



Project Summary Information

Date of Document Preparation/Updating: 09/13/22	
Project Name	Post-COVID-19 Business and Employment Recovery Program - Subprogram 1
Project Number	P000697
AIIB member	Philippines
Sector/Subsector	CRF-Economic Resilience/PBF
Status of Financing	Approved
Objective	The Program objective is to improve access to employment, livelihood, and training opportunities and increase support to existing and emerging business to create employment in order to support the country's post COVID-19 labor market adjustments.
Project Description	<p>This 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).</p> <p>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 Program is anchored on NERS, combining business, skills development, and employment-related reforms. Through the Program, landmark regulations and reforms will be put in place.</p> <p>The Program will support three reform areas: (1) active labor market programs expanded to meet post-pandemic employment needs; (2) pandemic-induced skills mismatches addressed and institutional linkages between skills training and employment strengthened; and (3) post-pandemic business and investment framework liberalized for a job-rich recovery. Reform area 1 facilitates matching good quality, more sustainable and greener 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. Reform area 2 enhances the quality of labor by linking skills training with demand. Reform area 3 supports increased job creation in private businesses by introducing structural</p>

	reforms, making tax policy efficient, removing impediments to foreign investment, and creating ecosystem for innovation.
Expected Results	<p>(i) Active labor market programs expanded to meet post-pandemic employment needs.</p> <ul style="list-style-type: none"> • Wage and salary employment in private establishments increased by an average of 600,000 to 700,000 jobs per year from a negative 2.1 million jobs in 2020. • Increase the share of wage and salary workers among total female employment from 36.0% in 2020 to 40% by 2025. <p>(ii) Pandemic-induced skills mismatches addressed and institutional linkages between skills training and employment strengthened.</p> <ul style="list-style-type: none"> • Women’s share of enterprise-based trainees in technical and vocational education and training increased from 48.3% in 2020 to 53.0% by 2025. • Share of technical and vocational education and training graduates hired within 1 year of graduation increased from 67.7% in 2020 to 74.1% by 2025. <p>(iii) Post-pandemic business and investment framework liberalized for a job-rich recovery.</p> <ul style="list-style-type: none"> • Investment-to-gross domestic product ratio increased from 19.3% in 2020–2021 to 25.9% by 2025. • At least 50,000 new private establishments registered each year from 40,066 in 2020–2021.
Environmental and Social Category	ADB Category C for Environment, Involuntary Resettlement and Indigenous Peoples (similar to Category C if AIIB’s ESP were applicable)
Environmental and Social Information	<p>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 were assessed in accordance with the provisions of ADB’s Safeguards Policy Statement (SPS) applicable to policy-based lending (PBL). AIIB’s Environmental and Social Policy (ESP) was designed to apply to investment projects and has no provisions for its application to PBL operations. Therefore, as permitted by a decision of AIIB’s Board of Directors, the provisions of ADB’s SPS applicable to PBL will apply to this operation in lieu of AIIB’s ESP. This will provide for a harmonized approach to addressing the E&S risks and impacts of the Program.</p> <p>Under its SPS, ADB has categorized the Program as Category C for each of Environment, Involuntary Resettlement, and Indigenous Peoples (equivalent to Category C if AIIB ESP were applicable) on the basis of an assessment of the E&S risks and impacts of the Program, which concluded that the Program is not expected to have any adverse environmental or social impacts. The primary beneficiaries of the Program will be the vulnerable workers including those in the informal sector, young, and female workers. With the help of this Program, more training, reskilling, and upskilling programs can be made available to the informal or vulnerable workers, particularly women.</p>

	The Program has been categorized by ADB 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 programs, Job Start Philippines, and SkillsUpNet Philippines; and (ii) integrating gender-responsive and climate smart design features in the regional technical innovation centers.		
Cost and Financing Plan	Source of Financing	Amount (USD million)	Percentage
	ADB	500.00	50.00%
	AIIB	500.00	50.00%
	Total Program Cost	1000.00	100.00%
Borrower	Republic of the Philippines		
Implementing Entity	Department of Finance, Philippines		
Estimated date of loan closing	December 2023		
Contact Points:	AIIB	ADB	Borrower/Implementing Organization
Name	Toshiaki Keicho	Sameer Khatiwada	Mark Dennis Y.C. Joven
Title	Lead Investment Operations Specialist - Urban	Senior Public Management Economist	Undersecretary Department of Finance Republic of the Philippines
Email Address	toshiaki.keicho@aiib.org	skhatiwada@adb.org	mdjoven@dof.gov.ph
Date of Concept Decision	October 19, 2022		
Date of Appraisal Decision	October 19, 2022		
Date of Financing Approval	February 15, 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 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 operation and allows them to report alleged noncompliance with ADB’s operational policies and procedures,		

	including its SPS.
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