

## Ex-Ante Evaluation(for Japanese ODA Loan)

**Southeast Asia Division 5,  
Southeast Asia and Pacific Department,  
Japan International Cooperation Agency**

### **1. Name of the Project**

- ( 1 ) Country: The Republic of the Philippines (the Philippines)
  - ( 2 ) Project: Build Universal Health Care Program (Subprogram 2)
  - ( 3 ) Project Site / Target Area: The whole country of the Philippines (Population: approximately 115 million)
- Loan Agreement: March 24, 2025

### **2. Background and Necessity of the Project**

- ( 1 ) Current State and Issues of the Health Sector and the Priority of the Project in the Philippines

The Philippines has seen improvements in some health-related indicators, such as an increase in life expectancy from 69.4 years in 2000 to 72.2 years in 2022 (World Bank, 2022) due to recent economic growth. However, the health sector as a whole still faces challenges. For example, the maternal mortality ratio is 78 (per 100,000 live births) (World Bank, 2020) and the under-five mortality rate is 28 (per 1,000 live births) (World Bank, 2022), which are higher than the respective SDG targets of less than 70 (per 100,000 live births) and 25 (per 1,000 live births). While infectious diseases such as dengue fever, tuberculosis, and rabies also remain a challenge, 69% of deaths in 2019 were due to non-communicable diseases (NCDs), with economic losses due to early death and treatment costs estimated at 756.5 billion pesos (WHO, 2019). Additionally, the UHC Service Coverage Index, which is indexed by combining health service utilization and health service delivery capacity indicators, scored 58 out of 100 (2021, WHO), lower than the global average of 68 (2021, WHO) and down from 60 in 2019. In the context of the above, the core challenge is the lack of equitable access to quality health services. Insufficient health financing and strategic purchasing of health services and drugs (budget allocation and payments that do not match the needs of the population and the performance of health institutions), fragmented and insufficient health services, and weak health information management and accountability have been identified as the main constraints of the equitable access to quality health services.

In 2019, the Philippine government enacted and implemented the Universal Health Care Act (UHC Act), which provides for reforms through policies such as National Health Insurance Program, population/individual-based health service delivery, local health system integration, public health personnel development, and governance and accountability. As a result, after the implementation of the UHC Act, the percentage of General government health expenditure (GHE)—comprising of national and local governments', and national health insurance's health expenditure—against current health expenditure (CHE) increased from 41.6% in 2019 to 44.8% in 2022. In addition, the national budget for the Department of Health (DOH) and the Philippine Health Insurance Corporation (PHIC) increased from 209.75 billion PHP in 2021 to 314.78 billion PHP in 2023. However, the “Percentage of government spending on health care,” which indicates the government's degree of priority towards health sector, is 8% in 2022, failing to meet the WHO recommended value of at least 15%. Moreover, the government aims to enroll all Filipino citizens in the National Health Insurance Program and 93% of the population is covered by 2022. However, the scope of health insurance benefits is limited mainly for outpatient, resulting the proportion of out-of-pocket medical expenses to remain high, hence, reviewing and streamlining of health service and drug purchasing methods by PHIC is an issue. Improving health services requires coordination and integration of public and private sector health services, development of health facilities in rural areas, investment in health human resources, and expansion of primary health care and health promotion services. In addition, the lack of an integrated medical information system that is interoperable among medical institutions and with the Philippine government agencies and other entities is also a challenge, reducing the efficiency of medical service delivery and hindering evidence-based decision making.

Given the above situation, the Philippine government has identified "Promote Human and Social Development" as one of priority areas in the “Philippine Development Plan (2023-2028)” and is working to improve health through interventions that lead to healthy schools, communities, workplaces, and lifestyles. In addition, “Healthcare Financing Strategy of the Philippines (2023-2028)” sets the acceleration of the achievement of UHC as one of its strategic goals, which includes the appropriate and equitable financing of quality health services and the optimization of the size and efficiency of all public health institutions.

