

## **Approach Paper**

### **The Philippines Country Program Evaluation**

December 20, 2018

## **1. Background and Context**

### **Introduction**

**1.1 This Country Program Evaluation (CPE) aims to assess the development effectiveness of the World Bank Group (WBG) program in the Philippines between FY10-18.** It will assess the WBG's contributions to the country's development in each of the WBG group priority areas of engagement as defined in the 2010-2012 Country Assistance Strategy (CAS) and the 2014-2019 Country Partnership Strategy (CPS). At the same time, it will look into the extent to which the WBG took advantage of potential synergies between the financial, knowledge and convening services that the WBG institutions offered across its various engagement areas, as well as the factors that could have limited or constrained the scale of the WBG engagement in the country.

**1.2 The CPE is expected to provide inputs for the next Country Partnership Framework (CPF) for the Philippines, as well as to offer lessons for the WBG country programs in other lower-middle income countries aspiring to upper middle-income status<sup>1</sup>, and facing similar development challenges.** Given the timing of the Systematic Country Diagnostic (SCD) by end of FY19 and the CPF for the Philippines in early FY20, the CPE is expected to be completed in time to serve as an input for the next CPF. The last CPE (previously called Country Assistance Evaluation) was completed in 1999. As the Philippines elected a new president in 2016, it will be important to better understand how the WBG should continue to position itself in the country in the upcoming period, especially in light of the development plans and targets set by the new administration. The selection of the Philippines for this CPE is also motivated in part by the country's regional and global economic importance as one of the larger and dynamic economies in the East Asia and Pacific (EAP) Region, as well as the country's relevance to the WBG as one of its most important client countries that continues to face persistent developmental challenges, while striving to graduate from the lower middle-income economy status in the next decade.

### **Country Context**

**1.3 The Philippines is a lower-middle income economy with population of 104.9 million and per capita Gross National Income (GNI) of US\$ 3,660<sup>2</sup> (2017).** It is one of the fastest urbanizing countries in the EAP Region - almost 47 percent live in urban areas, and the share is expected to reach 75 percent by 2030. Compared to the average

GNI per capita of the EAP economies, the country is only at 35 percent of the average (US\$ 10,170) and at half (53 percent) of the EAP group excluding the high-income economies (US\$ 6,987) (Table 1.1). An aspiring upper middle-income economy, the Philippines has a high national poverty rate of 21.6 percent (2015), with roughly one in five Filipinos living in poverty. A natural disaster hotspot, challenged by frequent deadly typhoons, tropical storms, and earthquakes causing serious economic and social losses, the Philippines ranks 113<sup>th</sup> in the world in terms of Human Development Index (HDI). In addition to natural disasters, the Philippines has been affected by internal unrest, predominantly in the Mindanao region in the south of the country. Efforts undertaken in recent years by the Government of the Philippines (GOP), with the support of the international community, including the WBG, have accelerated the prospects for peace and sustainable development in the region.

**Table 1.1 Selected Economic and HD indicators**

Indicators	Philippines	EAP	World
	Average 2008-2017		
GDP growth (annual %)	5.6	4.3	2.4
GNI per capita, Atlas method (current US\$)	2,992.0	8,665.5	10,064.2
Life expectancy at birth, total (years)	68.6	74.7	71.2
Mortality rate, infant (per 1,000 live births)	23.8	16.2	34.3
School enrollment, secondary (% gross)	85.5	85.2	73.3
School enrollment, tertiary (% gross)	31.7	33.4	32.1
Population growth (annual %)	1.6	0.7	1.2

Source: WB World Development Indicators DataBank 9/21/18

**1.4 At the beginning of 2010, the Philippines was experiencing persistently high rates of poverty and vulnerability along with sluggish progress toward the Millennium Development Goals (MDGs).** Despite a high and sustained economic growth, a 2.9 percent increase in the poverty rate was registered in 2006, effectively returning the country to the same poverty rate it had in 2000 (World Bank 2018b). Many Filipinos were living just above the poverty line, moving in and out of poverty due to vulnerability to shocks.

**1.5 Robust growth after 2010 has helped to reduce the national poverty rate.** The Philippine economy was among the few in the EAP region that managed to avoid contracting following the 2008 global financial crisis, due to limited exposure to international security markets, low dependence on exports, resilient domestic consumption, remittances from the millions of Filipinos living and working abroad, and a rapidly growing service industry. Over 2006–2015, annual GDP growth averaged 5.4

percent, up from 4.1 percent in 1996–2005 and 3.4 percent in 1986–1995 (Figure 1.1) With the population growing at a relatively rapid 1.6 percent a year, this amounts to about 3.8 percent in per capita GDP growth. The pace of poverty reduction has picked up as well (albeit not significantly). The national poverty rate fell to 21.6 percent in 2015 compared to 26.6 in 2006, declining by an average of 1.2 percentage points per year over 2012–2015 compared with 0.6 percentage points per year over 2006–2015 (World Bank 2018b).

**1.6 Despite the generally good economic performance, poverty remains high and the pace of poverty reduction has been slow compared with other East Asian countries.** Between 2006 and 2012, the Philippines poverty rate, as measured by the international poverty line (US\$1.90/day), declined only 0.9 percentage points per year compared to 2–2.5 percent in China, Indonesia, and Vietnam, and, as measured by the lower-middle-income-class poverty line (US\$3.20/day), it declined only 1.3 percentage points per year, compared with 3–5 percentage points for the same three countries (see Table 1.2).

**1.7 According to the WBG CPS 2015, the Philippines fares well on gender equality and has recorded gains in the political participation of women; however, challenges remain related to the attainment of key MDGs affecting women and women’s participation in the labor market.** The 2017 World Economic Forum (WEF) Global Gender Gap Report ranks the Philippines 10th out of 144 countries. School enrollment rates for girls and other education indicators surpass those of boys. Despite the fact that the structures and systems of political parties tend to be male dominated, there has been a marked increase in the number of women elected to the House of Representatives and in the number of female mayors. Yet, while employment and unemployment rates for men and women are roughly the same, only about half of women participate in the labor force, compared to almost 80% of men. Further, women dominate in traditional, socially ascribed careers—household work, education and health care.

