

INTERNATIONAL FINANCE CORPORATION

**MANAGEMENT
PROGRESS REPORT
ON**

**IMPLEMENTATION OF THE
MANAGEMENT ACTION PLAN
FOR**

PHILIPPINES

**RIZAL COMMERCIAL BANKING CORPORATION (RCBC)
PROJECT NOS. #30235, #32853, #34115 and #37489**

JANUARY 24, 2023

I. MAP IMPLEMENTATION OVERVIEW

This Management Progress Report is to inform the International Finance Corporation (IFC) Board of Executive Directors on the status of implementation of the Management Action Plan (MAP), approved by the Board on 7 April 2022, in response to the Compliance Advisor Ombudsman (CAO) [Compliance Investigation Report](#) on the complaint concerning IFC Investments in Rizal Commercial Banking Corporation (RCBC) in the Philippines. IFC Management committed to provide the Board with an update within nine months and if needed, to propose adjustments to the MAP at that point.

1. MAP Implementation Status Summary

IFC has formed a multi-sectoral team with a combined leadership from multiple lines of management, including the Financial Institutions Group, the Environmental, Social, and Governance Advice & Solutions Department, and the E&S Policy and Risk Department, to see to its management and completion. The team is engaging with RCBC, Complainants' representatives, CAO and other key stakeholders to ensure transparency and agreement on actions.

This Management Progress Report addresses a key question raised by the Board when it approved the MAP, namely how many coal-fired power plant sub-projects subject to this complaint would participate in the Gap Analysis and GHG (greenhouse gas) Audit (Workstreams B and C of the MAP, respectively). The Board recognized that IFC and RCBC have limited leverage over these sub-projects due to RCBC being in most cases only a participant in the syndicated lending to these sub-projects and the fact that the lending agreements between RCBC (and other lenders) and these sub-project borrowers did not reference IFC Performance Standards (PS) as a binding requirement.¹

The MAP consists of four (4) key workstreams with a total of 22 relevant actions and expected deliverables to be completed by September 2024. Out of the 22 deliverables, 2 have been fully completed, 7 are in progress, and 13 have not been started. See Table 1 and more details below.

Table 1. MAP Workstreams and Status

Workstreams	Deliverables (subtotal)	Completed	In Progress	Not Started
A. Strengthen RCBC Environmental and Social Management System (ESMS) implementation, with a focus on IFC PSs (PS application to high-risk sub-projects)	9	2	3	4
B. Assess and mitigate E&S risks and impacts of complaint sub-projects	5	0	1	4
C. Address complaint sub-projects' GHG emissions and improve climate related disclosure	6	0	1	5

¹ As a further complication, two of the sub-projects (Panay Energy Development Corp. power plant and Toledo Power Company power plant) have pre-paid their loans from RCBC and are no longer active RCBC clients, which has eliminated or at least significantly reduced RCBC's leverage over these sub-projects.

D. Address underlying factors through development of FI Good Practice Notes (GPN)	2	0	2	0
Total	22	2	7	13

While progress was achieved in all workstreams, IFC experienced some delays in several deliverables, particularly the procurement of third-party consultant firms, due to several factors including the following:

- Covid-19 restrictions in the Philippines affected the efficiency of mobilization and coordination with RCBC (these restrictions only began to ease by August 2022);
- Longer-than-expected time to consult and agree among key stakeholders, namely IFC, CAO, Complainants’ representatives and RCBC, on suitable Terms of References (TORs) for the consulting studies;
- Extension of procurement timelines to ensure valid expressions of interest by potential qualified consultancies and allow for appropriate time for bid evaluation, bidder discussions and consultant selection and contracting, following World Bank Group (WBG) procurement guidelines.

