

ASIAN DEVELOPMENT BANK MEMBER FACT SHEET



Philippines: 2018 Committed Loans, Grants, and Technical Assistance (\$ million)

Loans		Technical Assistance	Grants	Total
Sovereign	Nonsovereign			
1,380.00	-	9.71	8.00	1,397.71

- = nil.

Notes: Commitment is the financing approved by the ADB Board of Directors or Management for which the investment agreement has been signed by the borrower, recipient, or the investee company and ADB.

Grants and technical assistance include ADB-administered cofinancing.

ADB's country partnership strategy for the Philippines focuses on accelerating infrastructure and long-term investments, promoting local economic development, and investing in people.

PHILIPPINES

Philippines: Cumulative Lending, Grant, and Technical Assistance Commitments^{a, b, c}

Sector	No.	Total Amount (\$ million) ^d	% ^d
Agriculture, Natural Resources, and Rural Development	171	2,075.37	10.74
Education	42	1,748.93	9.05
Energy	76	3,414.06	17.67
Finance	75	2,343.58	12.13
Health	26	373.59	1.93
Industry and Trade	33	592.22	3.07
Multisector	21	334.07	1.73
Public Sector Management	85	5,127.60	26.54
Transport	79	2,051.57	10.62
Water and Other Urban Infrastructure and Services	74	1,258.04	6.51
Total	682	19,319.02	100.00

^a Grants and technical assistance include ADB-administered cofinancing.

^b Includes sovereign and nonsovereign loans and technical assistance.

^c Using primary sector in reporting of commitments.

^d Numbers may not sum precisely because of rounding.

Philippines: Ordinary Capital Resources Nonsovereign Commitments by Product, 2007–2018

No. of Transactions Signed	Amount (\$ million)
Loans	435.55
Equity Investments	25.00
Guarantees	168.15
Total	628.70

The Philippines has become one of the fastest-growing economies in Southeast Asia. The country's gross domestic product grew by an average of 6.4% a year during 2010–2017, compared with average annual growth of 4.5% for 2000–2009.

The Government of the Philippines aims to lay a strong foundation for inclusive growth, a socially responsible society, and a globally competitive economy. In its Philippine Development Plan 2017–2022, the current administration aims to address underinvestment in infrastructure, reduce poverty, address income inequality, and lessen regional growth disparities.

Since 1966, the Asian Development Bank (ADB) has been a strong partner in the development of the Philippines, which is the bank's host country. ADB is one of the country's largest sources of official development assistance, with average annual lending of about \$800 million over the past 10 years. The bank's cumulative assistance to the Philippines has reached \$19.3 billion in public sector loans, grants, and technical assistance.

Cumulative loan and grant disbursements to the Philippines amount to \$14.72 billion. These were financed by regular and concessional ordinary capital resources, and other special funds.

ADB-SUPPORTED PROJECTS AND PROGRAMS

In 2018, ADB and the government agreed on a new country partnership strategy for the Philippines, covering 2018–2023 and focusing on accelerating infrastructure and long-term investments, promoting local economic development, and investing in people.

The strategy closely aligns with the Long-Term Vision of the Philippines Towards 2040 (AmBisyon Natin 2040) and the Philippine Development Plan



2017–2022. It lays the foundation for ADB to rebalance its investments to support the government’s massive “Build, Build, Build” infrastructure development program, which is worth \$160 billion–\$180 billion from 2017 to 2022. The partnership strategy also (i) promotes inclusive growth and increases focus on development in Visayas and Mindanao; (ii) targets assistance to the bottom 40% of the population through increased access to quality secondary education, labor market programs, financial inclusion, and improved social protection; and (iii) includes cross-cutting support to promote private sector participation, gender equality, good governance, environmentally sustainable development, regional integration, and knowledge generation and sharing.

In 2018, two ADB loans totaling \$600 million were implemented by the government. A \$300 million policy-based loan is supporting government efforts to strengthen the framework under which the private sector can participate in the “Build, Build, Build” program. Another \$300 million policy-based loan seeks to support government

reforms to expand financial services across the country, especially among entrepreneurs, small businesses, farmers, workers, women, and vulnerable households.

In December 2018, ADB approved a \$408 million financing package to assist the government in rebuilding and rehabilitating the southern Philippine city of Marawi and help residents regain their livelihoods. The package includes a \$300 million quick-disbursing loan to fund selected programs, projects, and activities under the government’s Bangon Marawi Comprehensive Rehabilitation and Recovery Plan—covering local governance and peacebuilding, housing and settlement, business and livelihood, and social services. Meanwhile, a \$100 million loan will finance the reconstruction and rehabilitation of damaged infrastructure in the city, including about 25 kilometers (km) of roads and 1,700 meters of bridges and viaducts. Completing the package are grants worth \$8 million to restore and rehabilitate water supply systems, construct local health units, procure mobile medical clinics, scale up emergency employment and livelihood

programs, and deliver primary education in internally displaced communities.

NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides financial assistance to nonsovereign projects and financial intermediaries. Total commitments from ADB’s own funds (in equity and direct loans) in 2018 amounted to \$3.14 billion for 32 transactions in economic and social infrastructure, the finance sector, and agribusiness. ADB also actively mobilizes cofinancing from commercial and concessional sources. In 2018, ADB mobilized \$3.17 billion of long-term cofinancing and \$3.99 billion of cofinancing in trade finance, microfinance, and supply chain finance programs. Total outstanding balances and commitments of nonsovereign transactions funded by ADB’s own resources stood at \$12.7 billion as of 31 December 2018.

COFINANCING

Cofinancing operations enable ADB’s financing partners, governments or their agencies, multilateral financing

Philippines: Project Success Rates

Year	Success Rate (%)	No. of Independently Evaluated Projects and Programs
2007	100.0	1
2008	20.0	5
2009	50.0	2
2010	60.0	5
2011	40.0	5
2012	50.0	2
2013	100.0	1
2014	–	1
2015	50.0	2
2016	100.0	2
2017	50.0	2
Total	50.0	28

Note: “Year” refers to the circulation year of the project completion report (PCR). The success rates reported are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. With small sample sizes, success rates do not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2018.

Philippines: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2017–2018

No. of Ongoing Loans ^a (as of 31 Dec 2018)	16	
	2017 (\$ million)	2018 (\$ million)
Contract Awards ^{b,c}	246.57	423.03
Disbursements ^b	472.89	779.91
No. of Ongoing Grants ^a (as of 31 Dec 2018)	–	
	2017 (\$ million)	2018 (\$ million)
Contract Awards ^{b,c}	–	–
Disbursements ^{b,d}	–	(0.07)
Actual Problem Projects (%) (as of 31 Dec 2018)	23	

– = nil, () = negative.

^a Based on commitments.

^b Includes closed loans/grants that had contract awards or disbursements during the year.

^c Excludes policy-based lending/grants.

^d Includes only Asian Development Fund and other ADB special funds.

Philippines: Projects Cofinanced, 1 January 2014–31 December 2018

Cofinancing	No. of Projects	Amount (\$ million)
Projects ^a	12	2,238.51
Grants	4	35.00
Official loans	6	1,582.00
Commercial cofinancing	3	621.51
Technical Assistance Grants	12	19.46

^a A project with more than one source of cofinancing is counted once.

Philippines: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

Item	2017		2018		Cumulative (as of 31 Dec 2018)	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
Goods, Works, and Related Services	475.46	4.66	904.11	7.20	10,638.76	5.88
Consulting Services	26.37	3.53	18.40	2.64	492.84	3.88
Total Procurement	501.84	4.59	922.51	6.96	11,131.60	5.75

Top 5 Contractors/Suppliers from the Philippines Involved in Goods, Works, and Related Services Contracts under ADB Loan and Grant Projects, 1 January 2014–31 December 2018

Contractor/Supplier	Sector	Contract Amount (\$ million)
R.D. Interior Junior Construction & Hebei Road and Bridge Group Co. Ltd. (JV)	TRA	17.74
MAC Builders-Fiat Construction Services (JV)	TRA	10.11
Vicente T. Lao Construction	ANR, TRA	4.91
BSP & Co. Inc. & Gemma Construction Supply Inc. (JV)	TRA	1.83
Rudhil Construction and Enterprises Inc.	ANR	1.46
Others		3,081.03
Total		3,117.09

ANR = agriculture, natural resources, and rural development; TRA = transport.

Top 5 Consultants from the Philippines Involved in Consulting Services Contracts under ADB Loan, Grant, and Technical Assistance Projects, 1 January 2014–31 December 2018

Consultant	Sector	Contract Amount (\$ million)
Renardet Ingenieurs Conseils S.A.	TRA	11.96
Pacific Rim Innovation and Management Exponents Inc.	ANR, EDU, HLT	11.42
Plan International Philippines	MUL	7.48
Tractebel Inc.	ANR, WUS	4.93
Development Strategists International Consulting Inc.	EDU, IND	4.30
Individual Consultants		63.37
Others		18.56
Total		122.02

ANR = agriculture, natural resources, and rural development; EDU = education; HLT = health; IND = industry and trade; MUL = multisector; TRA = transport; WUS = water and other urban infrastructure and services.

institutions, and commercial organizations to participate in financing ADB projects. The additional funds are provided in the form of official loans and grants, technical assistance, other concessional financing, and commercial cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under [ADB's Trade Finance Program](#) and [Supply Chain Finance Program](#).

ADB began cofinancing operations in the Philippines in 1972. Since then, cumulative direct value-added official cofinancing commitments for the Philippines have amounted to \$4.36 billion for 58 investment projects and \$98.12 million for 68 technical assistance projects. Cumulative direct value-added commercial cofinancing for the Philippines has amounted to \$960.57 million for 10 investment projects.

In 2018, Philippines received \$353 million in loan cofinancing from AFD for two investment projects and \$8 million in grant cofinancing from the [Japan Fund for Poverty Reduction](#) and the [Urban Climate Change Fund Resilience Trust Fund for the Emergency Assistance for Reconstruction and Recovery of Marawi](#).

