



1. Operation Information

Operation ID

P174120

Operation Name

EMERGENCY COVID-19 RESPONSE DPL

Country

Philippines

Practice Area (Lead)

Macroeconomics, Trade and Investment

Non-Programmatic DPF
L/C/TF Number(s)

IBRD-91210

Closing Date (Original)

30-Jun-2021

Total Financing (USD)

500,000,000.00

Bank Approval Date

28-May-2020

Closing Date (Actual)

30-Jun-2021

IBRD/IDA (USD)
Co-financing (USD)

Original Commitment

500,000,000.00

0.00

Revised Commitment

500,000,000.00

0.00

Actual

500,000,000.00

0.00

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2. Program Objectives and Pillars/Policy Areas

a. Objectives

The program development objectives (PDO) were to (i) mitigate the impact of COVID-19 on poor and vulnerable households, and (ii) provide financial relief to affected small and medium enterprises (SMEs).



b. Pillars/Policy Areas

The project was structured around two pillars:

Pillar 1: Mitigating the economic impact of COVID-19 to poor and vulnerable families and workers

Pillar 1 aimed to (i) deepen the benefits under the existing conditional cash transfer program, (ii) expand the reach of social assistance to affected households that are not part of the conditional cash transfer program, and (iii) provide financial assistance to vulnerable repatriated Overseas Filipino Workers who were unable to return to their host countries due to the international travel bans related to the pandemic and to the loss in economic activity.

Pillar 2: Providing financial relief to affected SMEs

Pillar 2 aimed to (i) temporarily alleviate the financial burden faced by formal SMEs through a wage subsidy offered over a two-month period, (ii) provide additional temporary financial relief through deferrals of tax payments, and (iii) support business continuity by facilitating access to credit through an MSMEs credit guarantee scheme.

c. Comments on Program Cost, Financing and Dates

Project cost. The approved amount for the project was US\$500 million. The actual disbursed amount was US\$500 million. The amounts are identical given that the commitment currency is in U.S. dollars for an IBRD loan.

Financing. The project was financed through an IBRD loan.

Dates. The project was approved on May 28, 2020 and became effective on June 19, 2020. The closing date for the project was June 30, 2021, with no delays incurred in completing the project.

3. Relevance of Design

a. Relevance of Objectives

At the time of project appraisal, the Philippines and the rest of the world were navigating stringent containment measures related to the COVID-19 pandemic, which deeply affected economic activity and the population's livelihoods. The government imposed stringent containment measures as part of the "enhanced community quarantine" between March 17 to May 15, 2020, initially in the National Capital Region, and later to all affected regions as cases spread. These measures were among the most stringent ones across the Association of Southeast Asian Nations region as evidenced by the stringency index computed by the Oxford COVID-19 Government Response Tracker. The domestic and global containment measures put in place in response to the pandemic resulted in a sharp deterioration of the Philippines economy and the population's livelihoods including through the temporary shutdown in businesses, and contractions in exports, remittances, public and private investment, and private consumption. Public investment fell as the government prioritized healthcare and social protection expenditures over public infrastructure investments. Private investment declined due to the fall in economic activity and the uncertain economic outlook. The Philippines



economy was estimated to have contracted by 16.5 percent year-on-year in the second quarter of 2020. The national unemployment rate rose to 17.7 percent in April 2020, with 7.3 million individuals estimated to be unemployed. Poor and vulnerable households were hit particularly hard by the pandemic.