Below follows a status update of progress achieved in each of the workstreams:

A. Strengthen RCBC ESMS implementation, with a focus on IFC Performance Standards (PSs) application to high-risk sub-projects

- RCBC reconfirmed its commitment not to finance any new coal sub-projects through a formal policy statement in December 2020. This continues to be expressly stated on its website and in its sustainability reporting.
- A revised E&S Action Plan (ESAP) was agreed, and a legally binding Letter Agreement was signed between RCBC and IFC in September 2022.
- RCBC has provided IFC with the latest information on its high-risk portfolio and current composition of its ESMS team to identify capacity enhancements needed. IFC’s review of this information and development of recommendations to assist RCBC in enhancing its E&S capacity is ongoing.
- RCBC has formally adopted a revised approach to conduct E&S due diligence with new clients against both country regulatory and IFC PSs requirements. IFC is currently assessing the revised approach, particularly from the perspective of the application of IFC PSs to high-risk transactions.
- Procurement is in progress to select a third-party consulting firm to reassess RCBC’s E&S high-risk portfolio sub-projects vis-à-vis IFC PSs requirements. IFC engaged RCBC and CAO in drafting and disseminating the TOR. Progress is somewhat behind the timeline originally foreseen, due to the factors outlined above. The selection process is now expected to be finalized by February 2023 with consultant work to begin by March 2023 and be completed by August 2023.

B. Assess and mitigate E&S risks and impacts of complaint sub-projects

- RCBC has been actively engaging with the 10 complaint sub-project clients (including the two that pre-paid their loans from RCBC). As of January 15, 2023, four (4) of the 10 sub-project clients have agreed to participate in the Gap Analysis, as shown in Table 2 below. These four sub-projects represent a broad mix of plant capacity, technology, location, and the number and complexity of E&S issues². RCBC is waiting for responses from the other

² Plant capacity ranges from 210-552 MW. In terms of location, two (2) plants are located in Luzon and two (2) in

six sub-projects. Regardless of these sub-projects' response, IFC plans to have its consultants engage with affected communities or their representatives for all sub-projects to better understand their grievances, an important component of the Gap Analysis.

- Procurement is in progress to select a third-party consulting firm to conduct a Gap Analysis to assess E&S compliance and propose supplemental mitigation measures, as applicable, for the 10 coal power plants that received RCBC financing. IFC engaged RCBC, CAO, Complainants' representatives in drafting and disseminating the TOR. Progress is somewhat behind the timeline originally foreseen, due to factors outlined above. The selection process is now expected to be finalized by February 2023 with consultant work to begin by March 2023 and be completed by August 2023.

Table 2. RCBC Complaint Sub-Projects

#	Name of sub-project	Brief description			Sub-project response
		Capacity/technology	Operational status	Sub-project location	
1	Masinloc Power Partners Co. Ltd. power plant expansion	1578 MW (300 MW expansion) Supercritical & Subcritical	Units 1, 2, & 3 - operational; Unit 4 & 5 (expansion) - under development as of January 2023, both target operation in 2025	Brgy. Bani, Masinloc, Zambales	Waiting for response
2	GN Power Dinginin Ltd. Co. power plant	1336 MW (2 x 688 MW)/ Supercritical	Unit 1 - operational; Unit 2 - testing and commissioning completed/target operation in Oct22	Brgy. Alas-asin, Mariveles, Bataan	Waiting for response
3	South Luzon Thermal Energy Corporation power plant	270 MW (2 x 135 MW) Circulating Fluidized Bed	Operational	Calaca, Batangas	Participation confirmed
4	San Buenaventura Power, Ltd. Co. power plant	455 MW/Supercritical	Operational	Brgy. Cagsiay I, Mauban, Quezon Province	Participation confirmed
5	Panay Energy Development Corp. power plant	Existing: 2 x 82MW; Expansion: 150 MW/ Circulating Fluidized Bed	Operational	Brgy. Ingore, La Paz, Iloilo City	Loan prepaid. Waiting for response
6	Sarangani Energy Corporation power plant	210 MW (2 x 105 MW)/ Circulating Fluidized Bed	Operational	Brgy. Kamanga, Maasim Municipality, Sarangani, Southern Mindanao	Participation confirmed
7	GN Power Kauswagan power plant	552MW (4 x138 MW)/Subcritical	Operational	Brgy Libertad, Tacub, Kauswagan, Lanao del Norte, Mindanao	Participation confirmed
8	Toledo Power Company power plant	83.7 MW Sangi Power Station (with expansion from 60	Operational	Daanlungsod, Brgy. Sangi, Toledo City, Cebu	Loan pre-paid. Waiting for