ADB started a program loan, Build Universal Health Care Program (“Build UHC”) in 2019. This program aims to improve equitable access to quality health services by facilitating policy formation and implementation by the Philippine government through three reform areas (1) sustainable financing and strategic purchasing; (2) integrated delivery of quality health services; (3) information management and performance accountability, which are also the priority policy areas of the UHC Act. Build UHC is being implemented through three subprograms (SP) (SP1: January 2019 – May 2021, SP2: June 2021 – September 2023, SP3: October 2023 – September 2025).

JICA’s “Build Universal Health Care Program (Subprogram 2)” is to strengthen health financing, health service delivery capacity, and information management and accountability, through assisting the implementation of high priority policies in the Philippines in achieving UHC, by financial assistance through co-financing the Build UHC. According to the Philippine government's estimate, a total of 626.4 billion PHP (approximately 1,685 billion JPY) will be needed over the five years from 2022 to 2026 to implement the reforms required by the UHC Act, and this program will contribute to improving this funding gap.

The program is also consistent with the country's “Nationally Determined Contributions (NDCs)” under the Paris Agreement to preempt and mitigate damages and losses and implement adaptation measures in the health sector, in view of the goal of increasing investment in climate-friendly, disaster-resilient, and environmentally sustainable health institutions in the policy matrix.

## ( 2 ) Japan’s and JICA’s Policy Cooperation Policy and Operations in the Health Sector

In May 2022, the Japanese government formulated the “Global Health Strategy”, which aims to accelerate the efforts to achieve more resilient, equitable, and sustainable UHC in the post-COVID era to realize human security. In addition, Japan’s Country Assistance Policy for the Republic of the Philippines (September 2023) lists “Ensuring human security for inclusive and resilient growth” as a development issue in the priority area and states that it will provide cooperation on achieving UHC including infectious disease countermeasures, in order to overcome vulnerabilities and stabilize and strengthen the foundation of livelihood

In the JICA Country Analysis Paper for the Republic of the Philippines (March 2024), the access to health care and quality and efficiency of health care is mentioned as a challenge and JICA shall steadily implement specific cooperation

to build health systems/structures and support dissemination to accelerate the achievement of UHC. Moreover, this project aligns with the JICA Global Agenda No.6 Health and the Cluster for Strengthening the Health Financing System. The Program is consistent with these international commitments and with the cooperation policy and analysis for the Philippines. Furthermore, in April 2023, JICA conducted a seminar for the Philippine government on the payment system for medical services and provided technical assistance for the transition to the Diagnosis Related Group (DRG) payment method, thereby contributing to the achievement of SP2 Policy Action 2.6 of Build UHC.

### ( 3 ) Other Donors' Activities

For SP1 of Build UHC, ADB provided a loan of \$600 million USD. For SP2, ADB (equivalent to \$450 million) etc. have provided co-financing (both in Euro). For SP3, ADB is expected to provide a loan.

In addition, ADB provided technical assistance utilizing fund from Japan Fund for Prosperous and Resilient Asia and the Pacific (JFPR) for SP2. When the UHC Act was formulated in 2019, WHO shared information and advice with the Philippines government. WHO is also providing technical assistance for NCDs in the country.

## **3. Project Description**

### ( 1 ) Project Description

#### ① Project Objective

This program aims to improve equitable access to quality health services in the Philippines by supporting the implementation of high priority policies in the achievement of UHC through financial assistance, thereby contributing to the promotion of economic stability and social development.

#### ② Project Components

Based on the UHC policy dialogue with the Government of the Philippines, ADB, and JICA, sector reforms are to be promoted based on the policy matrix (as attached), which summarizes reform items related to the following three policy areas.

- (i) Sustainable financing and strategic purchasing;
- (ii) Integrated delivery of quality health services;
- (iii) Information management and performance accountability.

③ Project Beneficiaries (Target Group)

The whole population of the Philippines (approximately 115 million)

(2) Estimated Project Cost

161,400 million Yen (Japanese ODA loan: 30,000 million Yen). Co-financing with ADB (421.4 million Euro (equivalent to 450 million USD)) etc.

(3) Schedule

Financial support for the Program commenced from June 2021. The target for achievement of SP2 policy actions is September 2023 and all policy actions have been achieved. The deadline for achievement of the triggers added by JICA is December 2024. After confirming the achievement of the triggers, the Program will be completed when the loan is disbursed (scheduled for April 2025).