The government launched a socioeconomic strategy in response to the COVID-19 pandemic. The strategy was comprised of four pillars: (i) emergency support for vulnerable groups; (ii) marshaling resources to fight COVID-19; (iii) monetary actions and other financing support; and (iv) an economic recovery program to create jobs and sustain growth. Two fiscal stimulus packages, known as Bayanihan I and II, were consequently introduced by the government in 2020 in support of this strategy. These packages supported additional expenditures in social protection and in health, as well as an acceleration of the planned reduction in corporate income taxes (latter approved in 2021 with retroactive payments made starting in July 2021). Bayanihan I came into law through the *Bayanihan to Heal as One Act* on March 24, 2020, and was supported by this Development Policy Operation, and implemented between March and June 2020. Bayanihan II came into law through the *Bayanihan to Recover as One Act* on September 11, 2020, and implemented between September 2020 and June 2021. The cost of budgetary measures through Bayanihan I and II according to government estimates were equivalent to 2.2 percent of GDP and 1.2 percent of 2020 GDP, respectively. In addition to the measures implemented as part of the strategy, the government also provided off-budget liquidity support which was estimated at 1.0 percent of GDP, similar in relative size to Indonesia (1.1 percent of GDP), higher than Vietnam (0.1 percent of GDP) and lower than Thailand (3.6 percent of GDP).

Monetary policy and financial sector measures were implemented in parallel to fiscal measures. The Bangko Sentral ng Pilipinas (BSP) reduced its policy rate by 200 basis points through five interest rate announcements. In order to raise short-term liquidity in the financial system, the BSP reduced the bank reserve requirement ratio by 200 basis points and purchased government securities in the secondary market. Moreover, the BSP provided provisional advances of PHP 300 billion in government securities through a repurchase agreement (payable within 3 months). Subsequent provisional advances under the same repurchase agreement were increased to PHP 540 billion in October 2020 and extended until end-2021. The BSP also provided a dividend payment of PHP 20 billion to the government in 2020 in order to provide additional support to the growing financing needs.

The PDO of mitigating the impact of COVID-19 on poor and vulnerable households and providing financial relief to affected SMEs was highly relevant to addressing the challenges confronting the repercussions of the COVID-19 pandemic. The emergency quarantine affected the livelihood of millions of individuals and led to an increase in the poverty rate from 16.6 percent in 2018 to 23.7 percent in the first semester of 2021 according to estimates of the Philippine Statistics Authority. Enhancing access to social assistance benefits to local workers whose earning ability was adversely affected by the emergency quarantine supported the livelihoods of poor and vulnerable individuals. Similarly, social assistance benefits to overseas workers allowed for an uninterrupted transfer of remittance to dependent relatives. Finally, the financial relief offered to MSMEs supported business continuity through the wage subsidy program, the deferral of taxes, and the expansion of credit guarantees.

b. Relevance of Prior Actions

Rationale



There were six PAs, with PAs 1-3 supporting Pillar 1 (mitigate the economic impact of COVID-19 on poor and vulnerable families and workers) and PAs 4-6 supporting Pillar 2 (provide financial relief to affected SMEs).

Prior Actions for Pillar 1 - Mitigate the economic impact of COVID-19 on poor and vulnerable families and workers

PA1 supported the livelihoods of poor and vulnerable households over the course of the emergency community quarantine. The PA supported the achievement of the PDO of mitigating the impact of COVID-19 on poor and vulnerable households by allowing households to benefit from a cash and/or in-kind transfer during the course of the emergency community quarantine, and access essential goods and services. Eligible households received between 5,000 and 8,000 pesos per month in cash and/or in-kind transfer for a period of two months, with the exact amount determined in proportion to the minimum wage of each region, which corresponded to roughly 60 percent of the monthly minimum wage. Roughly 4.3 million out of the 18 million households to have received the ESP benefit consisted of existing beneficiaries of the Conditional Cash Transfer Program, also known as the Pantawid Pamilyang Pilipino Program (4Ps). The remaining 13.6 million households to have benefitted from the ESP benefit consisted of non-4P beneficiaries who became eligible to similar amounts as those paid to 4P beneficiaries. A targeted approach for the distribution of the ESP benefits could not be taken given the lack of up-to-date information on household income. (relevance of PA1=S)

PA2 supported the identification of beneficiaries and the delivery of benefits to vulnerable households eligible to the ESP who were not beneficiaries of the 4Ps. The PA supported the achievement of the PDO of mitigating the impact of COVID-19 on poor and vulnerable households by implementing a pilot to identify and make digital payments to vulnerable households given the need to minimize physical contact for the submission of applications. The identification and the delivery of benefits was made difficult by the lack of a national ID registry and of an updated social registry. The pilot was implemented through a partnership between the Department of Social Welfare and Development and PayMaya (i.e., one of major e-money issuers). The PA recognized that the adoption of full-scale digital solutions would require investment in software, hardware, and cloud service, as well as capacity building. The PA supported initial steps in providing digital solutions for the delivery of the ESP to improve its speed, impact, transparency, and accountability. (relevance of PA2=S)

