



Philippines First Financial Sector Reform Development Policy Financing (P175008)

EAST ASIA AND PACIFIC | Philippines | Finance, Competitiveness and Innovation Global Practice |
IBRD/IDA | Development Policy Lending | FY 2021 | Seq No: 1 | ARCHIVED on 26-Jun-2022 | ISR51607 |

Implementing Agencies: Department of Finance, Republic of the Philippines

Key Dates**Key Project Dates**

Bank Approval Date: 24-Jun-2021

Effectiveness Date: 25-Aug-2021

Original Closing Date: 30-Jun-2022

Revised Closing Date: 30-Jun-2022

Project Development Objectives

Program Development Objective (from Program Document)

The program development objective of this programmatic operation is to support financial sector reforms that will assist the Government of the Philippines in achieving a resilient, inclusive and sustainable financial sector.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	--	<input type="checkbox"/> Satisfactory
Overall Implementation Progress (IP)	--	<input type="checkbox"/> Satisfactory
Overall Risk Rating	--	<input type="checkbox"/> Substantial

Implementation Status and Key Decisions

The Philippines first Financial Sector Reform Development Policy Loan (DPL) consists of three pillars to support the Government of the Philippines in i) strengthening financial sector stability, integrity, and resilience, ii) expanding financial inclusion for individuals and firms, and iii) catalyzing climate and disaster risk and sustainable finance.

Overall strong implementation progress has been achieved across the three reform pillars. The second Financial Sector Reform DPL is currently under preparation and is expected to be approved in FY23. The proposed operation builds on the reform agenda initiated under the first development policy loan and focuses on continuity of reform implementation that will span across the forthcoming political transition.

Importantly, the key policy reforms under the DPL series are underpinned by strong and comprehensive World Bank engagement through technical assistance under the Financial Sector Programmatic ASA and are informed by the recommendations of the joint IMF-World Bank Financial Sector Assessment Program (FSAP) Update completed in 2020.

Risks**Systematic Operations Risk-rating Tool**

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

Results

Results Indicators

Strengthening Financial Sector Stability, Integrity, and Resilience				
IN01161440				
▶ The Anti-Money-Laundering Council (AMLC) has registered real estate developers and brokers to implement applicable AML/CFT requirements. (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	50.00
Date	31-Dec-2020	--	31-Mar-2022	29-Dec-2023
IN01161511				
▶ The AMLC has completed money-laundering investigations where tax crime is the underlying offense based on the Bureau of Internal Revenue (BIR) reference of tax evasion cases to AMLC (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	8.00
Date	31-Dec-2020	--	31-Mar-2022	29-Dec-2023
IN01161512				
▶ Number of Domestic Systemically Important Banks (D-SIBs) complying with updated requirements of the Bangko Sentral ng Pilipinas (BSP) on consolidated supervision (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	13.00
Date	31-Dec-2020	--	31-Mar-2022	29-Dec-2023
IN01161475				
▶ Percentage of nonlife insurance companies adopting an Own Risk and Solvency Assessment (ORSA)-like tool (including one to address climate-related risks) and disclosure requirements (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	0.00	--	0.00	50.00
Date	31-Dec-2020	--	31-Mar-2022	29-Dec-2023
IN01161516				
► Percentage increase in the number of outstanding listed corporate debt securities (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	10.00
Date	31-Dec-2020	--	31-Mar-2022	29-Dec-2023
IN01163828				
► Number of supervised financial institutions with BSP-approved recovery plans (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	13.00
Date	31-Dec-2020	--	31-Mar-2022	29-Dec-2023

Expanding Financial Inclusion for Individuals and Firms

IN01161517				
► Percentage of universal banks, commercial banks, digital banks and electronic money issuers that offer services to customers based on Open APIs (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	20.00
Date	31-Dec-2020	--	31-Mar-2022	29-Dec-2023
IN01161518				
► Percentage of Universal Banks and Commercial Banks complying with BSP implementing regulation to effectively implement financial consumer protection (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	75.00
Date	31-Dec-2020	--	31-Mar-2022	29-Dec-2023
IN01161519				
► The launch of a credit scoring model using financial statements of subject SMEs submitted by participating financial institutions (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	1.00
Date	31-Dec-2020	--	31-Mar-2022	29-Dec-2023

Catalyzing Climate and Disaster Risk and Sustainable Finance

IN01161520				
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► Percentage of the catastrophe and climate risk exposure covered by the Philippines Catastrophe Insurance Facility (PCIF) from its establishment (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	100.00
Date	31-Dec-2020	--	31-Mar-2022	29-Dec-2023

IN01161521

► Number of supervised financial institutions complying with BSP requirements on climate risk stress testing, governance, and disclosure (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	--	0.00	13.00
Date	31-Dec-2020	--	31-Mar-2022	29-Dec-2023

Data on Financial Performance

Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P175008	IBRD-92750	Effective	USD	400.00	400.00	0.00	400.00	0.00	100%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P175008	IBRD-92750	Effective	24-Jun-2021	19-Jul-2021	25-Aug-2021	30-Jun-2022	30-Jun-2022

Tranches

Restructuring History

There has been no restructuring to date.

Related Project(s)

P175360-Philippines Second Financial Sector Reform Development Policy Financing