Mindanao, with no representation in Visayas as plants located here have both pre-paid. With regards to plant technology, there is one (1) subcritical, one (1) supercritical and two (2) utilizing circularized fluidized bed technology. These four (4) plants have a mix of alleged E&S issues such as lack of consultation on project impacts, various forms of alleged intimidation, water and air pollution, noise, health impacts, resettlement impacts, biodiversity impacts, threats on natural resources, indigenous peoples impacts, etc. cited under the complaint and the CAO Compliance Investigation Report.

		MW)/ Circulating Fluidized Bed			response
9	Atimonan One Energy	No RCBC financing			
10	San Miguel Corporation Global Power Limay power plant	600 MW (4 x 150 MW)/ Circulating Fluidized Bed	Operational	Lamao, Limay, Bataan	Waiting for response
11	San Miguel Consolidated Power Corporation Malita power plant	300 MW (2 x 150 MW)/ Circulating Fluidized Bed	Operational	Malita, Davao Occidental	Waiting for response

C. Address complaint sub-project GHG emissions and improve climate related disclosure

- Procurement is in progress to select a third-party consulting firm to conduct GHG emissions reduction audits of (select) RCBC-funded coal-fired power plants.
- IFC engaged RCBC, CAO, and the Complainants’ representatives in drafting and disseminating the TOR. Progress is somewhat behind the timeline originally foreseen, due to factors outlined above. The selection process is now expected to be finalized by February 2023 with consultant work to begin by March 2023 and be completed by August 2023.
- The four (4) sub-projects mentioned above have agreed to participate in the GHG emission audits.

D. Address underlying factors through development of FI Good Practice Notes

- Development of Good Practice Note/Tip Sheet on GHG assessment and reporting for FIs as well as the GPN on E&S legal covenants is in progress and expected to be completed in early February 2023.

2. Stakeholder Collaboration

IFC is engaging with RCBC, Complainants’ representatives, CAO and other key stakeholders to ensure transparency and agreement on actions, so that resulting solutions are applied in the best interests of all stakeholders. After Board approval of the MAP in April 2022, IFC met with Complainants’ representatives around the time of the 2022 WBG Annual Meetings and has subsequently been providing Complainants’ representatives with regular written updates. To date, such updates have been provided in July, August, November and December 2022. The team committed to provide written updates on a monthly basis from November 2022.

CAO and Complainants’ representatives have been consulted on the consultant TORs for the Gap Analysis and GHG Audit. IFC is also coordinating with WBG Corporate Procurement to identify appropriate ways in which RCBC, CAO, and Complainants’ representatives could be engaged in the selection process for transparency and yet abiding by WBG procurement confidentiality requirements.

IFC continues to regularly engage with CAO and the Complainants’ representatives.

3. Conclusions and Next Steps

Concrete progress has been made over the last nine months. IFC has established an active working relationship with key stakeholders towards the implementation of the approved MAP. Momentum has been achieved with the agreement of **four (of the 10) sub-projects to participate in the Gap Analysis and GHG Audit**, and engagement by RCBC is ongoing with the remaining six sub-projects.

Management plans to (a) continue implementation of the MAP, and (b) extend deadlines for completing key deliverables. For any of the above listed sub-projects that may not agree to participate in the Gap Analysis, IFC, through the third-party consultants, intends to engage with affected communities and commission desktop reviews of their respective E&S performance based on information obtained from RCBC and other sources. IFC will work with RCBC to engage all the sub-projects for any improvement actions that result from these activities.