PA3 provided financial assistance to OFWs who were unable to return to their host countries due to international travel bans related to the COVID-19 pandemic or to work in their host country due to containment measures. The PA supported the achievement of the PDO by providing financial assistance to households which were highly dependent on remittance inflows from OFWs. Surveys indicate that remittances in households with at least one migrant member were slightly higher than the households' income from domestic sources. With the country's migrants estimated at 6.1 million individuals and remittance inflows estimated at 9.6 percent of GDP in 2020, the fall in remittances related to the inability of OFWs to return to their host country would have had significant repercussions on poor and vulnerable households. Overseas workers filed their application online and once approved, the benefit was transferred to them through a bank transfer or through a transfer to remittance centers (i.e., Western Union, M Lhuillier) (additional information can be accessed at: https://owwa.gov.ph/?page_id=4287). (relevance of PA3=S)

Relevance of Prior Actions for Pillar 2: Providing financial relief to affected SMEs

PA4 was intended to support employee retention in micro, small and medium enterprises (MSMEs) which were forced to temporarily shut down operations or to operate below capacity during the emergency community



quarantine. The 3,000 largest businesses were excluded from the program. PA4 supported the achievement of the PDO by subsidizing MSMEs' labor costs, thereby supporting employee retention and limiting repercussions in employees' incomes and livelihoods. The PA supported the implementation of the Small Business Wage Subsidy (SBWS), which provided a wage subsidy ranging between 5,000 to 8,000 pesos depending on the region over a two-month period to 3.4 million employees across 1.6 million MSMEs affected by the emergency quarantine. To qualify for the SBWS, businesses were required to maintain the employment status of eligible employees and employees were required to remain employed throughout the emergency community quarantine. The prior action was highly relevant as a means of preserving jobs at firms experiencing a temporary reduction in business activity, by reducing firms' labor costs while supporting the incomes of workers whose hours were reduced. The cost of the SBWS was estimated at 0.3 percent of GDP. (relevance of PA4=S)

PA5 supported the temporary deferral of tax payments and the filing of tax returns for all direct and indirect income tax sources for individuals and MSMEs, including the value-added tax, the excise tax, the documentary stamp tax and the withholding tax, between April and June 2020. It supported the achievement of the PDO by supporting the financial viability of firms, which limited business bankruptcies and potential repercussions on economic activity and the labor market. (relevance of PA5=S)

PA6 supported MSMEs in distressed cash positions to access credit within the context of more stringent financing and borrowing cost conditions over the quarantine period. The PA supported the introduction of a special credit guarantee facility, which covered 50 percent of the principal amount of loans of MSMEs. The credit guarantee was applied to a maximum loan amount of 50 million pesos per borrower, with credit guarantees on loans in excess of 50 million pesos which may have been accepted on a case-by-case basis and subject to PhilGuarantee's regular credit guarantee program guidelines. The loan guarantee amount provided through the PhilGuarantee mirrored the terms of the bank loans provided to MSMEs in the Philippines. According to the 2020 Firm Establishment Survey conducted by the Philippine Statistics Authority, there were 957,620 formal firms operating in the Philippines in 2020. Of these, 952,969 (99.5 percent of total) consisted of MSMEs and 4,651 (0.5 percent of total) of large enterprises (defined as firms with 200 or more employees). Micro enterprises constituted 88.8 percent (850,127) of total MSME establishments, followed by small enterprises at 10.3 percent of total MSME establishments (98,126) and medium enterprises at 0.5 percent of total MSME establishments (4,716). During the interview conducted as part of the ICR Review, the task team indicated that it was impossible to know the number of MSMEs to have qualified for the credit guarantee under the PhilGuarantee program given the lax qualification requirements, with MSMEs being able to qualify for the credit guarantee if they simply expressed that they were adversely affected by the repercussions of the COVID-19 pandemic. PA4 is considered to be poorly designed given the fact that it was impossible for the government to determine whether or not recipients were credit constrained. As such, firms which were not constrained could have qualified for the credit guarantee. The credit guarantee to MSMEs under the PhilGuarantee is still in effect in the Philippines to this date. This is problematic, however, given that this was considered to be an emergency measure with no sunset or firm end date. Additional information on this measure can be accessed at: <https://philguarantee.gov.ph/programs/guarantee-programs/corporate-msme/msme-credit-guarantee-program-mcgp/> (relevance of PA6=MS)