(4) Project Implementation Structure

1) Borrower: Government of the Republic of the Philippines

2) Executing Agency: Department of Finance (DOF)

DOF will apply to JICA for loan disbursement after confirming the achievement of the SP2 policy actions and the triggers added by JICA.

3) Operation and Maintenance System :

Utilizing the monitoring meetings (Steering Committee) held twice a year by the DOF, the progress of each policy action and operation and effect indicators will be reviewed together with the co-financing partners. The relevant organizations for each policy area are as follows (see attachment for details of the organizations implementing each policy action).

- ① Sustainable financing and strategic purchasing: DOH, PHIC, Philippines Statistics Authority (PSA), Department of Social Welfare and Development (DSWD), Department of Budget and Management (DBM), Philippine Charity Sweepstakes Office (PSCO), Philippine Amusement and Gaming Corporation (PAGCOR).
- ② Integrated delivery of quality health services: DOH, Commission on Higher Education (CHED), Professional Regulation Commission (PRC), Technical Education and Skills Development Authority

(TESDA).

- ③ Information management and performance accountability: DOH, Department of Information and Communications Technology (DICT), PHIC, PSA, Department of the Interior and Local Government (DILG).

## ( 5 ) Collaboration and Sharing of Roles with Other Donors

### 1 ) Japan's Activity

Technical Cooperation Projects related to the Build UHC SP3 Policy Actions are ongoing/planned as follows: “Project for Strengthening the Philippine National Health Laboratory Network for Infectious Diseases (2022-2026)”, “Project for Strengthening Services in Maternal and Child Health and Nutrition Improvement in Bangsamoro Autonomous Region in Muslim Mindanao (2025-2027)”, “The Project for Implementation of rapid rabies diagnosis and rapid responses to the entire Philippines (2025-2029)”. Each of them plans to promote the nationwide dissemination of the outcome obtained through the technical cooperation through this Program, or support the achievement of policy actions in the Program and the implementation of the policy after the achievement of the policy actions, aiming to realize synergistic effects by actively combining this program and technical cooperations. In addition, JICA is planning a new technical cooperation “Project for Strengthening the Implementation of the Updated Philippine Package of Essential Non-Communicable Disease Interventions (PhilPEN) for Primary Health Care Protocol”. The project will strengthen the operational capacity of the DOH to implement the PhilPEN and the implementation capacity of local governments at the provincial and municipal levels in the project sites for PhilPEN implementation and health promotion initiatives. The period of implementation is expected to be from 2025 to 2029. The revision of PhilPEN and the development and utilization of training modules are set as SP3 policy action of the Build UHC (Policy Action 3.11) and the new technical cooperation project will contribute to the achievement of operation and effect indicators of the Program and to the expansion of development impacts by supporting the operation and implementation of the policy action after its achievement

### 2 ) Other Donors' Activity

Build UHC SP2 is co-financed with ADB (equivalent to 450 million USD) etc. In addition, ADB is providing technical assistance in SP2 using funds from the JFPR funded by Japan.

( 6 ) Environmental and Social Consideration

① Category: C

② Reason for Categorization: The Project is deemed to have no undesirable impacts on the environment based on the JICA Guidelines for Environmental and Social Considerations (promulgated in January 2022)

( 7 ) Cross-Sectoral Issues

1. Climate Change Countermeasures: The program's policy matrix includes "Climate-smart, disaster-resilient, environmentally sustainable, and gender-sensitive health care providers" to promote such health facilities. For example, it will ensure alignment of all medical assistance including climate change-sensitive diseases to include the health insurance system and various welfare programs and funds (Policy Action 3.3). This will contribute to adaptation to climate change.
2. Poverty measures and considerations: In Build UHC Reform Area 1 "Sustainable financing and strategic purchasing for UHC", it will ensure alignment of all medical assistance to include the health insurance system and various welfare programs and funds such as Medical Assistance for Indigents and Financially Incapacitated Patients (MAIP) (Policy Action 3.3), therefore contributing to poverty measures and considerations.
3. AIDS/HIV and Other Infectious Diseases Countermeasures: In Build UHC Reform Area 2 "Integrated delivery of quality health services" sub-area "Enhanced health promotion services", the project aims to strengthen rabies control (Policy Action 3.12) and infectious disease laboratory network (Policy Action 3.13), therefore contributing to infectious disease control.
4. Participatory Development: None
5. Disability Consideration: The following points are confirmed during the Appraisal.
  - i. Prohibition of discrimination on the basis of disability  
In strengthening the capacity to provide healthcare services, which is the objective of the program, it has been confirmed that the beneficiaries of the healthcare services provided include

persons with disabilities and that they are not disadvantaged compared to beneficiaries without disabilities.