With procurement of third-party consultants (required to implement the three key MAP studies) to be completed in February 2023, IFC expects third-party firm consultants' work to begin by March 2023 and end by August 2023. Meanwhile, IFC will continue to engage RCBC to support MAP implementation. IFC will continue to update Complainants' representatives, CAO and other key stakeholders on a regular basis. An updated timeline of MAP implementation is provided in Section II of this Management Progress Report.

IFC will continue to report progress on MAP implementation to the Board as mandated by the CAO Policy paras 142-144.

II. UPDATE ON MAP IMPLEMENTATION

Area of Improvement	Action / activity	Responsibility	Deliverable / expected outcome	Timeframe (originally planned)	Status/ Updated timeframe	Summary of Implementation
<p>A. Strengthen RCBC ESMS implementation, with a focus on IFC Performance Standards (PS or PSs) application to high-risk sub-projects</p> <p>Deliverables: 9 2/9 Deliverables completed 3/9 In Progress 4/9 Not Started</p>	<p>A.1 E&S capacity needs assessment and enhancement:</p> <ol style="list-style-type: none"> 1. RCBC provides IFC with the latest information of its high-risk pipeline & portfolio as well as current ESMS team composition. 2. IFC reviews the information, identifies capacity enhancements needed and discuss findings with RCBC. 3. RCBC develops an E&S capacity enhancement action plan, acceptable to IFC, and implements it within one year. 	RCBC and IFC	<ol style="list-style-type: none"> 1. Summary of IFC review and recommendations 2. RCBC capacity enhancement action plan 3. Evidence of enhancement action plan completion 	<ol style="list-style-type: none"> 1. June 2022 2. June 2022 3. June 2023 	<ol style="list-style-type: none"> 1. In progress / February 2023 2. Not started/ March 2023 3. Not started/ March 2024 	RCBC has provided IFC the latest information on its high-risk portfolio and current composition of its E&S Management System (ESMS) team to identify capacity enhancements needed. IFC's review of this information and development of recommendations to assist RCBC in enhancing its E&S capacity is ongoing.
	<p>A.2 Incorporating PS requirements in a binding agreement for high-risk sub-projects:</p> <ol style="list-style-type: none"> 1. RCBC (and/or through a third party, e.g., a recognized law firm) reviews its current legal templates and E&S due diligence arrangements (in particular for syndicated lending) to identify gaps as well as best approaches for 	RCBC with support from IFC	<ol style="list-style-type: none"> 1. An overall (written) approach, acceptable to IFC, for addressing and integrating any PS compliance gaps and corrective measures identified by RCBC's E&S due diligence process into RCBC's investment agreements with 	<ol style="list-style-type: none"> 1. September 2022 2. As ready and before June 2023 	<ol style="list-style-type: none"> 1. In Progress / February 2023 2. Not Started/ December 2023 	<p>RCBC has adopted a revised approach to work with new clients to conduct E&S review against country regulatory and IFC PS requirements.</p> <p>IFC is currently assessing the revised approach,</p>

