

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET

Philippines: 2016 Approved Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
833.30	-	5.97	7.00	846.27

- = nil.

Note: Grants and technical assistance include ADB-administered cofinancing.

Philippines: Cumulative Lending, Grant, and Technical Assistance Approvals^{a, b, c}

Sector	No.	Total Amount (\$ million) ^d	% ^d
Agriculture, Natural Resources, and Rural Development	171	2,077.33	12.06
Education	41	1,376.14	7.99
Energy	75	3,432.06	19.93
Finance	70	1,737.22	10.09
Health	25	376.63	2.19
Industry and Trade	33	596.29	3.46
Public Sector Management	79	4,101.76	23.82
Transport	74	1,560.05	9.06
Water and Other Urban Infrastructure and Services	74	1,260.61	7.32
Multisector	22	705.20	4.09
Total	664	17,223.29	100.00

^a Grants and technical assistance include ADB-administered cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Using primary sector in reporting of approvals.

^d Numbers may not sum precisely because of rounding.

Philippines: Cumulative Nonsovereign Financing by Product

No. of Transactions	Amount (\$ million)
Loans	730.96
Equity Investments	64.85
Guarantees	199.57
B Loans	113.58
Total	1,108.95

ADB aims to focus its support to the Philippines on four priority areas of sustainable and climate-resilient infrastructure, good governance and finance, employment and education, and regional integration.

PHILIPPINES

The Philippines is among the fastest-growing economies in Southeast Asia, with growth accompanied by low inflation, improved fiscal performance, and strong external balances. The country's gross domestic product grew by an average of 6.2% during 2010–2015, compared with 3% average growth in the 1990s.

The Government of the Philippines aims to lay a solid foundation for inclusive growth, a high-trust society, and a globally competitive knowledge economy. The newly elected administration, which took office in June 2016, has listed its political and economic priorities to include strengthening the country's peace and order while building a stronger economy that does not leave the poor and underprivileged behind.

Since 1966, the Asian Development Bank (ADB) has been a strong partner in the development of the Philippines, its host country. ADB is one of the country's largest sources of official development assistance, with average

annual lending of \$745 million in the past 10 years.

Cumulative disbursements to the Philippines for lending and grants financed by ordinary capital resources, the Asian Development Fund, and other special funds amount to \$13.44 billion.

ADB-SUPPORTED PROJECTS AND PROGRAMS

As of 31 December 2016, total active lending portfolio for the Philippines was \$3.27 billion. The education sector cornered the largest share of the portfolio at 45%, followed by public sector management (17%), and the energy sector (12%).



In 2016, the largest ADB operation approved was \$400 million of additional financing for the Social Protection Support Project to help the government expand its Conditional Cash Transfer Program. ADB also approved two investment projects: a loan of \$123.3 million for a new water tunnel from Angat Dam to help modernize Manila's water supply and a loan of \$60 million to help water service providers outside Metro Manila improve water and sanitation assets to better control waterborne diseases and reduce environmental pollution.

Also in 2016, ADB approved a \$250 million policy-based loan for the second phase of the Local Government Finance and Fiscal Decentralization Reform Program. The program is helping local government units deliver better and more effective public services through improved revenue generation, stronger public financial systems and regulatory frameworks, and increased transparency and accountability.

ADB also approved a total of \$6 million in technical assistance for secondary

education support, strengthening the government's financial inclusion framework, supporting employment facilitation for inclusive growth, enhancing capacity development of water districts and the government's tax and fiscal policy, and deepening engagement in national flagship programs such as in education, social protection, and local government.

To meet the Philippines' large infrastructure needs, ADB continues to assist the government's public-private partnership program. Since 2011, this support has been provided via \$28.2 million worth of technical assistance with cofinancing from the governments of Australia and Canada for activities such as capacity development, the Project Development and Monitoring Facility, transaction advisory services, and advice on policy and regulatory reforms.

As of April 2015, ADB had fully disbursed the \$500 million approved for its Emergency Assistance for Relief and Recovery from Typhoon Yolanda. Efforts are now focused on reconstruction,

particularly the restoration of infrastructure, livelihoods, and social services. The KALAHI-CIDSS National Community-Driven Development Project (\$372.1 million) and the Japan Fund for Poverty Reduction Emergency Assistance and Early Recovery for Poor Municipalities Affected by Typhoon Yolanda (\$20 million) are contributing strongly to this reconstruction.

NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides direct financial assistance to nonsovereign public sector and private sector transactions in the form of direct loans, equity investments, guarantees, B loans, and trade finance. Since its inception, ADB has approved \$1.1 billion in financing for 30 private sector transactions in the Philippines. Total outstanding balances and commitments of ADB's private sector transactions in the country as of 31 December 2016 was \$359.3 million, representing 3.7% of ADB's total nonsovereign portfolio.