**1.8 Macroeconomic management has also improved since 2010, and financial stability has increased<sup>3</sup>.** The GOP has managed to control both the inflation rate and budget deficits largely within the target ranges, although since June 2018 inflation accelerated beyond the BSP<sup>4</sup> target range of 2-4 per cent. According to IMF data, the overall nonfinancial public sector net debt declined from 53 percent of GDP in 2012 to around 43 percent in 2017. Total external debt was reduced as well. With sustainable deficit levels and a steadily declining debt to GDP ratio, market confidence has been strengthened. All three major credit agencies have upgraded the country’s sovereign credit ratings to investment grade in 2013 with a further upgrade to one notch above investment grade by both S&P and Moody’s in 2014.<sup>5</sup> A similar upgrade by Fitch took place in December 2017.

**Table 1.2 Poverty Rate in Selected East Asian Countries**

Country	US\$1.90/day (international poverty line)			US\$3.20/day (lower-middle-income-class poverty line)		
	2006a	2015b	Decline per year	2006a	2015b	Decline per year
<b>Philippines</b>	<b>14.5</b>	<b>6.6</b>	<b>0.9</b>	<b>38.4</b>	<b>27.0</b>	<b>1.3</b>
Thailand	0.7	0.0	0.1	6.2	1.1	0.7
China	18.8	1.9	2.4	43.5	20.2	3.3
Vietnam	19.5	2.8	2.1	51.3	11.6	5.0
Indonesia	27.5	7.5	2.2	65.6	34.0	3.5

Source: World Bank 2018b. Staff estimates. Data for Thailand are for 2006 and 2013, for China 2005 and 2012, for Vietnam 2006 and 2014.

Note: The Philippines uses income as the welfare measures, other countries use consumption.

## Main Challenges

**1.9 Based on the initial review of the WBG<sup>6</sup> and external sources, the main factors that seem to have been holding the Philippines back compared to many other East Asian countries could be summarized as follows:** (i) the slower pace and less pro-poor pattern of growth compared to many other East Asian countries; (ii) high inequality of income and wealth; (iii) adverse impacts of climate-related natural disasters and presence of armed conflicts; (iv) rapid urbanization, population growth, and infrastructure gaps; (v) governance problems, including difficult business climate and inadequate regulatory environment.

**1.10 *Less pro-poor growth:* Despite consistently positive economic growth trends, the Philippines is lagging the top economic performers in the region, including on narrowing the significant income inequality.** The annual growth rates of GDP and GDP per capita in the Philippines—around 5.5 percent and 3.6 percent respectively in 2006–2015— place the Philippines tenth in the East Asia Region, with annual growth rates 4–5 percentage points lower than in China, the region’s top performer. Moreover, data from household surveys show even slower growth in household income per capita (on average, only 1.6 percent per year). Less than 10 percent of the country’s population has made it to the global middle class, and more than 10 percent of Filipinos remain vulnerable to falling into poverty. High-performing East Asian countries built booming manufacturing sectors that provide large numbers of labor-intensive jobs, absorbing the surplus low-skilled labor from agriculture and providing them significantly higher wage income. The Philippines has not fully developed a manufacturing base, with growth

concentrated in the services sectors, placing the country at a significant disadvantage. For many other East Asian countries faster growth in agricultural productivity has also been a key driver of poverty reduction. Agriculture, which employs most poor people in the Philippines, has experienced minimal growth in the past decade, contributing to GDP growth by an average of 0.2 percentage points (compared to 1.9 percentage points for industry and 3.4 percentage points for services) over the period of 2006-15.

**1.11 *High inequality of income, wealth, and opportunities:* The Gini coefficient in the Philippines has hovered around 45 percent over the past decade.** The Credit Suisse Wealth Report estimates that the top 1 percent owned more than half of the nation's wealth, the fourth highest after the Russian Federation, Turkey, and Hong Kong, SAR China. This high concentration of wealth may have contributed to strong vested interests in the status quo by hindering acceptance of the reforms needed to prompt more inclusive growth and faster poverty reduction. Differences in the quality of human resources, and in the incomes individuals and households can earn, drive a large degree of the inequality of outcomes in the Philippines.

**1.12 *Conflict and Natural Disasters:* Protracted conflict has also exacted a toll on the local economy, pushing vulnerable groups into poverty and jeopardizing long-term human capital development.** The conflict-affected Autonomous Region in Muslim Mindanao (ARMM) is the poorest region in the country, with a poverty incidence of over 50 percent against the national average of 21.6 percent. The ten poorest provinces in the country are considered either conflict-affected or vulnerable to conflict. The confluence of weak governance, conflict and related gang violence and migration significantly affects the level and quality of initial human capital endowments of conflict-affected regions in Mindanao. The two aspects of the peace process include the two breakthroughs in the peace talks between the government and the Moro Islamic Liberation Front (MILF) – namely, signing of the Framework Agreement on the Bangsamoro (FAB) in 2012 and signing of the Comprehensive Agreement on the Bangsamoro (CAB) in 2014.

**1.13 *Repeated and increasingly frequent natural disasters are undermining poverty reduction in the Philippines.*** The Philippines is the third most vulnerable country to natural hazards in the world and the 14<sup>th</sup> most affected by adverse impacts due to climate change.<sup>7</sup> Natural disasters have caused an estimated US\$ 23 billion in losses and damages in the Philippines since 1990. The same level of asset loss affects poor and marginalized people far more than their wealthier neighbors because their livelihoods depend on fewer assets and their consumption is closer to subsistence levels. This reduces the earning ability and capabilities of the affected populations and traps people in poverty. On average, more than a million Filipinos are impoverished each year by natural disasters. However, there was little attention to address ex-ante preparedness

until 2009. During the review period, the Philippines was hit by several extreme climate events including typhoon Haiyan in 2013 with estimated cost to the country of about 5 percent of GDP.

**1.14 *Population growth, urbanization and infrastructure gaps:* The Philippines has significant infrastructure gaps which are binding constraints to job creation, inclusive growth and equitable social development.** Investments in infrastructure could not keep up with rapid urbanization and increase in population growth. According to a Bank report (World Bank 2018b), the Philippines' high population growth—1.6 percent per year—is more than double the average for the East Asia Region (0.7 percent), and nearly 50 percent higher than the world average (1.2 percent). While total fertility has been declining, it remained high for the poor. Rapid urbanization put additional pressure on the infrastructure, adversely affecting public services and private sector development. Notwithstanding infrastructure spending during the review period, investments in infrastructure are well below the government's targets. According to the Global Competitiveness Index (2017-2018), the Philippines ranks 97 in terms of overall infrastructure and ranks 113 in terms of quality of infrastructure. Inadequate supply of infrastructure is identified as the second most problematic factors in doing business in the Philippines.