Area of Improvement	Action / activity	Responsibility	Deliverable / expected outcome	Timeframe (originally planned)	Status/ Updated timeframe	Summary of Implementation
	<p>applying IFC PSs at sub-project level;</p> <p>2. IFC supports RCBC in such reviews, including sharing relevant IFC legal covenants and PS-compliant ESAP samples.</p>		<p>high-risk borrowers.</p> <p>2. Evidence of incorporation of this approach into RCBC's procedures and implementation of the approach to the first three new high-risk transactions undertaken following its approval.</p>			<p>particularly from the perspective of the application of IFC PSs to high-risk transactions.</p>
	<p>A.3 Commitment to no coal financing:</p> <p>1. RCBC reconfirms its commitment and makes a formal (policy) statement of not financing any new coal related sub-projects.</p>	RCBC	<p>1. No-coal commitment or policy statement made publicly available on RCBC's website or at other sources</p>		1. Completed, December 2020	<p>RCBC reconfirmed its commitment to not finance any new coal sub-projects through a formal policy statement in December 2020. This continues to be expressly stated on its website and in its sustainability reporting.</p>
	<p>A.4 Reassessing RCBC's existing high-risk portfolio sub-projects vis-à-vis PS requirements:</p> <p>1. RCBC provides IFC with records and results of its review and monitoring of existing high-risk portfolio sub-projects.</p>	RCBC, third party consultant, with support from IFC	<p>1. Consultant report and recommendations to RCBC.</p> <p>2. Any follow-up or monitoring actions agreed with RCBC for these sub-projects (semi-annual updates</p>	June 2023	<p>1. In progress / August 2023.</p> <p>2. Not started / Expected through August 2023.</p>	<p>Procurement is in progress to select a third-party consulting firm to reassess RCBC's E&S high-risk portfolio sub-projects vis-à-vis IFC PS</p>

Area of Improvement	Action / activity	Responsibility	Deliverable / expected outcome	Timeframe (originally planned)	Status/ Updated timeframe	Summary of Implementation
	<p>2. IFC commissions a third-party consultant to review the information obtained from RCBC, identify gaps, and provide guidance to RCBC to address any residual gaps vis-à-vis the PSs, which may involve developing follow-up or monitoring action plans.</p> <p>3. IFC reviews the outputs and joins site visits for a sample of these high-risk sub-projects where feasible, to further assess the performance and quality of RCBC's ESMS implementation.</p>		<p>expected through June 2023)</p>			<p>requirements</p> <p>Procurement was delayed due to longer-than-expected time to consult with key stakeholders in developing the TOR and extension of procurement deadlines in order to obtain more qualified applications. Consultant work is expected to begin by March 2023.</p>
	<p>A.5 ESAP revision</p> <p>1. Generate a new legally binding ESAP covering RCBC actions described in A1-A4 that have not been achieved and are relevant for inclusion in the ESAP.</p>	<p>IFC and RCBC</p>	<p>1. New ESAP included in a legally binding agreement with RCBC</p>	<p>April 2022</p>	<p>1. Completed</p>	<p>A revised ESAP has been agreed and a legally binding Letter Agreement was signed in September 2022.</p>

Area of Improvement	Action / activity	Responsibility	Deliverable / expected outcome	Timeframe (originally planned)	Status/ Updated timeframe	Summary of Implementation
<p>B. Assess and mitigate E&S risks and impacts of complaint sub-projects</p> <p>Deliverables: 5</p> <p>0/5 deliverables completed</p> <p>1/5 In progress</p> <p>4/5 Not started</p>	<p>B.1 Gap analysis of RCBC E&S due diligence and leverage:</p> <ol style="list-style-type: none"> 1. RCBC provides IFC with an update on its exposure to the 10 complaint sub-projects, documenting investment type, sub-project status (operational, under construction or pre-construction), leverage, loan covenants and monitoring requirements (if any). This will determine the leverage and options available to RCBC for arranging additional E&S review and raising any serious harms identified to the attention of complaint sub-project borrowers and co-lenders. 2. IFC supports RCBC in commissioning appropriately experienced and qualified third-party consultant(s) to review available E&S assessments, due diligence and monitoring reports, and any updates from RCBC for the complaint sub-projects against IFC PSs, with 	<p>RCBC, third party consultant, with support from IFC</p>	<ol style="list-style-type: none"> 1. Consultant gap analysis report with recommendations to RCBC, sub-borrowers of RCBC and other lenders involved in financing these projects (see B4) 	<p>December 2022</p>	<p>In progress / August 2023</p> <p>Succeeding activities for Workstream B are dependent on B.1 activities and deliverables</p>	<p>Procurement is in progress to select a third-party consulting firm to conduct a Gap Analysis to assess E&S compliance and propose supplemental mitigation measures, as applicable, for the 10 RCBC-funded coal power plants.</p> <p>Procurement was delayed due to longer-than-expected time to consult with key stakeholders in developing the TOR and extension of procurement deadlines in order to obtain more qualified applications. Consultant work is expected to begin by March 2023.</p>

