



## Second Disaster Risk Management Development Policy Loan with a CAT-DDO (P155656)

EAST ASIA AND PACIFIC | Philippines | Social, Urban, Rural and Resilience Global Practice Global Practice | IBRD/IDA | Development Policy Lending | FY 2016 | Seq No: 5 | ARCHIVED on 08-Mar-2018 | ISR31590 |

Implementing Agencies: Department of Finance, Department of Finance

### Key Dates

#### Key Project Dates

Bank Approval Date:22-Dec-2015

Effectiveness Date:15-Apr-2016

Planned Mid Term Review Date:--

Actual Mid-Term Review Date:--

Original Closing Date:30-Sep-2018

Revised Closing Date:30-Sep-2018

### Program Development Objectives

Program Development Objective (from Program Document)

The development objective of the proposed project is to enhance the technical and financial capacity of the Government of the Philippines to reduce disaster risk and manage the socio-economic and fiscal impacts of natural disasters.

### Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Satisfactory
Overall Implementation Progress (IP)	● Satisfactory	● Satisfactory
Overall Risk Rating	● Moderate	● Moderate

### Implementation Status and Key Decisions

Implementation is progressing under the leadership of the Department of Finance. The DOF and the Technical Working Group are implementing planned activities, including:

- 1 . Development of a "Socio-economic Resilience Index" by NEDA, using the Socio-economic Resilience methodology. National and regional indices using data from the 2015 Family Income and Expenditure Survey have been developed.
- 2 . Completion and endorsement by the DPWH (Legal Af draft 'Philippine Building Act', integrating disaster risk reduction and climate adaptation.
- 3 . Implementation of 72 Provincial Commodity Investment Plans (developed using the expanded Vulnerability and Suitability Assessment) under the Philippine Rural Development Program.
- 4 . Development by the Housing and Urban Development Coordinating Council of a draft policy framework for post-disaster shelter assistance, to be adopted in the NEDA Disaster Recovery Framework.
- 5 . Rollout of the Multi-hazard vulnerability assessment methodology for priority cultural heritage sites by the Department of Tourism, Tourism Infrastructure and Economic Zone Authority, and the Intramuros Administration.
- 6 . Development of the implementation plan for the long-term Disaster Resilience Insurance Facility, based on experiences from the ongoing



parametric insurance pilot.

7 . Development of design for the proposed Philippine Catastrophe Insurance Pool.

## Risks

### Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● Substantial	● Substantial	● Substantial
Macroeconomic	● Low	● Low	● Low
Sector Strategies and Policies	● Moderate	● Moderate	● Moderate
Technical Design of Project or Program	● Low	● Low	● Low
Institutional Capacity for Implementation and Sustainability	● Moderate	● Moderate	● Moderate
Fiduciary	● Moderate	● Moderate	● Moderate
Environment and Social	● Moderate	● Moderate	● Moderate
Stakeholders	● Low	● Low	● Low
Other	--	--	--
Overall	● Moderate	● Moderate	● Moderate

## Results

### Results Indicators

► A methodology for national-level risk-informed planning has been developed and applied by the National Economic and Development Authority in planning and public investment programming. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not developed	Pilot version of the Methodology publicly launched and Socio-economic Resilience indicator, baseline, and target for the Philippine Development Plan are under development	Development of Socio-economic Resilience methodology completed and application in Philippine Development Plan agreed	Methodology developed and applied in planning and public investment programming
Date	31-May-2015	19-Sep-2017	01-Mar-2018	30-Sep-2018

#### Comments

The overall strategic framework of the Philippine Development Plan (2017-2022) puts forth the outcome “*Individuals and communities will be more resilient*”. However, at the time of publication of the PDP, an index was still to be developed, and data to be collected to estimate the baseline (2018) value, and the value in 2022. The “Socio-economic Resilience Index” has been developed for the national and regional levels for 2018, using data from the latest Family Income and Expenditure Survey, and will be utilized in the forthcoming PDP Midterm



Update.

► Disaster risk reduction measures are integrated in revisions to the National Building Code of the Philippines (NBCP) developed by the Department of Public Works and Highways. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not developed	Revisions integrating disaster risk reduction measures developed for the NBCP in the form of a draft 'Philippine Building Act' to be presented by the Department of Public Works and Highways to the National Economic and Development Authority	Proposed "Philippine Building Act of 2018" has been finalized by the National Building Code Development Office and approved by Department of Public Works & Highways for endorsement to the Congress of the Philippines	Revisions integrating disaster risk reduction measures are developed for the NBCP
Date	31-May-2015	19-Sep-2017	01-Mar-2018	30-Sep-2018

► Provincial Commodity Investment Plans (PCIPs) developed using the expanded Vulnerability and Suitability Assessment (eVSA) tool are approved by the Department of Agriculture under the Philippine Rural (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	47 PCIPs developed and approved	80 PCIPs developed and approved; 72 under implementation	81 PCIPs developed and approved; 72 under implementation	80 PCIPs developed and approved; 72 under implementation
Date	09-Jul-2015	19-Sep-2017	01-Mar-2018	30-Sep-2018



► Policy framework for post-disaster shelter assistance (through recovery and reconstruction phases) formulated by the member agencies of the Social Development Committee and endorsed to the Social Deve (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not formulated	Draft policy framework developed for incorporation in the National Economic and Development Authority's Disaster Recovery Framework	Draft policy framework approved in-principle by the Housing and Urban Development Coordinating Council - Management Committee, Chairperson and the Secretary General	Policy framework formulated and endorsed to Social Development Committee – Technical Board
Date	31-May-2015	19-Sep-2017	25-Jan-2018	30-Sep-2018

Comments

A final presentation of the Post-Disaster Shelter Policy Framework (PDSF) will be made to Key Shelter Agencies on March 15, 2018, after which the final and approved PDSF will be submitted for endorsement to the NEDA Social Development Committee - Technical Board.