**1.15 *Governance and business climate:* Reforms under the Aquino administration brought some noticeable progress in strengthening governance and enhancing quality of underlying institutions, but progress has stalled recently.** At the start of the review period governance problems, including red tape, inadequate taxation system, were seen as core constraints to the Philippines' inclusive and sustainable growth. One of the primary concerns – related directly to the infrastructure gap - was the low level and low effectiveness of public spending on core services, especially in public infrastructure and social sectors. This in turn is reflected in the inadequate tax effort (12.1% of GDP in 2010) as well as lack of transparency (and perceived high corruption) on the public expenditure side. It was estimated that the Philippines' government revenue gap versus its regional peers amounted to about 8% of GDP in 2010. A separate set of governance problems in the Philippines is related to the unfinished decentralization agenda. This is reflected in the highly unequal distribution of public revenues, expenditures and some key development outcomes across regions. President Benigno S. Aquino came into power in June 2010, winning with a large margin, on a platform focusing on good governance, anti-corruption and poverty reduction. The reforms undertaken mostly in 2010-13 were reflected in improved governance indicators. The Transparency International's Corruption Perceptions Index for the Philippines increased from 24 in 2010 (ranked 134th globally) to 34 in 2017 (111th). Fiscal transparency, as measured by the Open Budget Index, has improved from 55 points out of 100 in 2010 (ranked 33rd out

of 93 countries) to 67 points in 2017 (19th out of 115). The six World Governance Indicators have also increased relative to the 2010 baseline (Table 1.3). The reform drive lost momentum after 2014. This is in part could be linked to a major external shock of late 2013, when the country was hit almost simultaneously by the magnitude 7.2 earthquake and a devastating Typhoon Haiyan. The recovery needs of the country were massive, and this diverted GOP's attention from other priorities.

**1.16 Poor business environment, inadequate regulatory environment, and lack of access to finance remain factors that constrain investment, limit firm growth and competitiveness, and exacerbate inequality.** The Philippines is ranked 124 among 190 economies in the ease of doing business, according to the latest World Bank Doing Business Report. The ranking deteriorated to 124 in 2018 from 113 in 2017. The 2015 CPS stressed that in this area priority should be given to addressing the following top three issues: (i) starting, operating, and closing a business, (ii) paying taxes, and (iii) accessing finance; with particular attention to the needs of small and medium-sized businesses.

**Table 1.3 Selected Governance Indicators, 2006-17<sup>8</sup>**

Governance Indicator (source)	2006	2010	2014	2016	2017
Corruption Perceptions Index* (Transparency Int'l)	..	24	38	35	34
Open Budget Index score** (Int'l Budget Partnership)	51	55	64		67
Control of Corruption (WGI)***	-0.83	-0.8	-0.44	-0.53	
Government Effectiveness (WGI)***	-0.13	-0.02	0.19	-0.01	
Regulatory Quality (WGI)***	-0.17	-0.22	-0.04	0	
Rule of Law (WGI)***	-0.41	-0.58	-0.32	-0.4	
Voice and Accountability (WGI)***	-0.09	-0.06	0.16	0.14	
Political Stability and Absence of Violence (WGI)***	-1.64	-1.63	-0.71	-1.3	

Note: \* Corruption Perceptions Index (CPI) score relates to the degree to which corruption is perceived to exist among public officials and politicians by business people and country analysts. Score ranges between 0 (highly corrupt) and 100 (highly clean).

\*\* Open Budget Index score reflects the integral measure of budget transparency. It uses data on a number of individual indicators that assess whether the central country government makes eight key budget documents available to the public in a timely manner and whether the data contained in these documents are comprehensive and useful. Score ranges between 0 (highly non-transparent) and 100 (highly transparent).

\*\*\* Worldwide Governance Indicators (WGI) scores relate to the strength of governance performance along six different dimensions. These aggregate indicators combine the views of a large number of enterprise, citizen and expert survey respondents in more than 200 countries. Score for each indicator ranges from -2.5 (weak performance) to 2.5 (strong performance).

## The World Bank Group in the Philippines

### Strategic Context

**1.17 Over the past few years, the development agenda of the GOP focused on reducing poverty and improving the lives of the poorest segments of the population.** The strategic themes of the 2011-2016 Philippine Development Plan (PDP) were inclusive growth, good governance, anti-corruption, and relocation of resources for sector reforms in health, education and social protection. The mid-term performance of the PDP indicated that there were still challenges that remained to be addressed, such as slow implementation of key infrastructure projects and high cost of doing business, while the benefits of growth had yet to turn into greater poverty reduction.

**1.18 The election of President Rodrigo Duterte in 2016 marked an important political transition.** Bolstered by a strong mandate, the government is aiming to leverage the solid position of the Philippine economy to scale up public investment for poverty reduction, job creation and economic growth. The new Philippines Development Plan (PDP 2017-2022), launched in June 2017, reflects heightened ambition and aims to lift roughly six million Filipinos from poverty and to achieve upper middle-income status by 2022. The PDP also highlights a prominent priority of the government: delivering a comprehensive agenda for peace and development in conflict-affected areas. Looking ahead, a primary growth engine will likely be increased capital investment, largely driven by the expansive public infrastructure development agenda along with private investment.

**1.19 Both WBG strategies under review, the CAS (FY10-13) and CPS (FY15-18), put a strong emphasis on supporting the GOP in the areas of macroeconomic management, good governance, inclusive growth and poverty reduction, private sector development, and building up resilience** (see Table 1.4), albeit in different configurations. The FY10-13 CAS was built around the recovery from the global financial crisis. It focused on macroeconomic stability, public delivery of services, improving investment climate, and reducing vulnerability (including conditional cash transfer program and improved stability and peace in Mindanao). The FY15-18 CPS moved the strategy very clearly towards a central role for inclusive growth and poverty reduction. The CPS was revised and simplified substantially in 2017, reflecting partly on a different set of policy priorities adopted by the new administration. For example, the total number of indicators/milestones was dropped from 143 to 41. Among these changes, for example, was a significantly downsized program for governance. The Performance and Learning Review (PLR) document named lack of reform progress and lack of relevance to the ongoing Bank program as the primary reasons for the above modifications.