Philippines: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2005	100.0	1
2007	100.0	1
2008	20.0	5
2009	50.0	2
2010	60.0	5
2011	40.0	5
2012	50.0	2
2013	100.0	1
2014	0.0	1
2015	50.0	2
2016	100.0	2
Total	51.9	27

Note: "Year" refers to the circulation year of the project completion report (PCR). The success rates reported here are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. With small sample size, the success rate does not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2016.

Philippines: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2015–2016

No. of Ongoing Loans (as of 31 Dec 2016)	12	
	2015 (\$ million)	2016 (\$ million)
Contract Awards/Commitments ^{a,b}	525.70	232.13
Disbursements ^a	928.32	709.95
No. of Ongoing Grants (as of 31 Dec 2016)	1	
	2015 (\$ million)	2016 (\$ million)
Contract Awards/Commitments ^{a,b}	-	-
Disbursements ^{a,c}	-	-
Actual Problem Projects (%) (as of 31 Dec 2016)		9

- = nil.

^a Includes closed loans/grants that had contract awards or disbursements during the year.

^b Excludes policy-based lending/grants.

^c Includes only Asian Development Fund and other ADB special funds.

Philippines: Projects Cofinanced, 1 January 2012–31 December 2016

Cofinancing	No. of Projects	Amount (\$ million)
Projects ^a	15	2,160.42
Grants	8	39.50
Official loans	7	1,449.00
Commercial cofinancing	3	671.92
Technical Assistance Grants	21	45.41

^a A project with more than one source of cofinancing is counted once.

Philippines: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2015		2016		Cumulative (as of 31 Dec 2016)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	667.41	6.02	732.06	6.41	9,280.89	5.85
Consulting Services	18.91	2.89	30.53	4.98	449.30	3.99
Total Procurement	686.32	5.84	762.59	6.34	9,730.19	5.73

Top 5 Contractors/Suppliers from the Philippines Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2012–31 December 2016

Contractor/Supplier	Sector	Contract Amount (\$ million)
R.D. Interior Junior Construction & Hebei Road and Bridge Group Co., Ltd. (JV)	TRA	17.74
Fumaco Inc. & Tridonic S.E.A. Pte. Ltd. (JV)	ENE	8.90
Alcatel-Lucent Philippines Inc.	TRA	5.04
Vicente T. Lao Construction	ANR, TRA	4.63
R.D. Policarpio & Co. Inc. & Sunwest Construction (JV)	TRA	3.27
Others		2,596.91
Total		2,636.50

ANR = agriculture, natural resources, and rural development; ENE = energy; TRA = transport.

Top 5 Consultants from the Philippines Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2012–31 December 2016

Consultant	Sector	Contract Amount (\$ million)
Pacific Rim Innovation and Management Exponents Inc.	ANR, EDU, HLT	24.04
Renardet S.A. Consulting Engineers	TRA	8.69
Plan International Philippines	MUL	7.48
Angel Lazaro & Associates	TRA	5.97
Development Strategists International Consulting Inc.	EDU, IND	5.59
Individual Consultants		54.51
Others		33.57
Total		139.84

ANR = agriculture, natural resources, and rural development; EDU = education; HLT = health; IND = industry and trade; MUL = multisector; TRA = transport.

COFINANCING

Cofinancing operations enable ADB's financing partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. Additional funds are provided in the form of official loans and grants, technical assistance, other concessional financing, and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB's Trade Finance Program.

From 1970 to the end of 2016, cumulative direct value-added (DVA) official cofinancing for the Philippines amounted to \$4.01 billion for 56 investment projects, and \$88.3 million for 65 technical assistance projects. Cumulative DVA commercial cofinancing for the Philippines amounted to \$1 billion for 10 investment projects.

In 2016, the Philippines received \$600 million loan cofinancing from the Government of France and the World Bank for two investment projects. It also received \$5 million grant cofinancing from the Typhoon Yolanda Multi-Donor Trust Fund and a \$2 million grant from the Urban Environmental Infrastructure Fund under the Urban Financing Partnership Facility.

A summary of projects with cofinancing from 1 January 2012 to 31 December 2016 is available at www.adb.org/countries/philippines/cofinancing

PARTNERSHIPS

The development assistance needs of the Philippines are significant and diverse. ADB has collaborated with the

Japan International Cooperation Agency and the World Bank, particularly in the areas of infrastructure, finance, public sector management, and community development. ADB and the World Bank are partners in supporting the government's National Community-Driven Development Program and the Conditional Cash Transfer Program called Pantawid Pamilyang Pilipino Program (4Ps).