Table 1: Prior Actions

Objective 1: Mitigating the economic impact of COVID-19 to poor and vulnerable families and workers
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PA1: The Government has enacted an emergency subsidy program (ESP) to support 18 million low-income families through cash and in-kind transfers, as evidenced through the "Bayanihan to Heal as One" Act (RA No. 11469).
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PA2: The Government has initiated a pilot for digital payments for Assistance to Individuals in Crisis Situation (AICS) program for vulnerable households that are not part of 4Ps, as evidenced through a Memorandum of Agreement between DSWD and PayMaya.

PA3: The Government has established a financial assistance program to vulnerable Overseas Filipino Workers (OFWs) affected by COVID-19, as evidenced through the DOLE Department Order No. 212-2020.

Objective 2: Providing financial relief to affected SMEs

PA4: The Government has established a wage subsidy program for employees of small businesses affected by COVID-19, as evidenced through the Joint Memorandum Circular No. 001-2020.

PA5: The Government has granted deferral of payment of taxes by at least one month, as evidenced through Revenue Regulation Nos. 7-2020, 10-2020, and 11-2020.

PA6: The Government has expanded credit guarantee to MSMEs to support business continuity, as evidenced through PhilGuarantee Resolution No. 060-2020.

Rating

Satisfactory

4. Relevance of Results Indicators

Rationale

RI1 (associated with PA1) (“percent of Pantawid Pamilyang Pilipino Program (4Ps) beneficiaries that received top-up benefits from the Emergency Subsidy Program”) had a target of more than 90 percent by 2021. Given the vulnerability of beneficiaries of 4Ps to falling into poverty as a result of the emergency community quarantine, an RI that measured the share of beneficiaries of 4Ps to have received the top-up benefits from the Emergency Subsidy Program was an appropriate measure to track. As indicated in the ICR, RI 1 was a partial output indicator as it measured the achievement of PA 1 for only the beneficiaries of 4Ps, not for vulnerable households who qualified for the EPS and who were not beneficiaries of 4Ps. The ICR indicates that the PAD attributed a partial indicator to PA1 due to the lack of timely poverty data from a comprehensive household survey. The indicator was well defined. Data were available to measure achievement of the target. (relevance of RI1=S)

RI2 (associated with PA2) (“number of targeted non-4Ps beneficiaries that received social assistance through electronic transfer system”) had a target of at least 10,000 by 2021. Given the vulnerability of non-4Ps beneficiaries to falling into poverty as a result of the emergency community quarantine, and challenges with the identification of beneficiaries and the delivery of benefits to vulnerable households eligible to the ESP, this RI measured the number of non-4P beneficiaries to have received benefits under the Emergency Subsidy Program through the electronic transfer system. The indicator was well defined. Data were available to measure achievement of the target. (relevance of RI2=S)

RI3 (associated with PA3) (“number of Overseas Filipino Workers that received financial assistance”) had a target of 10,000 by 2021. This RI measured the number of OFWs to have received financial assistance due to their inability to return to their host country given the international travel bans or to work overseas due to the containment measures in place. The indicator was measured through the number of eligible



overseas workers whose applications were approved. The indicator was well defined. Data were available to measure the achievement of the target. (relevance of RI3=S)