**Table 1.4 Philippines Strategic Engagement, FY10-19<sup>9</sup>**

WBG Strategy Document	Strategic Objective 1: Stable Macro Economy	Strategic Objective 2: Improved Investment Climate	Strategic Objective 3: Better Public Service Delivery	Strategic Objective 4: Reduced Vulnerabilities	Cross-Cutting Theme: Good Governance
FY10-12 CAS	Fiscal and financial stability through consolidation and improved macroeconomic risk management	Enabling business environment to promote competitiveness, productivity and employment	Public service delivery in key sectors	Social protection system	Governance and anti-corruption in selected national government agencies
	Financial services		Basic service delivery in poor areas	Disaster risk management and climate change	Procurement and PFM reforms at national and local levels
				Stability and peace	Better local governance through more effective decentralization
FY15-18 CPS	Engagement Area 1: Transparent and Accountable Governance	Engagement Area 2: Empowerment of the Poor and Vulnerable	Engagement Area 3: Rapid, Inclusive, and Sustained Economic Growth	Engagement Area 4: Climate Change, Environment, and Disaster Risk Management	Engagement Area 5: Peace, Institution Building and Economic Opportunity
	Strengthen public finances and fiscal risk management	Improve poverty measurement and socio-economic data systems	Strengthened economic policy	Increased resilience to natural disaster and climate change	Increase trust within communities, and between citizens and the state in conflict-affected areas
	Strengthened public sector institutions (national and sub-national)	Improve health status	Improved investment climate, including access to finance, especially for micro and small enterprises	Improve NRM and sustainable development	Development and implementation of Peace Dividend program for Bangsamoro
	Strengthened pressure for government accountability	Improve quality of basic education and improved access for the vulnerable	Increase economic growth, productivity, and employment in agricultural and rural areas		
		Strengthen social protection system			
FY15-19 CPS (as updated by the FY17 PLR)	Engagement Area 1: Transparent and Accountable Governance	Engagement Area 2: Empowerment of the Poor and Vulnerable	Engagement Area 3: Rapid, Inclusive, and Sustained Economic Growth	Engagement Area 4: Climate Change, Environment, and Disaster Risk Management	Engagement Area 5: Peace, Institution Building and Economic Opportunity
	Increased public revenue mobilization	Increased coverage and utilization of health services	Improved transport connectivity	Increased resilience to natural disasters and climate change	Increased access to basic services in conflict-affected areas
	Improved quality and transparency of public financial reporting	Improve quality of basic education	Streamlined business registration and trade logistics	Reduction in pollution	Improved community participation in investment planning in conflict-affected areas
		Increased social protection coverage	Increased access to financial services	Increased access to clean energy	
		Improved access to basic services and local planning	Improved agriculture productivity and incomes		

## WBG Program

**1.20 During the FY10-18 review period, the WBG program in the Philippines included IBRD lending and IFC investments for over US\$ 6 billion, and a robust multisectoral program of IBRD ASA and IFC advisory services (AS) supported in part by various Trust Funds' resources. There was no MIGA exposure in the Philippines during the period under review.**

**1.21 The World Bank approved 23 new projects amounting to a total commitment of \$5.89 billion covering 16 investment project financing (IPF) and 7 Development Policy Loans (DPLs).** The largest share of projects in terms of commitment were under the Social, Urban, Rural and Resilience Global Practice (27 percent) followed by Macroeconomics, Trade and Investment (23 percent) and Social Protection and Labor (20percent), and Agriculture (13 percent).

**1.22 One of the centerpieces of the WBG program interventions during the period under review was the DPL series that focused on governance reforms, improving investment climate, and addressing vulnerabilities.** There were three DPLs approved in FY11, FY13 and FY15<sup>10</sup>. Three out of five DPL pillars were related to the governance and economic management. In addition, the DPL series supported a significant rationalization of government expenditure, including an expansion in budget spending on pro-poor programs in education, health, and social protection. Another policy area of DPLs was to reduce the costs of doing business and raising infrastructure investment efforts. The DPL series supported several reforms aimed at streamlining procedures and computerizing registration systems, including improving central and local government coordination. To address infrastructure bottlenecks, the series initially supported government efforts to re-energize public private partnerships (PPPs), but later shifted the focus back to public investment in priority infrastructure. The Philippine Rural Development Project (PRDP) was another large part of WBG response to private sector development through infrastructure and rural enterprise development. The Program Document for DPL-3 envisioned a continuation of budget support program under DPL-4 and -5 to deepen the policy reforms, with a focus on advancing fiscal incentives reform and enhancing the government capabilities in fiscal risk management. These DPLs did not materialize as planned, as the government's determination at the time to push through difficult legislative reforms waned.<sup>11</sup> A fiscal transparency DPL is for negotiation in FY19, and a new series of DPLs is for discussion starting FY20. In addition to DPLs, the Bank's support to the social sectors, poverty measurement and socio-economic data was provided through large CCT projects, such as the nationwide Social Welfare and Development Reform project (SWDRP), and integrated ASA. The Bank Group was also actively involved, with other development partners, in helping to deal

with the reconstruction and reconciliation efforts in the conflict-affected areas of Mindanao island.

**1.23 IFC during the review period had a total net investment commitment of \$856.8 million.** IFC's financial market investments accounted for more than half of IFC's total net commitment with \$533.3 million net investment commitment or 62.3 percent of the total net investment during the CPE period. IFC supported the systemic banks after the global financial crisis, becoming an anchor investor of the bond issue of its client bank, and helped to attract more investments in the cities struck by Typhoon Haiyan. For advisory services (AS), IFC played a key role as transaction advisor for PPP projects. In response to the government's emphasis on PPP, the WBG envisaged to support the government by identifying "new and better models of infrastructure financing and management for critical infrastructure including good practice PPPs and by leveraging earlier successes in the WB/IFC collaboration". In this context, the Bank launched in 2011 and delivered in 2016 a wide-ranging TA Support for PPP program to provide direct advisory services to the government and support relevant infrastructure agencies to implement ongoing operations and develop a robust pipeline of PPP activities. In addition, a significant portion of IFC advisory during the review period focused on climate financing (energy efficiency and renewal TA to banks, green building, typhoon crop insurance); access to finance (financial infrastructure, agri finance); and doing business and competition.

**1.24 The review period marked the evolution of Bank assistance for disaster risk management (DRM) from virtual knowledge sharing to lending and analytical work.** The first Bank operation in support of DRM activities was the DPL with a Catastrophe Deferred Drawdown Option (CAT DDO) of US\$ 500 million (2011). The operation supported objectives in three policy areas: (i) strengthening the institutional capacity for disaster risk management (DRM) efforts; (ii) mainstreaming DRM into development planning; and (iii) better managing the government's fiscal exposure to natural hazard impacts. Bank lending in DRM significantly increased during the review period from \$250 million in FY10 to \$1.8 billion by the end of FY18. The Bank used a mix of lending instruments of DPF and IPF: CAT DDO 1 and 2, two DPL supplemental following the aftermath of typhoons that hit the country during the CPE period. The second CAT DDO is still active and the closing date has been extended to 2021.