ii. Ensure information accessibility

It has been confirmed, for persons with disabilities who are eligible for health care services, to ensure that information is guaranteed (e.g., documents are read by another person, written, explained in sign language or simple and easy-to-understand language, etc.).

6. Conflict Prevention: One of the additional policy actions from JICA is to promote projects that contribute to the inclusive and functional provision of health services by the Autonomous Government in the Bangsamoro Muslim Mindanao region, which is expected to promote collaboration between the DOH of the Government of the Philippines and Ministry of Health (MOH) of the Bangsamoro Autonomous Government. The program is also expected to contribute to the realization of sustainable peace in the region based on trust-building with the local population through the provision of health services.

( 8 ) Gender Category:

[Gender Case] ■GI (S) (Gender activity integration project)

<Details of Activities/Reason for Categorization>

Women, who constitute the majority of the informal sector in the Philippines, are often employed in precarious forms of work with inadequate social protection, and their access to health care services is hampered by high out-of-pocket costs for medical care. In response to this challenge, policy action to improve poor women's access to health care services by including women-specific illnesses in the outpatient benefits provided by PHIC is set. Furthermore, another policy action is set to increase the number of beds dedicated to women's health care and to incorporate a "gender-sensitive and climate-responsive primary care modules" in all health degree programs.

( 9 ) Other Important Issues: None

<b>4. Targeted Outcomes</b>
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( 1 ) Quantitative Effects

Outcomes (Operation and Effect Indicators)



As shown in the attached Outcome Indicators.

( 2 ) Qualitative Effects

Equitable access to quality health services is improved.

( 3 ) Internal Rate of Return

Will not be calculated for this program, as this is a program loan.

## **5 . External Factors and Risk Control**

( 1 ) Preconditions: N/A

( 2 ) External Factors: N/A

## **6 . Lessons Learned from Past Projects**

From the ex-post evaluation of the “Budget Strengthening Support Loan” (evaluated in 2017) for the Democratic Republic of Laos, it became clear that in order to successfully implement general budget support, it is essential that the program is combined with other support projects such as dispatching policy advisors and other technical cooperation projects. Furthermore, in “Health Sector Policy Loan for Attainment of the Universal Health Coverage (Phase 2)” in the republic of Kenya, technical assistance through individual experts and country-focused training, as well as capacity building support for county health departments and health care facilities through technical cooperation projects are also provided during the program formation and supervision.

As mentioned in the above section of 3. (5) 1) Japan’s Activity, this program proposes additional policy actions through technical cooperation projects that JICA is supporting or considering, and intends to promote implementation of the actions and achievement of operation and effect indicators to generate and increase development impact.

## **7 . Evaluation Results**

This program is in line with the Philippines’s developmental challenges and policies as well as Japan and JICA’s cooperation policy and analysis. Furthermore, the program aims to improve equitable access to quality health services in the Philippines by supporting the implementation of high priority policies in the achievement of UHC through financial assistance. The program will contribute to the achievement of Goal 3 (Good health and well-being), Goal 5 (Gender Equality) and Goal 10 (Reduced Inequalities) of the SDGs, and

therefore the need to support the implementation of this program is high.

<b>8. Plan for Future Evaluation</b>
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( 1 ) Indicators to be Used

As indicated in Sections 4.

