



Philippines Customs Modernization Project (P163428)

EAST ASIA AND PACIFIC | Philippines | Finance, Competitiveness and Innovation Global Practice |
IBRD/IDA | Investment Project Financing | FY 2021 | Seq No: 3 | ARCHIVED on 19-Jun-2022 | ISR51398 |

Implementing Agencies: Bureau of Customs, REPUBLIC OF THE PHILIPPINES

Key Dates

Key Project Dates

Bank Approval Date: 27-Oct-2020

Effectiveness Date: 28-Jan-2021

Planned Mid Term Review Date: 12-Apr-2023

Actual Mid-Term Review Date:

Original Closing Date: 30-Jun-2025

Revised Closing Date: 30-Jun-2025

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The Project Development Objective is to improve the efficiency of the Bureau of Customs and reduce trade costs.

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

No

Components Table

Name

Component 1. Modernization of Customs Operations:(Cost \$84.25 M)
Component 2. Organizational Development:(Cost \$11.50 M)
Component 3. Project Management and Implementation Support:(Cost \$6.58 M)
Contingency:(Cost \$2.05 M)

Overall Ratings

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

Implementation Status and Key Decisions

This is the third ISR for the Project since the Project became effective on January 28, 2021. The project was approved October 27, 2020, signed December 3, 2020, and officially launched March 26, 2021. The WB project team continues to liaise closely with the BOC and the PMU to expedite implementation.

The loan agreement includes disbursement conditions that the BOC has: (i) established a Project Steering Committee (PSC); and (ii) appointed a Project Supervision and Quality Assurance (PSQA) consultancy contractor to provide quality assurance support for the implementation of the Project. While establishing the PSC has been already implemented by the BOC, the fulfillment of the second disbursement condition is still pending due to additional time needed by BOC to perform the financial, technical and legal assessment of the most qualified bidder, and finalize the terms of reference for the award of the PSQA consultancy contract. Therefore, the delay in the award of the PSQA contract has impacted the preparation and implementation of the rest of the project activities. Once the PSQA contract is awarded, the PMU shall focus on the completion of the bid



documents for the procurement of the Administrative Back-office Enterprise Resource Planning system and Remote Image Analysis Center feasibility study, which implementation can be accelerated. In parallel, the World Bank and BOC teams are preparing a level 2 project restructuring to revise the PDO indicators. Given the discontinuation of the “Doing Business” indicators, the PDO indicators will now utilize the results from the annual Time Release Studies produced by BOC. These new indicators will allow measuring the unchanged PDO.

Risks

Systematic Operations Risk-rating Tool

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

Results

PDO Indicators by Objectives / Outcomes

Improve the efficiency of Customs				
▶ Time to import: Border compliance (Hours, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	120.00	120.00	120.00	80.00
Date	31-Oct-2019	21-Apr-2021	21-Apr-2021	30-Jun-2025
Comments:	The time for border compliance includes the time for obtaining, preparing and submitting documents during port or border handling, customs clearance and inspection procedures.			



▶ Time to export: Border compliance (Hours, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	42.00	42.00	42.00	30.00
Date	31-Oct-2019	21-Apr-2021	21-Apr-2021	30-Jun-2025
Comments:	Same as above.			

Reduce trade costs				
▶ Cost to export: Border compliance (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	690.00	690.00	690.00	500.00
Date	31-Oct-2019	21-Apr-2021	21-Apr-2021	30-Jun-2025
Comments:	Cost for border compliance includes the cost for obtaining, preparing and submitting documents during port or border handling, customs clearance and inspection procedures.			
▶ Cost to import: Border compliance (Amount(USD), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	456.00	456.00	456.00	300.00
Date	31-Oct-2019	21-Apr-2021	21-Apr-2021	30-Jun-2025
Comments:	Same as above.			

Intermediate Results Indicators by Components

1. Modernization of Customs Operations				
▶ Percentage of declarations covered by the authorized economic operators program (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	20.00
Date	31-Oct-2019	21-Apr-2021	21-Apr-2021	30-Jun-2025
Comments:	Percentage of declarations, based on value, which are transacted by authorized economic operators.			
▶ Share of non-intrusive inspections handled by the remote image analysis centers (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	0.00	0.00	0.00	100.00
Date	31-Oct-2019	21-Apr-2021	21-Apr-2021	30-Jun-2025
Comments:	X-ray images of containers assessed by the remote image analysis centers.			
► Customs processing system is connected to disaster recovery data center (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	31-Oct-2019	21-Apr-2021	21-Apr-2021	30-Jun-2025
Comments:	The operation of the CPS is supported by at least one disaster recovery data center.			

2. Organizational Development

► Approved modern organizational structure (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	31-Oct-2019	21-Apr-2021	21-Apr-2021	30-Jun-2025
Comments:	Organizational structure to operate under the new CPS.			