**1.25 Both WBG strategies under review supported the government's priority to foster peace and stability in conflict-affected Mindanao.** The Bank contributed to the government's priorities of peace and stability through (i) enhanced impact and conflict-sensitivity of development programs implemented in Mindanao communities affected by armed or violent conflict; and (ii) scaled-up provision of basic services and livelihood support through community driven development (CDD) in communities affected by

armed or violent conflict. The FY15 CPS sought to contribute to Peace, Institution Building and Social and Economic Opportunity objective through implementation of peace-promoting socio-economic development in conflict affected areas. The activities were supported through Bank's lending of \$118 million in support of the ARMM Social Fund Project and the Mindanao Rural Development Project (MRDP). The MRDP has been scaled up under PRDP to include areas outside Mindanao. The Bank also administered the Multi-Donor Trust Fund for Reconstruction & Development (MDTF-RDP).<sup>12</sup> In support of the new government priorities, the WBG, as articulated in the PLR 2017, proposed to deepen engagement in Mindanao through a Comprehensive Program for Regional Development in Mindanao. The program will include three core components that would be pursued sequentially over time: (i) raising agricultural productivity, connectivity and logistics from farm to market; (ii) boosting human development; and (iii) addressing drivers of conflict. The proposed program will be underpinned by recently completed analytical work.

**1.26 *Analytical work.* The Bank Group ASA in the Philippines has been comprehensive.** This has been assisted by a number of donor Trust Funds. These Trust Funds supported programmatic ASA for governance and economic management; poverty analysis; healthcare; education; social protection; water and sanitation; and conflict, security and development. These programs combined major analytic studies as well as a large number of policy notes, technical assistance, training programs, conferences and study tours. Three global practices (SURR, MTI, and Governance) were responsible for the delivery of close to 50 percent of the identified non-lending products. In November 2017 the Bank signed the first Reimbursable Advisory Services agreement with the GOP for about \$2 million. It covers several PFM issues with a major focus on support for GIFMIS upgrading.

**1.27 *Gender.* In partnership with the Philippine Commission on Women, the National Economic and Development Authority (NEDA) and the official development assistance-gender and development Network, a country gender assessment was completed in 2013** as a key input to the CPS. The WBG 2015 CPS committed to continue to ensure that gender considerations are mainstreamed into operations, consistent with both its own and government policies. Since 2009, the Bank has conducted an annual assessment of the portfolio in the Philippines to determine progress in gender mainstreaming and identify gaps that would inform project enhancement. The major strengths of the projects in terms of gender and development mainstreaming include the equal representation of women and men in the design and implementation of key activities, availability of sex-disaggregated data and presence of gender focal persons in the project team.

## **2. Purpose, Objectives, and Audience**

**2.1 The core purpose of this CPE is to assess the development effectiveness of the WBG country program in the Philippines between FY10 and FY18 and to inform the next Country Partnership Framework** (scheduled to be finalized in early FY20). The CPE also aims at informing the design of WBG strategies in other MICs facing similar issues (such as FCV challenges, and disaster preparedness and reconstruction), and lower-middle income countries (LMICs), that aspire to an upper middle-income country (UMIC) status. Thus, the CPE is closely related to the two strategic objectives in IEG’s results framework: deepening evidence on “what works and why” and fostering “real-time feedback” on operational choices. The evaluation will look into the extent to which the WBG took advantage of potential synergies between the financial, knowledge and convening services that the WBG institutions offered across its various engagement areas, as well as the factors that could have limited or constrained the scale and scope of the WBG engagement in the country. The CPE will also comment on the likely sustainability of the WBG’s program and the risk to development outcomes.

**2.2 The primary audience of the Philippines CPE includes the Philippines CMU, the country operational staff of both the IBRD and IFC, the Executive Board, as well as the wider WBG audience.** The CPE will also inform other development partners and practitioners, as well as multiple local and international stakeholders, focusing on issues pertaining to challenges specific to LMICs. In addition, the CPE could potentially contribute to the GOP midterm review of the country’s development plan (PDP 2017-22).

## **3. Evaluation Questions, Scope, and Coverage**

**3.1 The scope and coverage of this CPE are determined by the key engagement areas identified in the last two WBG strategies in the country.** Although the 2010 and 2013 strategies cover similar areas, they also visibly vary in their respective thematic foci and ambition, particularly when factoring in the 2017 CPS update (Appendix B). Hence, this CPE, following on the preliminary consultations at the scoping stage with the Philippines WBG country team and the GOP, proposes a combined assessment framework covering main areas included in both country strategies, and reflecting on the GOP overarching strategic goal to achieve UMIC status by 2022 and the WBG’s outlook to help the authorities in achieving this goal (Table 3.1).

**3.2 The proposed CPE pillars combine the main areas covered in the country strategies of 2010, 2015, and the 2017 update.** Their overall logic also follows the WBG strategic engagement outlook as described in the 2016 “Forward Look A Vision for the World Bank Group in 2030”, which includes the “three ways” of WBG engagement:

accelerating inclusive and sustainable economic growth (CPE pillars 1 and 2); investing in human capital (CPE pillar 3); and fostering resilience to global shocks and threats (CPE pillar 4). CPE pillars composition is also based on a thorough portfolio review and mapping exercise undertaken by the CPE team, that included all lending, ASA, TA, and TF-supported activities.

