summary Information (PSI) – Post Covid 19 Business and Employment Recovery Program- Subprogram 1

**Project Summary Information**

Sep 1, 2022

Project Name	Post-Covid-19 Business and Employment Recovery Program - Subprogram 1
Project Number	P000697
AIIB member	Republic of the Philippines
Sector/Subsector	Economic Resilience/ PBF
Status of Financing	Under Preparation
Project Description	<p>This proposed Program will provide a policy-based loan under the COVID-19 Crisis Recovery Facility of the Bank and will be co-financed with the Asian Development Bank (ADB). The pandemic shock to the Philippines' economy created a longer-lasting negative impact on private sector employment in the country and has persisted even after the economy has started to recover. Working-age population and elders, especially women, have been the most negatively affected.</p> <p>Against the backdrop of this labor market situation, the government launched the National Employment Recovery Strategy (NERS) in May 2021. NERS is to improve access to employment, livelihood, and training opportunities; and to support existing and emerging businesses to create sustainable employment opportunities in light of the pandemic-induced job losses. The proposed Program is anchored on NERS, combining business, skills development, and employment-related reforms. Through the proposed Program, landmark regulations and reforms will be put in place. The proposed Program will support three reform areas: (1) post-pandemic business and investment framework liberalized; (2) pandemic-induced skills mismatches addressed and institutional linkages between skills training and employment strengthened; and (3) active labor market programs expanded to meet post-pandemic employment needs. Reform area 1 supports increased job creation in private businesses. Reform area 2 enhances the quality of labor by linking skills training with demand. Reform area 3 facilitates matching good quality jobs with jobseekers while providing targeted help to women: a jobs transition program tailor-made for the needs of women will be piloted, including skills training, livelihood grants, and childcare assistance.</p>
Objective	The Program objective is to support the Republic of the Philippines in sustaining business and labor market recovery in the post-pandemic era.
Expected Results	The expected outcome will be to enhance the business environment and increase access to formal employment in the

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	private sector. The proposed Program will lead to an increase in wage and salary employment in private sector by an average of 600,000 to 700,000 jobs per year, with the share of such employment in total employment increased to 53% by 2025.		
Environmental and Social Category	C		
Environmental and Social Information	<p>The proposed Program will be co-financed with ADB as the lead co-financier. The program is likely to have minimal or no adverse environmental and social impacts. To ensure a harmonized approach to address the environmental and social (ES) aspects of the Program, as permitted by AIIB's Environmental and Social Policy (ESP), ADB's Safeguards Policy Statement (SPS) will apply to the proposed Program in lieu of AIIB's ESP. The Bank has reviewed ADB's SPS and is satisfied that: (i) ADB's SPS is consistent with the Bank's Articles of Agreement and materially consistent with the provisions of the Bank's ESP; and (ii) the monitoring procedures that are in place are appropriate for the proposed Program. Under its SPS, ADB has categorized this program as Category C for Environment, Involuntary Resettlement, and Indigenous Peoples (equivalent to Category C if AIIB ESP were applicable). The primary beneficiaries of the proposed Program will be the vulnerable workers including those in the informal sector, young, and female workers. With the help of this proposed Program, more training, reskilling, and upskilling programs can be made available to the informal or vulnerable workers, particularly women.</p> <p>The program is proposed by ADB to be categorized as "effective gender mainstreaming" and includes the following key actions: (i) setting gender targets in job skilling activities, including higher-level Technical-Vocational Education And Training (TVET) programs, Job Start Philippines, and SkillsUpNet Philippines; and (ii) integrating gender-responsive physical design features in the regional technical innovation centers.</p>		
Cost and Financing Plan	Source of Financing	Amount (USD million)	Percentage
	ADB	400.00	50.00%
	AIIB	400.00	50.00%
	Total Project Cost	800.00	100.00%
Borrower	Republic of the Philippines		
Implementing Entity	Department of Finance		
Estimated date of loan closing	December 2023		
Contact Points:	AIIB	ADB	Borrower/Implementing

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			Organization
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Estimated Date of Concept Decision	October 2022		
Estimated Date of Appraisal Decision	October 2022		
Estimated Date of Financing Approval/	November 2022		

Independent Accountability Mechanism	<p>Since ADB's SPS will apply to this Program, and pursuant to AIIB's agreement with the ADB, AIIB will rely on the ADB's Independent Accountability Mechanism (IAM) to handle complaints relating to ES issues that may arise under the Program. Consequently, in accordance with AIIB's Policy on the Project-affected People's Mechanism (PPM), submissions to the PPM under this Program will not be eligible for consideration by the PPM. ADB's IAM 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 IAM is available at:</p> <p>https://www.adb.org/site/accountability-mechanism/main</p>
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