► Financial management systems integrated into the customs processing system (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	31-Oct-2019	21-Apr-2021	21-Apr-2021	30-Jun-2025
Comments:	Financial management systems developed as part of the back office ERP system are integrated with the CPS.			

► Availability of HR and employment data that are disaggregated by grade level and sex. (Yes/No, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	31-Oct-2019	21-Apr-2021	21-Apr-2021	30-Jun-2025
Comments:	Generation of sex-dissagregated data by the back-office ERP system.			

► Human resource management strategy that incorporates targets for gender balance of all BOC employees (Yes/No, Custom)



	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes
Date	31-Oct-2019	21-Apr-2021	21-Apr-2021	30-Jun-2025
Comments:	New human resource management strategy to operate under the modern ICT enabled environment, promoting gender balance.			
► Share of public feedback processed by an ICT-enabled grievance redress mechanism (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	100.00
Date	31-Oct-2019	21-Apr-2021	21-Apr-2021	31-Dec-2025
Comments:	Feedback received by BOC's Customer Assistance and Response Service and Assistance Center (BOC CARES) and processed through the online GRM.			

Performance-Based Conditions

Data on Financial Performance

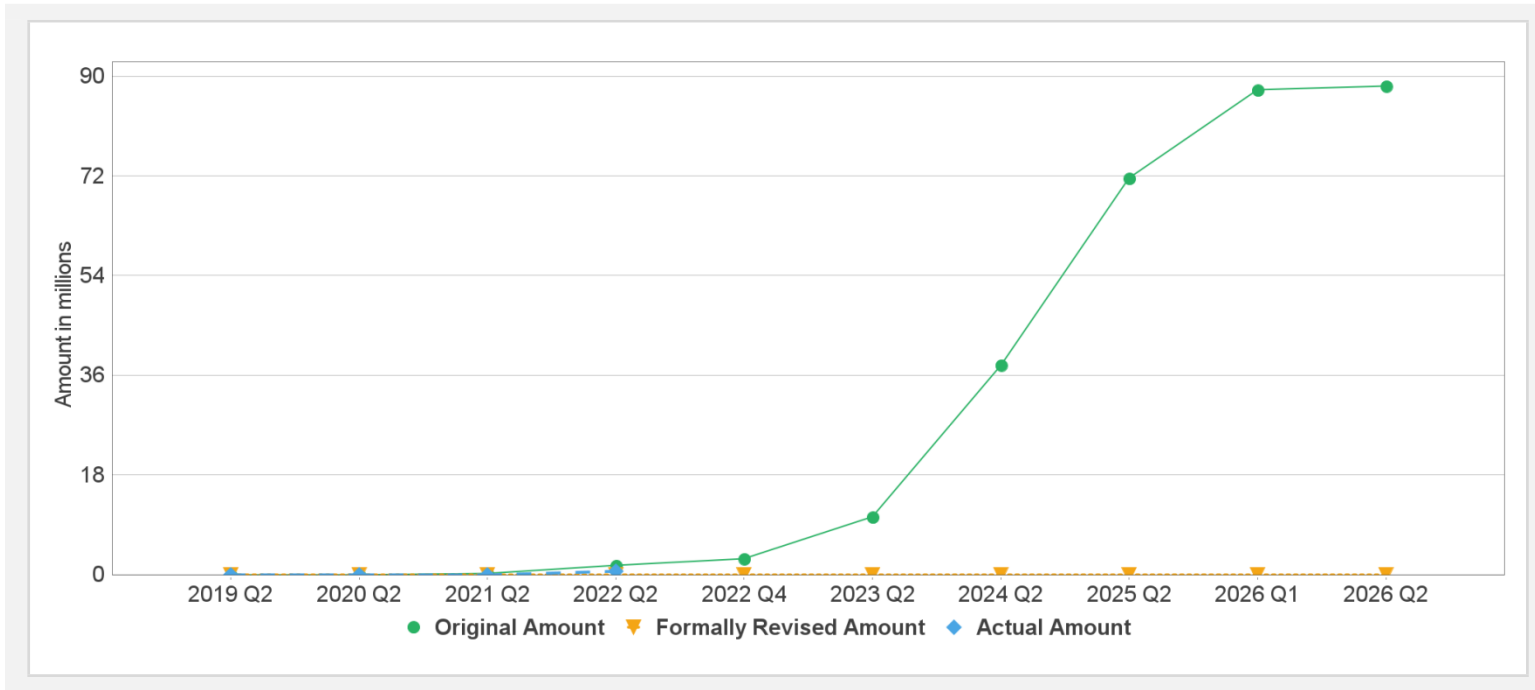
Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P163428	IBRD-91710	Effective	USD	88.28	88.28	0.00	0.63	87.65	0.7%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P163428	IBRD-91710	Effective	27-Oct-2020	03-Dec-2020	28-Jan-2021	30-Jun-2025	30-Jun-2025

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.