



Program Summary Information

Date of Document Preparation: May 29, 2020	
Program Name	COVID-19 Active Response and Expenditure Support (CARES) Program
Document Code	PD000392-PSI-PHL
AIIB member	Republic of the Philippines
Sector/Subsector	Others / Exceptions
Status of Financing	Approved
Program Description	<p>The CARES Program is proposed to be supported under AIIB's COVID-19 Crisis Recovery Facility (Facility) and cofinanced with the Asian Development Bank (ADB) as a policy-based loan under its Countercyclical Support Facility COVID-19 Pandemic Response Option (CPRO). The Program will provide critically needed support to help the Government of the Philippines (GoP) mitigate the severe health, social, and economic impact caused by the COVID-19 pandemic.</p> <p>On Mar. 15, 2020, the GoP announced a COVID-19 Response Program, with several priority actions to address the negative impacts of the pandemic and combat the spread of COVID-19. Specific measures under the Response Program include: (i) enhanced quarantine to reduce the infection rate; (ii) expanded medical services to step up testing and care for affected populations; (iii) social protection and livelihood support to help mitigate the immediate impacts on livelihoods and employment; (iv) a small business relief program; (v) support for agriculture and other economic sectors; and (vi) local government support.</p> <p>The Program is expected to have the following outputs: (i) by May 2020, an increase in testing capacity to 8,000 per day; (ii) by July 2020, the average turn-around time from sample collection to results reduced to 48 hours or less; (iii) by July 2020, all health care workers, of which 75 percent are female, and all COVID19 cases covered with Philippine Health Insurance Corporation inpatient and primary care COVID-19 related benefits; (iv) by July 2020, conditional cash transfers and emergency subsidy support provided to 4.4 million vulnerable households; (v) by July 2020, emergency subsidy support provided for 13.6 million households; (vi) by December 2020, USD600 million of economic stimulus and support provided to highly affected and vulnerable sectors including agriculture; (vii) by December 2020, wage subsidies provided for at least 1 million micro, small, and medium-sized enterprises (MSMEs) (of which 58 percent are registered</p>

	to women); and (viii) by December 2020, tax relief provided for at least 1 million MSMEs (of which 58 percent are registered to women).
Objective	The Program's objective is to mitigate the adverse impacts of COVID-19 on the health and economic opportunities of the population of the Philippines by providing budgetary support to the government's COVID-19 Response Program.
Expected Results	<ul style="list-style-type: none"> (i) Reduction in the doubling rate of confirmed COVID-19 cases to 30 days or more, by December 2020 (baseline: every 3-4 days as of April 4, 2020). (ii) Poverty incidence held to less than 18 percent, by April 2022 (baseline: 20.7 percent projected as of April 4, 2020). (iii) The submission of government reports on the implementation of Emergency Subsidy Program totaling USD4 billion with the use of gender-disaggregated data, by April 2021 (baseline: no cash transfers under Emergency Subsidy Program provided as of March 20, 2020).
Environmental and Social Category	ADB has categorized this Program under its Safeguards Policy Statement 2009 (SPS) as Category C for Environment, Involuntary Resettlement and Indigenous Peoples.
Environmental and Social Information	<p>AIIB's Environmental and Social Policy (ESP) was designed to apply to investment projects and has no provisions for its application to policy-based lending operations. Accordingly, the proposed Program, which is co-financed with the ADB as lead cofinancier, has been prepared in accordance with the provisions of ADB's SPS applicable to policy-based lending as permitted by AIIB's Board of Directors' Decisions to Support the AIIB's COVID-19 Crisis Recovery Facility. This will ensure a harmonized approach to addressing the environmental and social (ES) risks and impacts of the Program.</p> <p>Under its SPS, ADB has categorized the Program as Category C for Environment, Involuntary Resettlement, and Indigenous Peoples on the basis of an assessment of the countercyclical expenditures to be supported by the Program. These focus on expanding and strengthening social safety nets for the most vulnerable groups and are not expected to have any adverse environmental or social impacts. The proposed Program has also been categorized by ADB as "effective gender mainstreaming" at entry, as it strengthens the government's response to the COVID-19 outbreak by addressing gender and social inclusion needs. ES monitoring will be conducted based on guidelines and check lists determined by ADB.</p>

Cost and Financing Plan	The total cost USD2,250 million. The financing plan is shown in the table below:										
	<table><tr><td>Co-financiers</td><td>Amount (USD million)</td></tr><tr><td>AIIB</td><td>750</td></tr><tr><td>ADB</td><td>1,500</td></tr><tr><td>Total</td><td>2,250</td></tr></table>			Co-financiers	Amount (USD million)	AIIB	750	ADB	1,500	Total	2,250
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	AIIB	750									
	ADB	1,500									
Total	2,250										
Borrower	Republic of the Philippines										
Implementing Entity	Department of Finance										
Estimated date of loan closing	May 2021										
Contact Points:	AIIB	Asian Development Bank	Borrower/Implementing Organization								
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Date of Concept Decision	April 20, 2020										
Date of Appraisal Decision	April 30, 2020										
Date of Financing Approval	May 28, 2020										
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 policy-based operations such as this. 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 project and allows them to report alleged noncompliance with ADB's operational policies and procedures, including SPS.										