



Project Summary Information

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Project Name	Philippines – Inclusive Finance Development Program (Subprogram 3)
Project Number	P000781
AIIB member	Philippines
Sector/Subsector	CRF-Economic Resilience/PBF
Status of Financing	Approved
Objective	The Program objective is to support the Republic of the Philippines' inclusive economic recovery from the COVID-19 pandemic through: (i) leveraging the national identity system to expand financial inclusion; (ii) expanding the digital payment ecosystem; (iii) increasing the capacity of financial service providers through digital transformation; and (iv) reducing inequalities in women's access to finance and promoting women's economic empowerment.
Project Description	<p>The Program will provide a policy-based financing under the COVID-19 Crisis Recovery Facility of the Bank and will be co-financed with the Asian Development Bank (ADB) as the lead financier.</p> <p>The Program focuses on the following reform areas: (1) strengthening the institutional and policy environment for financial inclusion; (2) strengthening the financial inclusion infrastructure; and (3) increasing the capacity of financial service providers.</p>
Expected Results	The expected outcomes of the Program comprise increased social benefits, including reduced poverty; decreased inequality; improved financial stability; more opportunities for women; and increased climate resilience of the vulnerable poor, MSMEs, and financial institutions.
Environmental and Social Category	Category C
Environmental and Social Information	The Program will be co-financed with ADB as the lead co-financier, and the Program's Environmental and Social (E&S) risks and impacts have been assessed in accordance with the provisions of ADB's Safeguard Policy Statement (SPS) applicable to policy-based lending. AIIB's Environmental and Social Policy (ESP) was designed to apply to investment projects and has no provisions for its application to policy-based financing operations. Therefore, as permitted by a decision of the Board of Directors, AIIB will apply the provisions of ADB's SPS applicable to policy-based lending to this

	<p>PBF in lieu of the ESP. This will provide for a harmonized approach to addressing the environmental and social risks and impacts of the Program.</p> <p>Based on the E&S assessments carried out according to the SPS requirements, no adverse impacts have been identified with respect to involuntary resettlement, Indigenous Peoples, or the environment. Hence, ADB has categorized the Program as Category C with respect to all three aspects.</p> <p>Subprogram 3 is categorized <i>effective gender mainstreaming</i>. Key measures under this subprogram supported financial inclusion among women through: (i) continued implementation of a national identification system, considering that women are less likely than men to have the identification documents required to open a bank account; (ii) expansion of the use of cash agents and the introduction of financial technology innovations, including digital platforms, which can benefit more women in areas without a banking presence; and (iii) strengthening of microfinance nongovernment organization (MNGOs), which predominantly serve women.</p>		
Cost and Financing Plan	<p>Total cost: USD600 m</p> <p>AIIB amount: USD300 m</p> <p>ADB amount: USD300 m</p>		
Borrower	Republic of the Philippines		
Implementing Entity	Department of Finance		
Estimated date of loan closing	Q3 2024		
Contact Points:	AIIB	ADB	Borrower
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Date of Concept Decision	Q3 2023		
Date of Appraisal Decision	Q3 2023		

Date of Financing Approval	Nov 22, 2023
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 this operation. Submissions to the PPM under this Program would, therefore, not be eligible for consideration by the PPM. Instead, pursuant to AIIB's agreement with ADB, complaints brought by third parties relating to compliance with ADB's SPS will be addressed by the Special Project Facilitator or Compliance Review Panel, each established under ADB's Accountability Mechanism Policy. Information on ADB's IAM is available at: https://www.adb.org/who-we-are/accountability-mechanism