**Table 3.1 Philippines: Evaluation Pillars for the FY10-18 CPE**

Pillar 1: Macroeconomic Stability and Good Governance	Pillar 2: Private Sector-Led Economic Growth	Pillar 3: Better Services for the Poor	Pillar 4: Improving Resilience
<p><u>Public financial management and fiscal stabilization:</u></p> <ul style="list-style-type: none"> <li>- Fiscal and financial stability and improved macroeconomic risk management</li> <li>- Increased public revenue mobilization</li> <li>- Improved fiscal transparency and accountability</li> <li>- Improved quality and transparency of public financial reporting</li> <li>- Improved expenditure efficiency and targeting</li> </ul> <p><u>Institutional capacity building:</u></p> <ul style="list-style-type: none"> <li>- Strengthened public sector institutions (including at the local level)</li> <li>- Strengthened demand side pressure for accountability</li> <li>- Procurement reform</li> <li>- Decentralization</li> </ul>	<p><u>Investment climate and regulations</u></p> <ul style="list-style-type: none"> <li>- Improved investment climate</li> <li>- Streamlined business registration and trade logistics</li> </ul> <p><u>Private sector development</u></p> <ul style="list-style-type: none"> <li>- Increased access to financial services</li> <li>- Improved agricultural competitiveness and productivity</li> <li>- Higher incomes and employment in rural areas</li> <li>- Improved access to transport connectivity (PSD perspective)</li> <li>- Better models of infrastructure finance and management, including PPP</li> </ul>	<p><u>Increased social protection coverage</u></p> <ul style="list-style-type: none"> <li>- Better poverty measurement</li> <li>- Improved social safety nets (SSN)</li> <li>- Effective conditional cash transfer (CCT) programs</li> </ul> <p><u>Improved delivery of services</u></p> <ul style="list-style-type: none"> <li>- Increased coverage and utilization of health services</li> <li>- Improve quality of basic education</li> <li>- Effective community-driven development (CDD) programs</li> </ul>	<p><u>Disaster Risk Management</u></p> <ul style="list-style-type: none"> <li>- Increase physical and financial resilience to natural disasters</li> <li>- Infrastructure investment</li> <li>- Improved access to transport connectivity (DRM perspective)</li> <li>- Improved water and sanitation systems</li> </ul> <p><u>Climate change and environment</u></p> <ul style="list-style-type: none"> <li>- Improve natural resource management (NRM)</li> <li>- Improved pollution reduction</li> <li>- Increased access to clean energy</li> </ul> <p><u>Fragility, conflict and violence (FCV)</u></p> <ul style="list-style-type: none"> <li>- Increased access to basic services in conflict-affected areas (Mindanao)</li> <li>- Improved community participation in investment planning in conflict-affected areas</li> <li>- Increase trust within communities, and between citizens and the state in conflict-affected areas</li> </ul>

**3.3 This CPE will view its assessment of the WBG engagement in the Philippines partly through the prism of helping the country to fulfil the ambition of graduating from the LMIC status by 2022.** To the extent possible, the CPE will assess whether the WBG is properly positioned and equipped to help the GOP in this regard. This will include an assessment of WBG strategic engagement, whether it is realistic and supported with necessary instruments and quality of dialogue. From this perspective, the CPE will refer to the findings and recommendations of the IEG Synthesis Report “World Bank Engagement in Upper-Middle-Income Countries” relevant for the Philippines context<sup>13</sup>. Referring to the framework described in the synthesis report, the CPE will reflect on the role of the WBG in helping the country to: (i) close the existing large gap in the institutional quality; (ii) raise large segments of the population from below poverty levels and grow the country’s middle class; (iii) build human capital and improve the quality of public services (including quality of education); (iv) improve the investment climate and raise global competitiveness; and (v) improve resilience to shocks such as situations of FCV<sup>14</sup> and natural disasters.

**3.4 The CPE will reflect on the growing role of knowledge services in the WBG program in the Philippines, as the country is progressing towards reaching the UMIC threshold.** The WBG program in the country during the review period included significant amount of ASA and IFC advisory (in part supported by various TFs), and it would be important for the evaluation to emphasize the impact of analytics in its overall analysis, especially in light of the growing engagement through other modalities, such as the nascent RAS program<sup>15</sup>.

**3.5 The CPE will focus on the following overarching evaluation questions:**

- To what extent were the WBG strategic positioning and the scope of engagement relevant for and aligned with the country’s main development constraints, and its development ambition?
- How and to what extent did the WBG strategic engagement and program in the Philippines contribute to achieving development results in the country in an effective and efficient manner?
- To what extent did the WBG coordinate internally, and collaborate externally with other development partners taking into account its comparative advantages, other partners’ strengths, and GOP’s preferences?

**3.6 In order to address its overarching questions, the evaluation will tackle a range of cross-cutting areas common to most CPEs,** including the attention to the Bank’s own Twin Goals; the leveraging of additional financing from other sources, partnerships, including those with the UN, the Asian Development Bank (ADB), and other

development partners, including emerging donors; the attention to FCV and gender; the quality of results frameworks. Examples of detailed evaluations questions can be seen in Appendix H.

## **4. Evaluation Design and Evaluability Assessment**

4.1 **This evaluation will apply the standard IEG CPE methodology** as described in the 2005 Country Assistance Evaluation Retrospective undertaken by the predecessor to IEG, the Operations Evaluation Department of the World Bank. The CPE will also take on board the recommendations of the latest “Update to the Guidance on the WBG program outcome ratings in IEG CPEs”, approved by IEG management in September 2018. In particular, the CPE will apply the guidance to combine ratings of pillars and sub-pillars to provide higher-level ratings and assessments.

4.2 **The evaluation will aim to analyze the extent to which development results on the ground can be attributed to the WBG program, as well as how the WBG program contributed to achieving these results.** In the Philippines context, political factors played an outsized role in the composition of the GOP and the WBG programs, reflected in fundamental shifts following each electoral cycle, and compounded by the presence of an ongoing internal conflict, where the WBG has been playing an active supporting role. Natural disasters and their profound effect on the economy and the government’s priorities are another major factor to be considered. Despite the fact that several program objectives and their results frameworks across the two country strategy cycles have undergone significant changes, it is also possible to map out continuity, in terms of strategic engagement areas, from one cycle to another (see Table 3.1).

4.3 **The CPE will use a combination of quantitative and qualitative data/information and methods, document reviews, and stakeholder interviews, drawing on a range of informational sources and analytical methods to triangulate results and test robustness of findings.** In addition to using available data from the WBG, ADB, IMF, bilateral agencies, and other documents and databases, the evaluation will also draw upon a range of GOP data sources and websites, notably National Economic and Development Authority (NEDA), Department of Finance (DOF), Department of Budget and Management (DBM), Philippines Statistics Authority (PSA), and other agencies. The CPE will also use pertinent non-governmental sources of information.

4.4 **The CPE team will undertake desk reviews of all IEG project evaluation documents and will build on the findings of recent IEG thematic evaluations that included the Philippines as a case study** (such as the Poverty Evaluation, FCV evaluation, etc.). It will also review IFC investments, advisory services, and all trust fund



activities. In order to evaluate the vast amount of ASA, technical assistance, and advisory services in the Philippines, the CPE will adopt a standard template for analysis, building upon recent good practice examples, notably similar to the one used by IEG's Knowledge Based Country Programs thematic evaluation. The analysis will also try to reflect on the emerging RAS program in the Philippines.