RI4 (associated with PA4, PA 5 and PA6) (“percent of MSMEs that survived the liquidity constraints during the emergency community quarantine”) had a target of 70 percent by 2021. This RI measured the survival rate of MSMEs within the context of liquidity constraints during the emergency community quarantine. The ICR admits that while RI4 refers to a precise figure, a precise figure was not available, and had to be estimated through firm surveys which were periodically conducted by the World Bank starting on July 2020. These surveys assessed firms’ operational status following the introduction of restrictions due to the pandemic. The ICR admits that RI4 “could have been complemented by additional indicators to better capture the extent of shielding affected MSMEs, such as the level of employment and/or credit extended to MSMEs and the level of their non-performing loans.” (ICR, p. 14) The ICR Review notes that an indicator related to financial conditions of MSMEs would have been much more relevant to measuring the achievement of PA4, PA5 and PA6. Furthermore, the ICR Review notes that there are many factors which could have contributed or reduced firms’ survival rate which would go beyond the measures pursued through this operation, and as such, RI4 is rated Moderately Unsatisfactory. (relevance of RI4=MU)

Table 2: Results Indicators

RI(s)	Associated PA(s)	RI Relevance	Baseline (including date)	Target (including date)	Actual value as of target date	Actual change in RI relative to targeted change	RI achievement rating
Objective 1: Mitigating the economic impact of COVID-19 to poor and vulnerable families and workers							
RI1: Percent of Pantawid Pamilyang Pilipino Program (4 Ps) beneficiaries that received top-up benefits from the Emergency Subsidy Program.	PA1	S	0 (2019)	More than 90 percent (2021)	98.9 percent	Over 100 percent of targeted change	High
RI2: Number of targeted non-4Ps beneficiaries that received social assistance through electronic transfer system.	PA2	S	0 (2019)	At least 10,000 (2021)	9,607,975 (2021)	Over 100 percent of targeted change	High
RI3: Number of Overseas Filipino Workers that received financial assistance.	PA3	S	0 (2019)	At least 10,000 (2021)	540,876 (2021)	Over 100 percent of targeted change	High
Objective 2: Providing financial relief to affected SMEs							



RI4: Percent of MSMEs that survived the liquidity constraints during the lockdown (ECQ).	PA4, PA5, PA6	MU	100 (2019)	At least 70 percent (2021)	93 percent (survey-based firm survival rate, calculated by excluding firms that had been closed and did not expect to reopen) (March 2022)	Over 100 percent of targeted change	Substantial
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Rating

Satisfactory

5. Achievement of Objectives (Efficacy)

OBJECTIVE 1

Objective

Mitigate the economic impact of COVID-19 on poor and vulnerable families and workers

Rationale

Outcomes. The program met all three output targets for the objective of mitigating the economic impact of COVID-19 to poor and vulnerable families and workers.

- RI1 on more than 90 percent of 4Ps beneficiaries receiving top-up benefits from the ESP by 2021 was achieved with 98.9 percent of 4Ps beneficiaries benefitting from the ESP. (achievement rating of RI1=High)
- RI2 on at least 10,000 non-4Ps beneficiaries receiving social assistance through the electronic transfer system by 2021 was achieved with 9,607,975 non-4Ps beneficiaries receiving social assistance payments through the electronic transfer system. This represents a significant achievement given that the identification of beneficiaries was based on LGUs prioritization of poor and vulnerable individuals and the intake of beneficiaries based on self-report assessment forms and local verification. (achievement rating of RI2=High)
- RI3 on at least 10,000 OFWs receiving financial assistance by 2021 was achieved with 540,876 OFWs receiving social assistance benefits (achievement rating of RI3=High)

A total amount of roughly PHP 200 billion (US\$4 billion) was disbursed through cash and/or in-kind transfers to 18 million low-income households, representing about 73 percent of total households, over the course of the enhanced community quarantine.



Rating

Highly Satisfactory

OBJECTIVE 2

Objective

Providing financial relief to affected SMEs

Rationale

Outcomes. The program met the output target for the objective of providing financial relief to affected SMEs.