Area of Improvement	Action / activity	Responsibility	Deliverable / expected outcome	Timeframe (originally planned)	Status/ Updated timeframe	Summary of Implementation
	<p>emphasis on issues highlighted in the CAO Assessment of Likelihood of Complaint Sub-project Impacts (Annex E);</p> <p>3. RCBC arranges site visits to each complaint sub-project, in consultation with the complaint sub-project borrowers, to facilitate the gap analysis. Site visits will be undertaken by RCBC E&S staff, IFC third party consultants and IFC staff (as observers).</p>					

Area of Improvement	Action / activity	Responsibility	Deliverable / expected outcome	Timeframe (originally planned)	Status/ Updated timeframe	Summary of Implementation
	<p>B.2 Community and other stakeholder consultations:</p> <ol style="list-style-type: none"> 1. As part of the gap analysis, RCBC engages with complaint sub-project borrowers to arrange for conflict-sensitive consultations with complaint sub-project-affected communities, including Complainants and other stakeholders (such as sub-project operators as feasible and appropriate) in relation to sub-project impacts on communities. 2. IFC representatives accompany third-party consultants (as observers). 	<p>RCBC, sub-project borrowers, third party consultant, with support from IFC</p>	<ol style="list-style-type: none"> 1. Feeds into consultant gap analysis report mentioned in action B4 	<p>December 2022</p>	<p>Not started/ August 2023</p>	<p>Gap analysis study is expected to be completed in August 2023 due to delays, as explained above in B.1.</p>

Area of Improvement	Action / activity	Responsibility	Deliverable / expected outcome	Timeframe (originally planned)	Status/ Updated timeframe	Summary of Implementation
	<p>B.3 Sub-project sponsor engagement:</p> <ol style="list-style-type: none"> 1. IFC, based on findings from the consultant prepared report, assists RCBC to develop a strategy of engaging with complaint sub-project lead arrangers/syndicated lenders/consulting engineers/owners/operators to obtain updated E&S monitoring data; 2. Where RCBC has limited leverage and/or limited access to information and/or is not able to influence the performance of any complaint sub-projects, the IFC third-party consultant shall document the reasons for this, any alternative approaches adopted, and any conclusions or recommendations to bring sub-projects into compliance with IFC PSs. 	<p>Third party consultant, sub-project borrowers, RCBC, with support from IFC</p>	<ol style="list-style-type: none"> 1. Sub-project engagement approach and results prepared by consultant as part of the consultant gap analysis report mentioned in action B4 	<p>December 2022</p>	<p>Not started/ August 2023</p>	<p>Gap analysis study is expected to be completed in August 2023 due to delays, as explained above in B.1.</p>

Area of Improvement	Action / activity	Responsibility	Deliverable / expected outcome	Timeframe (originally planned)	Status/ Updated timeframe	Summary of Implementation
	<p>B.4 Mitigation and monitoring plan development</p> <p>1. Based on the above gap analysis and associated consultations, third party E&S consultants identify any material E&S impacts related to regulatory or PS non-compliance (recognizing IFC PSs were not applied by sub-projects) and propose mitigation and monitoring plans as appropriate for complaint sub-project borrowers and their lenders, including RCBC. RCBC and IFC will review such plans and RCBC will engage with complaint sub-project borrowers and other lenders to communicate relevant findings and recommendations, and request corrective actions consistent with IFC PS requirements.</p>	RCBC	1. Consolidated gap analysis report with recommendations to RCBC, sub-borrowers of RCBC and other lenders involved in financing these sub-projects	December 2022	Not started/ August 2023	Gap analysis study is expected to be completed in August 2023 due to delays, as explained above in B.1.