**4.5 The CPE will use the standard mixed method approach of IEG evaluations, using statistical analyses of macro, social and portfolio data, supplemented by semi-structured stakeholder interviews.** Desk examinations and retrospective reviews of country strategy and project-specific results matrices would be undertaken to compare ex-ante and ex-post outputs and outcomes. Cross cutting themes such as gender and partnerships would be integrated into guidance for desk reviews and stakeholder interviews. The CPE team has already conducted preliminary discussions with the Philippines CMU and the GOP on the overall approach, framework, and timeline for the evaluation. The latter is important as the CPE is aiming to inform both the upcoming new CPF for the Philippines as well as the mid-term review of the GOP's national development plan (PDP).

**4.6 As in any large country program evaluation, there are clear and predictable limitations on the evaluability of the WBG Philippines country program.** Large size of the economy and population, presence of other major players and development partners, relatively small scale of WBG's financial contributions, and data limitations will affect the clarity of attribution to the Bank group's interventions. Another difficult issue will be to evaluate the impact of the very large program of ASA supported by the Bank and what the returns to this have been. In particular, the CPE will look whether the ASA program contributed to building local analytical capacity, while engaging in a collaborative way with local institutions. In addition, two WBG strategies under review within this CPE differ in their respective thematic foci and ambition, especially following a rather radical review and restructuring of the program in 2017 (PLR).

## **5. Quality Assurance Process**

**5.1 The quality assurance process will be ensured through standard IEG peer review arrangements.** Emmanuel Jimenez (Executive Director, International Initiative for Impact Evaluation (3ie), and former Director, World Bank and IEG); Alan Gelb (Senior Fellow and Director for Studies, Center for Global Development); Yuko Tanaka (Director for Evaluation at Japan International Cooperation Agency (JICA), and former JICA Representative in the Philippines); and Alfredo Pascual (Chief Executive Officer of the Institute of Corporate Directors (ICD), former President of the University of the Philippines (UP), and Director at ADB) have agreed to serve as external peer reviewers. Together, the peer reviewers offer expertise in a range of thematic and operational

matters pertinent to the Philippines. The report will be prepared under the direct supervision and guidance of Auguste Kouame (IEGHE Director), IEGEC Manager, and the review process will engage all the IEG units and associated expertise.

## **6. Expected Outputs, Outreach, and Tracking**

6.1 **The output of this task will be a country program evaluation report that presents relevant findings, lessons and recommendations to the Bank Group and to external audiences.** It is expected that the report will be used by the WBG Philippines country team for the preparation of their next Country Partnership Framework and inform the GOP mid-term review of the PDP. Suggestions for in-country events to engage stakeholders will be developed in consultation with the Philippines CMU, government counterparts and local counterparts as part of a complete dissemination and outreach strategy.

## **7. Resources**

7.1 **The evaluation report is to be submitted to CODE by June 2019, with an estimated administrative budget of around \$480,000.** Desk reviews of documentation have been initiated and will be followed by a country visit, planned for mid-January-early February 2019. The evaluation team will be led by Konstantin Atanesyan (task team leader, Senior Evaluation Officer, IEGEC) and includes Takatoshi Kamezawa (Senior Evaluation Officer, IEGEC), Corky De Asis (Evaluation Assistant, IEGEC) and consultants Lev Freinkman, Silke Heuser, Basil Kavalsky, Manuela Mot, George Polenakis, Cyrel San Gabriel, and Maria Shkaratan. Team composition reflects broad thematic and evaluative expertise. Yasmin Angeles (Program Assistant) and Moira Enerva (local consultant) will provide research assistance and administrative support to the task team in Washington DC and Manila.

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## Appendix B. Evaluation Design Matrix

Key Questions	Information Required	Information Sources	Data Collection Methods	Data Analysis Methods	Strengths and Limitations
To what extent were the WBG strategic positioning and the scope of engagement relevant for and aligned with the country's main development constraints, and its development ambition?	Country context	WBG strategies	Downloading relevant WBG documents	Content analysis	Data and literature availability uneven across sectors, agencies, and provinces
	Country and WBG development strategies	Government strategies and National Development Plans	Past evaluations	Benchmarking and statistical analyses	M&E quality
	Other partners strategies and roles	External and internal macro and socio-economic databases	Consulting government websites	Qualitative content analysis of interviews	Security risks in Mindanao
How and to what extent did the WBG program's combination of instruments and engagement in the Philippines contribute to achieving development results in the country in an effective and efficient manner?	Analytical design of lending and economic work in the country context	WBG project, ASA and research files	Partner data from IMF, UN, ADB, others	Project portfolio analyses	Need to ensure consistency across several data sources – WBG, ABD, UN and Philippines official databases
	Country risk analysis	Stakeholder interviews	Using external data sources	Desk reviews of country strategies and evidence from IEG project and thematic evaluations	Interviewee sample limitations
	Market access data	Analysis of research	Standard templates (ASA)	ASA relevance and utility assessment	Difficulties and sensitivities involved in assessing political economy
	Firm level data	Outreach			Need for sensitivity to the role of WBG in the Philippines in this juncture in view of political realities
To what extent did the WBG coordinate internally, and collaborate externally with other development partners taking into account its comparative advantages, other partners' strengths, and GOP's preferences?	Data on performance in various sectors (governance, HD, PSD, etc.)				

## **Appendix C. Examples of Evaluation Questions Related to Specific Evaluation Pillars**

### **Pillar 1: Macroeconomic Stability and Good Governance**

- How effective has the WBG been in supporting government transparency, accountability and other governance issues in the Philippines?
- How effective has the WBG been in helping the Philippines to address structural issues in its revenue base including raising the revenue levels and leveling the playing field for taxpayers? Has the Bank successfully supported more efficient expenditure management and more effective expenditure allocation?
- How successful was the WBG in addressing the key political economy constraints while promoting the tax reform agenda? What did undermine its effectiveness in dealing with the most sensitive expenditure reform issues (e.g. rice subsidy)? How productive was its engagement with the National legislature and other core non-government players (e.g. large business)?
- To what extent did the WBG contribute to modernizing PFM at national and local government levels in the Philippines? How effective has the WBG been in terms of supporting the strengthening of the fiscal risk management framework and practices?
- To what extent effectiveness of the WBG support for governance reforms was affected by the lack in the portfolio of a self-standing public administration investment project(s)?
- How effective was the WBG's ASA program in terms of its policy impact and building stronger reform coalitions? What was the impact of ASA program on local analytical capacity, including in the NGO sector? Should the Bank move more aggressively towards the RAS?
- To what extent did the WBG support in the Philippines contribute to the country's decentralization agenda and building government capacity at the subnational level?