A summary of projects with cofinancing from 1 January 2014 to 31 December 2018 is available at www.adb.org/countries/philippines/cofinancing.

PARTNERSHIPS

ADB continues to collaborate with key development partners in the Philippines, particularly in the areas of infrastructure, finance, public sector management, and community development.

ADB and the Japan International Cooperation Agency are preparing to support the government's "Build, Build, Build" infrastructure development program. ADB and the World Bank are partners in supporting the government's National Community-Driven Development Program and the conditional cash-transfer program called the *Pantawid Pamilyang Pilipino* Program.

Among the country's bilateral partners, the governments of Australia, Canada, and France are active cofinanciers in various programs, including public-private partnership reforms, youth employment programs, and local governance reforms.

ADB continues to participate in policy dialogue in the Philippines and coordinates with government agencies to discuss development issues, including the direction of development assistance to Mindanao.

PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

Share of ADB's Procurement Contracts

Goods, Works, and Related Services

ADB's procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant

operations totaled \$10.2 billion in 2017 and \$12.55 billion in 2018. Cumulative procurement since 1966 has been \$180.86 billion covering 215,461 contracts.

In the Philippines, 18,607 contracts worth \$10.64 billion have been awarded to contractors and suppliers since 1966.

Consulting Services

ADB's procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled \$746.79 million in 2017 and \$696.18 million in 2018. Cumulative procurement since 1966 has been \$12.7 billion covering 59,248 contracts.

In the Philippines, 7,392 contracts worth \$492.84 million have been awarded to consultants since 1966.

OPERATIONAL CHALLENGES

The government's "Build, Build, Build" infrastructure development program has gathered momentum, with public spending on infrastructure estimated to rise from 4.5% of gross domestic product in 2016 to 7.3% by 2022. Given the wide array of infrastructure projects under the program, government agencies' capacity to roll out such large and complex plans will need to be further strengthened. ADB is supporting the government in this area through loans, grants, and technical assistance. The bank is working closely with the government to enhance the technical and institutional capacity of national and local agencies and staff; improve interagency coordination; and strengthen partnerships between the government, the private sector, and development partners.

FUTURE DIRECTIONS

In 2019, ADB is rolling out its biggest investment in the Philippines—the [Malolos–Clark Railway Project](#). The project will construct 53 km of railway line to connect Metro Manila to the regional business center in Clark and the Clark International Airport in the Central Luzon region, around 100 km north of Manila.

The new rail line will provide affordable, reliable, and safe public transport; reduce greenhouse gas emissions; and cut travel time by 50% to less than 1 hour.

The Malolos–Clark Railway Project will be one of several projects and programs in a pipeline expected to reach around \$3 billion for 2019. Lending operations for the year focus on climate

resilient infrastructure development to meet expanding demand and raise the country's competitiveness. Phased initiatives to improve local governance, youth employment, economic corridor planning, urbanization and regional connectivity, access to finance, and effective disaster risk management complete the planned development program for the Philippines.



ABOUT THE PHILIPPINES AND ADB

ADB Membership

Joined 1966

Shareholding and Voting Power

Number of shares held:	252,912 (2.377% of total shares)
Votes:	292,609 (2.200% of total membership, 3.383% of total regional membership)
Overall capital subscription:	\$3.52 billion
Paid-in capital subscription:	\$175.89 million

Paul Dominguez is the Director and **Shahid Mahmood** is the Alternate Director representing the Philippines on the ADB Board of Directors.

Kelly Bird is the ADB Country Director for the Philippines. The Philippines Country Office was opened in 2001 and provides the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners. The country office engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in the Philippines.

The Philippine government agency handling ADB affairs is the Department of Finance.

ABOUT THE ASIAN DEVELOPMENT BANK

ADB is a multilateral development bank owned by 68 members, 49 from the region and 19 from other parts of the world. ADB's main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2018, lending volume was \$19.88 billion (126 projects), with technical assistance at \$241.20 million (280 projects) and grant-financed projects at \$1.42 billion (44 projects). In addition, \$14 billion was generated in direct value-added cofinancing in the form of official loans and grants, other concessional cofinancing, and commercial cofinancing such as B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB's Trade Finance Program. From 1 January 2014 to 31 December 2018, ADB's annual lending volume averaged \$15.99 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged \$583.95 million and \$184 million over the same period. As of 31 December 2018, the cumulative totals excluding cofinancing were \$275.82 billion in loans for 3,090 projects in 44 countries, \$9.38 billion in 374 grants, and \$4.52 billion in technical assistance grants, including regional technical assistance grants.

Notes:

ADB welcomed Niue as its 68th member in March 2019.

Figures are estimated by ADB unless otherwise stated. "\$" refers to United States dollars.

Data are updated as of 31 December 2018 unless otherwise indicated. Fact sheets are published annually in April.

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Useful ADB websites

Asian Development Bank
www.adb.org

Annual Report
www.adb.org/documents/series/adb-annual-reports

Asian Development Outlook
www.adb.org/publications/series/asian-development-outlook

ADB Data Library
data.adb.org