( 2 ) Future Evaluation Schedule

Ex-post evaluation: three years after the project completion

END

Attachment:

Attachment 1 : ADB Policy Matrix (Excerpt of Reform Area 2)

Attachment 2 : Triggers and expected additional actions set by JICA

## Attachment 1 : POLICY DESIGN AND MONITORING FRAMEWORK

## 1. Policy Matrix (Excerpt of Reform Area 2)

Reform Area 2: Integrated delivery of quality health services			
Sub-reform area	Prior Actions: Subprogram 1 Completed (January 2019–May 2021)	Prior Actions: Subprogram 2 Completed (June 2021–September 2023)	Policy Actions: Subprogram 3 (October 2023–September 2025)
Climate-smart, disaster-resilient, environmentally sustainable, and gender-sensitive health care providers	1.5 To increase access to climate-smart, disaster-resilient, environmentally sustainable, and gender sensitive health facilities, the government through DOH (i) implemented the Philippine Health Facility Development Plan <sup>7</sup> and (ii) rolled out the updated Health Care Waste Management Manual.	<b>2.7 The government, through DOH, implemented the Green and Safe Health Facilities system, which promotes incorporated health sector gender and development (GAD) agenda and gender mainstreaming in the development planning process, was aligned with the World Health Resolution on Climate Change and Health, and the Geneva Pledge on Climate Change Action, and recognizes 33 hospitals as green and safe health facilities. (DOH)</b>	3.8 The government, (i) through DOH, in coordination with the Department of Energy and all LGUs, will require all national government hospitals to comply with the provisions of the Energy Efficiency and Conservation Act; (ii) through DOH, DBM and DOF, will annually mobilize financing in order to rapidly increase the number of national government authorized hospital beds, particularly those for the delivery of specialty care services and women's health care services; and (iii) through DOH, implement policy guidelines for gender-responsive health facilities. (DOH, DBM, DOF)
Improved coordination among public and private health care providers	1.6 In order to improve coordination among public and private health care providers, the government through DOH rolled out guidelines and tools to support and facilitate the formation of health care provider networks among LGUs and the private sector.		
Increased number of primary care providers	1.7 To increase the number of primary care providers and ensure continuous provision of essential health services, such as sexual and reproductive health to women and adolescents especially during pandemics and emergencies the government (i) through DOH issued licensing and certification rules for primary care providers; (ii) through PHIC issued accreditation rules for primary care providers; and (iii) jointly through DOH, DILG, and PHIC issued rules on the provision of telemedicine services.	<b>2.8 The government, through DOH, in coordination with CHED and PRC, (i) increased the production of health professionals trained in primary care by incorporating gender-sensitive and climate-responsive primary care modules in all health degree programs and, (ii) included primary care topics in health professional licensing exams. (DOH, CHED, PRC)</b>	3.9 The government, (i) through DOH, will implement referral system guidelines from primary care to specialty care, (ii) through DOH and PHIC, will institutionalize primary care as the point of entry for accessing health services including women's health services and sexual and reproductive health services, and climate change-related conditions, and (iii) through DOH, will operate mobile health clinics to provide health services including sexual and reproductive health services, in geographically-isolated areas and communities. (DOH, PHIC)
Enhanced health promotion services	1.8 To broaden the delivery of health promotion services, the government through DOH institutionalized the Health Promotion Framework Strategy including but not limited to sexual and reproductive health, safety, and inclusivity, consistent with the UHC Act's vision of healthy	<b>2.9 The government, through DOH, implemented the Health Promotion Framework Strategy prioritizing, among others, sexual and reproductive health, violence and injury prevention, and environmental health through communities, schools, and workplaces, and</b>	3.10 The government, through DOH, will implement the Philippine Centers for Disease Prevention and Control, in alignment with the implementation of the Health Promotion Framework Strategy and the National Environmental Health Action Plan 2030. (DOH)