### **7.2 Pillar 2. Private sector-led economic growth:**

- How effective has been the Bank's dialogue with the Government and other stakeholders on identifying the critical issues for private sector development? Did the WBG engage in the most relevant areas for advancing the country's global competitiveness?

- To what extent did the WBG contribute to improving investment climate and access to finance for the private sector in the Philippines?
- To what extent did the WBG contribute to increasing growth, productivity, and jobs in rural areas?
- How successful was the WBG in helping to develop better models of infrastructure finance and management?
- How effective has been the WBG in introducing private sector-led solutions in conflict affected areas in Mindanao?
- How effective was the WBG in leveraging the resources and expertise of the IBRD and IFC to help mobilize private sector investment and support job creation, i.e. applying the One WBG approach in the Philippines? What were the main challenges (if any) in advancing cooperation between the IBRD and IFC? What were the reasons for absence of MIGA operations in the country?
- How effective was the WBG in promoting PPPs in the Philippines? What were (if any) the comparative advantages of WBG institutions vis-à-vis other participants in PPP?
- What were the reasons for absence of MIGA operations in the country, and possible opportunities lost?

### 7.3 **Pillar 3: Better services for the poor:**

- How effective was the Bank's dialogue with the Government on the issue of inequality of income and its impact on poverty outcomes?
- What factors have contributed to the slow pace of improvement in raising the quality of education and health and the role of these sectors in reducing poverty? Could the Bank have done more to support this?
- With population movement into the cities, urban poverty has been increasing. Has the Bank been sufficiently pro-active in this area?
- The Bank supports a large CDD program which now needs to be mainstreamed into the local government system in the country. To what extent have the Bank's activities in this area facilitated this mainstreaming?
- How has the Bank's large program of ASA in this area been absorbed, has it had an impact, and does the Bank need to continue to run such a large program?

#### 7.4 Pillar 4: Improving Resilience

- How effective has the WBG been in increasing the country’s resilience to natural disasters particularly with respect to: (i) strengthening institutional capacity to disaster risk management at national and local levels; (ii) mainstreaming disaster risk reduction measures in local government planning and budgeting; and (iii) mitigating the fiscal impact and increasing the financial resilience of the government and communities against natural disasters?
- How effective was the WBG’s support for climate change and environment in terms of natural resource management and mainstreaming climate change adaptation measures?
- How effective is the WBG in responding to the country’s infrastructure gaps? To what extent did it leverage “one WBG” in terms of global knowledge and experience in infrastructure financing and implementing complex operations (e.g. BRT)?
- How is the WBG positioning itself to support the government’s ambitious “Golden Age of Infrastructure” program in the context of limited IBRD financing?
- How effective was the WBG’s ASA in terms of strengthening capacity and influencing policy in these areas?
- How effective was the WBG program in Mindanao in terms of promoting conflict sensitivity of development programs and increasing access to services in conflict affected areas? What has been the impact of WBG work in building trust within communities and between citizens and state? To what extent are WBG interventions scalable and sustainable?

## Endnotes

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<sup>1</sup> According to the Atlas classification method, the World Bank defines upper-middle income countries as having a GNI per capita of US \$3,896 to US \$12,055.

<sup>2</sup> According to the Atlas Classification used by the World Bank, lower middle-income economies are those with a GNI per capita ranging between US\$ 996 and US\$ 3,895.

<sup>3</sup> In the 2017 Article IV Report, the IMF team stated that the economic performance of the Philippines continued to be very strong and that the medium-term macroeconomic outlook remained favorable. The current fiscal stance and deficit target were considered appropriate.

<sup>4</sup> BSP: Bangko Sentral ng Pilipinas - Central Bank of the Philippines

<sup>5</sup> Similar upgrade by Fitch took place in December 2017.

<sup>6</sup> See World Bank 2009a, World Bank 2014a, World Bank 2017a, World Bank 2018b.

<sup>7</sup> PDP Midterm Update (2011-2016), p. 206. See United Nations University-Institute for Environment and Human Security; German Watch (2013). Global Climate Risk Index.

<sup>8</sup> Sources: The Worldwide Governance Indicators, Transparency International, the International Budget Partnership, <http://info.worldbank.org/governance/wgi/index.aspx#reports>

[https://www.transparency.org/news/feature/corruption\\_perceptions\\_index\\_2017](https://www.transparency.org/news/feature/corruption_perceptions_index_2017)

<https://www.internationalbudget.org/open-budget-survey/open-budget-index-rankings/>

<sup>9</sup> The 2016 PLR extended the FY15-18 CPS was extended by 1 year to FY19.

<sup>10</sup> Respectively P118931, P126580 and P147803 with the total financing amounted to \$1,350 million. This includes supplemental financing (P148862) for DPL-2 of \$500 million.

<sup>11</sup> According to the ICRR for DPL series

<sup>12</sup> According to the 2016 IEG evaluation (World Bank 2016a), the Multi-Donor Facility for Mindanao Reconstruction and Development exemplified the Bank acting as a convener. The MDTF started in 2007 with restructuring from some previously existing TFs. The MDTF aimed to finance projects to empower communities to recover from conflict. This multi-donor facility also promoted participatory and effective governance, where members of the community contribute to carrying out projects that will help them improve their conditions. Communities of conflict affected areas, internally displaced people, and rebel returnees benefit from visible restoration of some basic services of their choice and sustained by more accountable Local Government.

<sup>13</sup> In April 2018 IEG presented the UMIC Synthesis Report findings, accompanied by a summary report on the Philippines program achievements from that perspective, at a joint WBG-GOP event in Manila.

<sup>14</sup> The evaluation will aim to assess the extent to which the WBG contributed to improving development outcomes in the conflict-affected areas (Mindanao), building on the previous work done under the FCV evaluation and the growing importance of the FCV context as reflected in the WBG corporate priorities, and described in various WBG strategic documents (such as the Forward Look).

<sup>15</sup> In 2018 the CMU has completed the first RAS in the Philippines (PFM), and the second one is currently being considered.