► Multi-hazard vulnerability assessments of priority cultural heritage sites completed by the Department of Tourism and assessment methodology adopted in the Philippine Standards for Conservation. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	2 sites assessed	Vulnerability assessment completed for 18 sites and assessment methodology adopted by the Intramuros Administration and the Tourism Infrastructure and Enterprise Zone Authority	Vulnerability assessment completed for 18 sites and assessment methodology adopted by the Intramuros Administration and the Tourism Infrastructure and Enterprise Zone Authority	Vulnerability assessment completed for 5 priority cultural heritage sites and assessment methodology adopted in the Philippine Standards for Conservation
Date	31-May-2015	19-Sep-2017	19-Sep-2017	30-Sep-2018

Comments

As the Philippine Standards for Conservation are still under development, the Intramuros Administration and the Tourism Infrastructure and Enterprise Zone Authority (TIEZA) have promulgated issuances adopting the multi-hazard vulnerability assessment methodology. The agencies are currently rolling out the use of the methodology for the assessment of historical assets within their respective portfolios. TIEZA has created a multi-hazard vulnerability assessment team for cultural heritage properties, in consideration of its mandate under Republic Act 9593 towards the preservation of cultural tourism sites.



► Joint catastrophe risk insurance program for Local Government Units (LGUs) developed by the Department of Finance. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not developed	Joint catastrophe risk insurance program piloted by DOF for 25 provinces and relevant national government agencies	Joint catastrophe risk insurance program piloted by DOF for 25 provinces and relevant national government agencies	Long term program is developed with 10 LGUs participating
Date	31-May-2015	28-Jul-2017	28-Jul-2017	30-Sep-2018

Comments

Based on 2 years of consultations with national and local government entities to determine the institutional and technical set up of an institutionalized mechanism for disaster risk financing, the World Bank will provide technical support to DOF for a proposed program design by June 2018.

► Number of line agencies that have developed and piloted their Disaster Risk Financing and Insurance (DRFI) strategy. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not developed	Consultations ongoing with the Department of Public Works and Highways and the Department of Education for the development of their respective DRFI strategies. Pilot completed through the joint catastrophe risk insurance program	Development of DRFI strategies ongoing by the Department of Public Works and Highways, the Department of Education, and Intramuros Administration. Pilot completed through the joint catastrophe risk insurance program	2 agencies have developed and piloted their DRFI strategy
Date	31-May-2015	19-Sep-2017	01-Mar-2018	30-Sep-2018

Comments

Technical assistance is being provided to three (3) national government agencies (DPWH, DepEd, and Intramuros Administration) to develop DRFI strategies. The Intramuros Administration will use this strategy as an input to the agency's 2019 budget submission, and for piloting under the Conservation Management Plan for Intramuros (currently under development). The placement of the insurance coverage for national government agencies, described under Result Indicator B1, represents the piloting of the DRFI strategies at the sectoral level.



► Design of property catastrophe risk insurance pool for homeowners established by the Department of Finance and the Insurance Commission. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not established	Design is under review by the Department of Finance	Design review completed and work plan for implementation is under development	Design established
Date	31-May-2015	19-Sep-2017	01-Mar-2018	30-Sep-2018

Comments

The Philippine Insurers and Reinsurers Association has prepared a design for the establishment of a Philippine Catastrophe Insurance Pool (PCIP) for homeowners and SMEs and submitted this design for consideration and implementation by DOF. The World Bank has completed a technical review, and is supporting DOF in the preparation of a final design and work plan for implementation.

► Program developed and commenced for post-disaster emergency income support by the Department of Budget and Management, Department of Social Welfare and Development, and the Department of Finance. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not developed	Program operations manual under development	Program operations manual under development	Program developed and commenced
Date	31-May-2015	19-Sep-2017	01-Mar-2018	30-Sep-2018

Comments

Grant financing has been secured by the World Bank for assistance to develop the technical and operational guidelines for establishing a scalability mechanism, based on a review of the Government's experiences delivering cash transfers in post-disaster and crisis contexts.

► Catastrophe risk insurance database template updated and adopted by the Insurance Commission. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Not updated	Updated template developed and undergoing final industry consultations	Updated template adopted through Insurance Commission Circular Letter No. 2017-56 on Catastrophe/Property Insurance Reports	Updated template adopted
Date	31-May-2015	19-Sep-2017	31-Dec-2017	30-Sep-2018

**Overall Comments**

Adoption of updated catastrophe risk insurance database through the issuance of Insurance Commission Circular Letter No. 2017-56 on Catastrophe/Property Insurance Reports, requiring all non-life insurance companies to submit their respective annual reports using the updated database reporting templates. The Insurance Commission, with technical support from the Bank, has finalized the associated Manuals.

**Data on Financial Performance****Disbursements (by loan)**

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P155656	IBRD-85760	Effective	USD	500.00	500.00	0.00	2.50	497.50	0.5%

**Key Dates (by loan)**

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P155656	IBRD-85760	Effective	22-Dec-2015	20-Jan-2016	15-Apr-2016	30-Sep-2018	30-Sep-2018

**Tranches****Restructuring History**

There has been no restructuring to date.

**Related Operations**

There are no related projects.