	living, schooling, and working environments.	<b>supported by comprehensive health education, advocacy and information campaigns, health promoting environments, responsive local health systems, and healthy learning environments. (DOH)</b>	
Increased health workers supply	1.9 To increase the availability of doctors and other health workers in every municipality and province, especially the underserved, remote, economically underdeveloped, conflict-affected, and geographically isolated and disadvantaged areas (including those with indigenous people communities and disaster-prone and climate vulnerable areas), the government (i) enacted the Doktor Para sa Bayan law providing scholarships for medical students and return service obligations; and (ii) through DOH, institutionalized the deployment of DOH funded human resources for health.	<b>2.10 The government, through DOH, rolled out the revised Barangay Health Workers (BHW) Reference Manual on Health Services and Policies, which initiated the upgrade of the description of competencies, roles, and responsibilities, including BHWs' role as community-level Health Education and Promotion Officers. (DOH, TESDA)</b>	3.11 The government, (i) through DOH, will increase the number of public health experts including public health managers, health promotion practitioners, epidemiologists including field epidemiologists, virologists, health economists, health and climate change experts, health policy experts, (ii) through DOH, will implement the Health Emergency Auxiliary Reinforcement Team policy, (iii) through DOH, DILG, and LGUs, will implement the amended Magna Carta for BHWs, and (iv) through DOH and TESDA will implement a policy expanding the national certification of BHWs. (DOH, DILG, TESDA)

## 2. Outcome Indicators

### Reform Area 2: Integrated delivery of quality health services

#### By 2026:

- f) Hospital beds per 1,000 population increased to 1.5 (2019 baseline: 1.2, 2022 update: 0.98) Source: DOH, Philippine Health Facility Development Plan, updated every 3–5 years
- g) Proportion of births attended by skilled health personnel increased by 5 percentage points (2017 baseline: 84%, 2022 update: 90%) Source: PSA, National Demographic and Health Survey, updated every 5 years
- h) Prevalence of current tobacco use among persons aged 15 years and older reduced to 16% (age-standardized rate) (2018 baseline: 24.3%, 2021 update: 19.5%) Source: World Health Organization Global Health Observatory, updated every 2 to 5 years, 2021 update based on Philippine Global Adult Tobacco Survey
- i) Number of trained BHWs in the national BHW registry increased to more than 250,000 (2021 baseline: 211,384, April 2023 update: 246,987) Source: DOH's BHW registry, annual
- j) Number of green and safe hospitals recognized by DOH increased to at least 146 (May 2023 baseline: 33) Source: DOH annual report
- k) Number of DOH hospitals with women and child protection units increased by 31 (May 2023 baseline: 46) Source: DOH and Child Protection Network-PGH

(Source: ADB Build Universal Health Care Program (Subprogram 2): Policy Design and Monitoring Framework in Report and Recommendation of the President)

## Attachment 2 : Triggers and expected additional actions set by JICA

## Triggers for Subprogram 2 and expected additional actions proposed by JICA for Subprogram 3

Reform Area 2: Integrated delivery of quality health services			
	Subprogram 2 Triggers set by JICA (Achieved by December 2024)	Subprogram 3 Additional actions set by JICA (By September 2025)	Indicators (By December 2027)
Increased primary care providers		The government through the Department of Health (DOH), and in partnership with the Ministry of Health of the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), will develop a BARMM-wide health facility development plan, with focus on increasing the number of primary care facilities and ensuring the accreditation by Philippine Health Insurance Corporation (PHIC) of primary care facilities as Maternity Care Package (MCP) providers.	Increase the number of MCP accredited primary care facilities in BARMM to 101 RHUs (Rural Health units)* (2023 baseline: 64). *Sulu is excluded from the target number 101 for 2027. However, it may be included depending on the future political decision.
Enhanced non-communicable diseases (NCDs) services		The government through DOH, will (i) update the Philippine Package of Essential Non-communicable diseases intervention for primary care (PhilPEN) protocol and (ii) implement the updated PhilPEN, including utilizing revised training modules.	Number of appropriate health personnel trained on the updated PhilPEN at least 3,200 at national, regional and LGU levels (2023 baseline: 0).
Enhanced infectious diseases control		The government, through DOH, will update the Philippine Integrated Diseases Surveillance and Response (PIDSR) system through incorporation of the health signal of laboratory-confirmed rabid animal for the OneHealth rapid response.	80% of trained ESUs (Epidemiology and Surveillance Units) will notify the next higher level within 24 hours upon detection of the health signal.
		Laboratory Network: Development of the National framework of the Philippine Health Laboratory System (PHILS) The government, through DOH, will develop and enhance climate resilient sub-national reference/ regional public health laboratory design, implementation processes, and referral protocols of Philippine Health Laboratory System.	Increase the number of sub-national reference/regional public health laboratories under construction to 9 (2023 baseline: 0).