




agenda also builds on a network of Knowledge for Development Centers established by the World Bank with leading state and private universities and other institutions nationwide.

Strong partnerships. Over the years, the Bank has established strong partnerships with government and other stakeholders. It intends to sustain and further deepen these partnerships to achieve core results under the new CAS.

- *Philippines Development Forum.* The Philippine Development Forum chaired by the Government and co-chaired by the World Bank is recognized by its multi-stakeholder participants as an effective forum for dialogue on critical policy reforms.
- *Donor coordination and co-financing.* The World Bank administers single and multi-donor trust funds to complement and maximize synergies in the programs of government and other development partners. Co-financing with multilateral as well as bilateral agencies will be explored for strategic operations.
- *Dialogues and partnerships with civil society and the academic community.* The Bank will enhance the partnerships it has developed with civil society through regular informal dialogues with think-tanks and the academe on current issues and concerns.

Through the CAS and institutional and policy reforms geared to sustain and expand growth and make it more inclusive, the WBG works to help more families and communities move out of poverty and make them part of the development process. After all, growth that works for the poor is sustainable growth. 



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Country Assistance Strategy for the Philippines 2010-2012



The World Bank Group in the Philippines
Making Growth Work for the Poor

The World Bank Group's new Country Assistance Strategy is organized around the theme, "Making Growth Work for the Poor".

Making growth work for the poor means making sure that the growth is inclusive, that no one is left behind when the economy improves. Households and communities, especially the most at risk, should have better income opportunities and less vulnerability to sudden economic difficulties. They should have better education, good health care, and have access to information and infrastructure, thus empowering them to participate in economic activities and transform their lives.

The WBG will also help national government agencies, local government units, and other sectors of society to demonstrate improved accountability and transparency for better economic outcomes.

Four strategic objectives, one cross-cutting theme

Anchored on the country's Medium Term Philippine Development Plan, the new CAS aims to help the Philippines achieve inclusive growth through the following strategic objectives:

Maintain macroeconomic stability

Amid the risks posed by the global economic slowdown, the World Bank Group will help ensure that economic stability is preserved and that growth prospects are improved. The Bank will work with the government towards managing public resources more efficiently. It will help generate more revenues by improving tax administration and revenue collection. It will help ensure that public spending is targeted and transparent and that fiscal and financial risks are well managed.

Improve the investment climate

Quality infrastructure, a good regulatory framework for private sector participation, increased investment and employment in rural and urban development, and access to finance are necessary to improve the business climate.

To help reduce the cost of doing business, the World Bank Group will promote private investments in infrastructure, specifically roads and power, through public-private partnerships. Where the private sector is involved, the Bank will help develop transparent and stable regulatory frameworks to balance consumer and investor concerns. The Bank Group will help promote and facilitate access to affordable finance by LGUs, small farmers, and agribusiness firms to enable them to invest in micro, small, and medium enterprises. LGUs, especially the low-income ones, will be assisted in increasing their own-source revenues and accessing additional sources of funds to enable them to provide services that will improve the local business environment.

Improve public service delivery

The CAS seeks to address comprehensively the education, health, water and sanitation needs of the poor through an inter-agency and inter-governmental approach. To accelerate the delivery of services, the World Bank will work with government, development partners and civil society organizations to support scaled-up community-driven development (CDD) programs in disaster and conflict areas and in vulnerable and marginalized communities. The role of LGUs in the delivery of health and education services will be strengthened through capacity building and performance-based incentives.

Reduce vulnerabilities

The CAS supports the government's efforts to protect the poor from sudden economic difficulties. The World Bank Group will assist the government in putting in place a national poverty targeting system and

operationalizing the conditional cash transfer program. It will support efforts to enhance the impact of development programs in conflict-affected areas in Mindanao and to scale up provision of basic services and livelihood support in communities affected by armed conflict. The Bank will also help mitigate disaster- and climate change-related risks and reduce greenhouse gas emissions in key sectors.

Cross-cutting theme: Operationalize good governance

Helping the government strengthen public institutions is a key objective of the CAS. In line with the Bank's country governance and anti-corruption framework, the Bank Group will promote good governance as a cross-cutting theme. It will assist the country in

improving transparency, accountability, and participation at the national and local levels.

The World Bank will help strengthen core business processes and systems of national government agencies particularly in public financial management, procurement, and decentralization to sustain gains in governance reforms. It will assist in the strict enforcement of the Procurement Law and greater efficiency and transparency in the management of public finances. It will pursue capability building for local government officials and continue to encourage civil society and the academe to demand more transparency in Bank-supported programs and in the country's own governance systems.

One Bank Group

The World Bank and the International Finance Corporation (IFC), the private sector financing arm of the World Bank Group, will work together in combating poverty and promoting inclusive growth in the Philippines. The Bank is prepared to provide US\$700 million to US\$1 billion in support per year for the next three years, coupled with a large program of analytical and advisory activities (AAA). IFC's investment program will be in the range of US\$250-US\$300 million per year.

The World Bank and the IFC will pursue collaborative programs in infrastructure, agribusiness and in the financial sector which have significant development impact and where a combination of public and private sector actions are needed.

Another member of the World Bank Group, the Multilateral Investment Guarantee Agency (MIGA), will provide guarantees to foreign investors against losses caused by non-commercial risks, as well as technical assistance to help countries disseminate information on investment opportunities.

While the CAS serves as the three-year framework that guides the World Bank's operations in the Philippines, it was also crafted in response to the evolving global economic crisis. Among the Bank's supported initiatives designed to deal with the crisis are two projects implemented by the Department of Social Welfare and Development: the government's new Conditional Cash Transfer (CCT) program, and the community-driven Kalahi-CIDSS development project. The IFC has also developed instruments to help private firms deal with increased risk and liquidity constraints arising from the crisis.

Delivering WBG Programs

In delivering its programs, the WB pays special attention to strengthening the portfolio, improving lending efficiency, furthering the knowledge agenda, and leveraging its resources through strategic partnerships and trust funds.

Finance. Loans are the primary means by which the Bank assists the country. These include investment loans and credits and long-term financing for physical and social infrastructure needed to achieve inclusive growth. Loans are provided at interest rates well below those offered by commercial lenders, payable in 15-20 years, with a grace period of three years.

Knowledge. The Bank pursues its knowledge agenda through expanded analytical and advisory activities (AAA) that help government meet challenges facing a middle income country and maximize the impact of its development thrusts. The knowledge