Among the country's bilateral partners, the governments of Australia and Canada are active cofinanciers of programs to advance public-private partnership reforms in the Philippines.

ADB continues to participate in policy dialogue with government agencies and other development partners, discussing rehabilitation and reconstruction work in areas hit by Typhoon Yolanda, as well as directions of development assistance in Mindanao.

PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries; and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

Share of ADB's Procurement Contracts

Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled \$11.09 billion

in 2015 and \$11.42 billion in 2016. Cumulative procurement since 1966 was \$158.68 billion covering 206,915 contracts.

In the Philippines, 18,465 contracts worth \$9.28 billion were awarded to contractors and suppliers within the same period.

Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$655.31 million in 2015 and \$612.46 million in 2016. Cumulative procurement since 1966 was \$11.26 billion covering 52,232 contracts.

In the Philippines, 6,390 contracts worth \$449.30 million were awarded to consultants within the same period.

OPERATIONAL CHALLENGES

ADB's cumulative assistance to the Philippines has reached 210 public sector loans (\$16.15 billion) and 29 grants (\$82.6 million). The majority of these projects has been in the sectors of education; public sector management; industry and trade; energy; agriculture, natural resources and rural development; and transport.

The ADB loan portfolio consists of both project and program loans, including the first results-based loan to improve education in the Philippines. Increasing use of results-based lending is expected to identify investment projects that make better use of country systems to increase implementation efficiency. The Client Portal for Disbursements—an online system that is expected to speed up the preparation and submission of

withdrawal applications, and reduce transaction costs—is being adopted on a pilot basis in two key executing agencies in the Philippines.

FUTURE DIRECTIONS

The proposed ADB country partnership strategy, 2017–2022 for the Philippines will focus on four interrelated priority areas: (i) sustainable and climate-resilient infrastructure, (ii) good governance and finance,

(iii) employment and education, and (iv) regional integration. The strategy plans to foster inclusive growth by supporting development in Visayas and Mindanao, while continuing to support national programs.

In addition to building and rehabilitating national roads and modernizing the public transport system in Davao City, investments will be prepared to focus on the South Central Mindanao Growth Corridor.

Future ADB assistance to the Philippines will be closely aligned with the recently approved Long-Term Vision of the Philippines towards 2040 (Ambisyon Natin 2040) as well as the Philippine Development Plan for 2017–2022 by the National Economic and Development Authority.



ABOUT THE PHILIPPINES AND ADB

ADB Membership

Joined 1966

Shareholding and Voting Power

Number of shares held:	252,912 (2.383% of total shares)
Votes:	292,519 (2.205% of total membership, 3.384% of total regional membership)
Overall capital subscription:	\$3.40 billion
Paid-in capital subscription:	\$170.02 million

Paul Dominguez is the Director and **Muhammad Sami Saeed** is the Alternate Director representing the Philippines on the ADB Board of Directors.

Richard Bolt is the ADB Country Director for the Philippines. The Philippines Country Office was opened in 2001 and provides the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners. The country office engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in the Philippines.

The Philippine government agency handling ADB affairs is the Department of Finance.

ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 67 members, 48 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2016, lending volume was \$16.35 billion (126 projects), with technical assistance at \$169.03 million (225 projects) and grant-financed projects at \$526.75 million (31 projects). In addition, \$14.06 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2012 to 31 December 2016, ADB's annual lending volume averaged \$13.74 billion. In addition, investment grants and technical assistance funded by ADB and special funds resources averaged \$562.24 million and \$154.91 million in technical assistance over the same period. As of 31 December 2016, the cumulative totals excluding cofinancing were \$247.28 billion in loans for 2,935 projects in 44 countries, \$7.75 billion in 296 grants, and \$4.06 billion in technical assistance grants, including regional technical assistance grants.

CONTACTS

Philippines Country Office

6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Tel +63 2 632 4444
Fax +63 2 683 1030
phco@adb.org
www.adb.org/philippines

ADB Headquarters

6 ADB Avenue, Mandaluyong City
1550 Metro Manila, Philippines
Tel +63 2 632 4444
Fax +63 2 636 2444

Department of Finance

6th Floor, Department of Finance Building
Roxas Boulevard corner Pablo Ocampo Street
Metro Manila, Philippines
Tel +63 2 523 9219
Fax +63 2 526 8474

Useful ADB websites

Asian Development Bank
www.adb.org

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

Annual Report
www.adb.org/documents/series/adb-annual-reports

Depository Libraries
www.adb.org/publications/depositories

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Statistics and Databases
www.adb.org/data/statistics