- RI4 on at least 70 percent of MSMEs surviving the liquidity constraints during the emergency community quarantine by 2021 was achieved with 93 percent of MSMEs estimated to have survived stringent financial conditions by March 2022. This result was estimated through a survey-based firm survival rate, which was calculated by excluding firms that had been closed and did not expect to reopen. While the target for RI4 was met, RI4 is rated Modest given the MU rating with regard to its relevance. (achievement rating of RI4=Modest)

Rating

Moderately Unsatisfactory

Overall Achievement of Objectives (Efficacy)

Rationale

The achievement of the objective under Pillar 1 is rated Highly Satisfactory. The achievement of the objective under Pillar 2 is rated Moderately Unsatisfactory. As a result, the overall achievement of the objectives is rated Satisfactory.

Overall Efficacy Rating

Satisfactory

6. Outcome



Rationale

The relevance of prior actions is rated **Satisfactory**. The prior actions were linked to the achievement of the program objectives in a convincing and credible manner, which supported the causal chain between the prior actions and outcomes achieved. The relevance of results indicators is rated **Satisfactory**, with the RIs being clearly defined outputs linked to the prior actions, and baseline and target data which could easily be monitored and measured over time, with the exception of RI4. The efficacy of the first objective is rated **Highly Satisfactory**. The efficacy of the second objective is rated **Moderately Unsatisfactory**. The overall efficacy rating is **Satisfactory**. As such, the outcome of this DPO series is rated **Satisfactory**.

a. Rating

Satisfactory

7. Risk to Development Outcome

The main risks identified in the ICR pertain to the macroeconomic outlook and to the trajectory of the pandemic. The interview with the task team also identified the Philippines' limited fiscal space, as well as the new administration which may have a different set of priorities than the ones supported through this operation, as additional risks to sustaining development outcomes.

8. Assessment of Bank Performance

a. Bank Performance – Design

Rationale

The ICR Review indicates that the task team engaged with a broad range of ministries, which included, the National Economic and Development Authority (NEDA) (i.e., the Planning Ministry), the Department of Finance, and the Department of Social Welfare and Development to design the policy measures to provide immediate relief to households and businesses. This involved close engagement with the Secretary of NEDA. Sector specialists from the relevant global practices worked closely with government officials in providing policy options, which included, (i) a proposed solution to enroll and verify the identity of beneficiaries of the ESP response to the pandemic, (ii) payment delivery options for the beneficiary groups of the ESP, (iii) targeting options for beneficiaries for the ESP, and (iv) challenges facing the health, livelihoods, and mobility of internal and international migrants and their families due to the COVID-19 outbreak. The World Bank also conducted a number of surveys to assess the impact of the pandemic on employment, incomes, food security, education and health behaviors, as well as the impact of the pandemic on firms in the Philippines, focusing on sales, income and liquidity constraints of MSMEs due to the emergency quarantine restrictions. However it is not clear how the engagement with government officials and the results of the surveys informed the project design.



The IEG agrees with the ICR finding that "a higher-quality M&E framework could have been designed. All RIs of Prior Actions under Pillar I were output-based. With hindsight, two of these indicators were relatively unambitious. They could have been complemented by survey-based evidence to better monitor progress toward the achievement of the PDOs. Only a single RI was set for Pillar II, while data did not become available to trace progress towards the achievement of this indicator. A substitute indicator had to be used for assessing progress towards the PDOs." (ICR, p. 30)

Rating

Satisfactory

b. Bank Performance – Implementation

Rationale

The monitoring of results indicators was adequate and took place as part of regular policy dialogue with the authorities. Sector specialists from the POV, SPJ and FCI global practices also helped the government undertake several rounds of high frequency monitoring of the socio-economic conditions confronting households and firms over time, which allowed the government to assess the effectiveness of its policies over time.

Rating

Satisfactory

c. Overall Bank Performance

Rationale

The overall Bank performance is Rated Satisfactory, with Bank performance on design and on implementation each rated Satisfactory.

Overall Bank Performance Rating

Satisfactory

9. Other Impacts

a. Social and Poverty



The interventions featured under this DPO limited the rise in poverty during the emergency community quarantine by supporting social protection measures and business activity. Households were particularly vulnerable to income shocks related to the repercussions of the COVID-19 pandemic, with 18 million households estimated to be living in poverty or to be working in the informal sector. A large portion of these households did not have the mechanisms in place during the emergency quarantine to support their livelihoods, with limited personal savings, no access to social security, and no access to formal financing. The DPO supported measures to provide temporary relief to households and businesses in order to limit the adverse impact on livelihoods.

Macro-micro simulations performed as part of a World Bank study entitled *The Distributional Impact of the Bayanihan I and II Packages* suggest that poverty incidence declined by an estimated 1.6 percentage points in 2020 largely as a result of the government's Social Amelioration Program. Without a comprehensive digital ID that enables beneficiary verification and cross-checking with government databases, and with the time pressure for program implementation, beneficiary enrolment was done with little deduplication or eligibility verification. Consequently, there were significant delays in SAP delivery and confusion among LGUs and non-4Ps beneficiaries entitled to the SAP. DSWD's record shows that the distribution of the first tranche of SAP (SAP 1) for non-4Ps households stretched beyond June 2020. Moreover, a greater number of beneficiaries requested SAP benefits than initially anticipated, in part due to the confusion between "family" as commonly understood and "household" as a unit of SA support as well as few mechanisms to differentiate them." (COVID-19 and Social Assistance in the Philippines: Lessons for Future Resilience, p. 11)

b. Environmental

None noted.

c. Gender

The program did not attempt to target female-headed households and the differential impact across genders can therefore not be reported.

d. Other

None noted.

10. Quality of ICR

Rationale



The quality of the ICR is rated **Substantial**. While the ICR is well written, there are a number of improvements which could have been made. The relevance of Prior Actions in supporting the overarching objective pursued by the PDO could have been better justified. For PA1, for example, it would have been important to have a better understanding of the distributional impact of the benefits to 4P and non-4P beneficiaries in order to assess the extent to which benefit and beneficiary incidences are progressive and concentrated around the poor. The ICR, however, does not contextualize this and does not provide any information on the portion of ESP beneficiaries to have continued to work during the emergency quarantine or the portion of ESP beneficiaries to have received benefits from social insurance schemes. While it is clear that a targeting mechanism supported by up-to-date information was not available, the ICR should have justified the implementation of the PA better. Similar arguments could have been made for the other PAs. The discussion around the Bank performance on design and implementation benefitted from the numerous engagements with government and the results of the surveys undertaken.

a. Rating

Substantial

11. Ratings

Ratings	ICR	IEG	Reason for Disagreement/Comments
Outcome	Satisfactory	Satisfactory	
Bank Performance	Satisfactory	Satisfactory	
Relevance of Results Indicators	---	Satisfactory	
Quality of ICR	---	Substantial	

12. Lessons

The ICRR concurs with the lessons identified in the ICR, with some amendments:

1. The provision of social assistance benefits should be prioritized in crisis situations such as the one generated by the COVID-19 pandemic. This should be achieved through (i) the vertical expansion through a top-up benefit to existing social assistance beneficiaries, and (ii) the enhancement in the scope of beneficiaries to include those who are not currently part of any existing social assistance program, but who are in need of support following a shock, such as, a health crisis or a natural disaster event.
2. Job retention policies may be required to prevent layoffs, uphold the critical employer-employee relationship and support household incomes. Well targeted job retention schemes may also address equity concerns by targeting wage subsidies to MSMEs and employees at the bottom of the wage ladder, as well as women workers who are largely concentrated in the garment manufacturing and



hospital industry which have been among the sector which have been hardest hit by the repercussions of the COVID-19 pandemic.

3. Limited government capacity to respond to specific needs created by a crisis, such as the COVID-19 pandemic, suggests that reliance on digital systems should be improved. Greater reliance on digital systems would stave off some of the pressures placed on the limited government capacity. It is important to note, however, that the adoption of digital solutions also requires significant capacity, which could have perhaps been provided through technical assistance.
4. The government should maintain an up-to-date information system in order to be able to target benefits to vulnerable individuals affected by a crisis. An improved targeting mechanism would increase the efficiency and the impact of assistance to the population.

13. Project Performance Assessment Report (PPAR) Recommended?

No