Area of Improvement	Action / activity	Responsibility	Deliverable / expected outcome	Timeframe (originally planned)	Status/ Updated timeframe	Summary of Implementation
	<p>B.5 E&S performance monitoring</p> <ol style="list-style-type: none"> 1. RCBC agrees with IFC on a regular reporting template and interval (e.g., semi-annually) to provide periodic updates to IFC on the E&S performance status of these individual complaint sub-projects, including the follow-up and/or monitoring plans noted above. 2. RCBC provides periodic updates to IFC as per the template agreed. 	RCBC	2. Semi-annual monitoring report to IFC	December 2023	Not started/ August 2024	E&S performance monitoring is dependent on the results of the Gap analysis -study. A reporting template and schedule will be agreed with RCBC. To date, RCBC provides periodic updates on its coal-related exposures to IFC using a current template.

Area of Improvement	Action / activity	Responsibility	Deliverable / expected outcome	Timeframe (originally planned)	Status/ Updated timeframe	Summary of Implementation
<p>C. Address complaint sub-project GHG emissions and improve climate related disclosure</p> <p>Deliverables: 6</p> <p>0/6 completed 1/6 in progress 5/6 not started</p>	<p>C.1 Onsite energy efficiency evaluation:</p> <ol style="list-style-type: none"> 1. RCBC explores with and seeks agreement from interested complaint sub-project owners/operators (e.g., those of substandard emissions profiles) for onsite energy efficiency/ GHG emissions reduction audits. Agreement with interested sub-project owners/operators shall include allowing disclosure of (key) audit results. 2. IFC supports RCBC in commissioning GHG emissions reduction audits by a suitably qualified third-party consultant for agreed complaint sub-projects. 3. IFC or RCBC or the complaint sub-project owner/operator publishes (key findings of) the assessment report (together with improvement proposal) per the agreement reached above. 	<p>Sub-project owner/operator, third party consultant, RCBC, with support from IFC</p>	<ol style="list-style-type: none"> 1. Assessment reports completed by consultant 2. Any public disclosure of such reports or their findings 	<p>December 2022</p>	<ol style="list-style-type: none"> 1. In progress / 2. August 2023 3. Not started/ August 2023 	<p>Procurement in progress to select a third-party consulting firm to conduct GHG emissions reduction audits of (select) RCBC-funded coal-fired power plants.</p> <p>Procurement was delayed due to longer-than-expected time to consult with key stakeholders in developing the TOR and extension of procurement deadlines to obtain more qualified applications. Consultant work is expected to begin by March 2023.</p>

Area of Improvement	Action / activity	Responsibility	Deliverable / expected outcome	Timeframe (originally planned)	Status/ Updated timeframe	Summary of Implementation
	<p>C.2 Improving climate related measurement and disclosure</p> <ol style="list-style-type: none"> 1. IFC assists RCBC to develop/adopt an approach/methodology for calculating and reporting GHG emissions consistent with international good practices by its sub-project borrowers (high GHG emitters); 2. RCBC will identify a few new (high-risk) sub-borrowers to pilot-test the approach/methodology and report accordingly. 3. IFC supports RCBC to prepare and make climate related disclosures in accordance with applicable national regulations and the Task Force on Climate related Financial Disclosures recommendations. 	IFC and RCBC	<ol style="list-style-type: none"> 1. Approach/methodology developed 2. Any sample reports on the GHG calculation and reporting of the sub-borrowers in the pilot. 3. Any related reports made by RCBC with climate related disclosures. 	<ol style="list-style-type: none"> 1. December 2022 2. June 2023 3. September 2024 	<ol style="list-style-type: none"> 1. Not started/ August 2023 2. Not started/Feb 2024 3. Not started 	<p>Completion of C.2 deliverables is dependent on results and methodology developed during the EE/GHG emissions study.</p>

Area of Improvement	Action / activity	Responsibility	Deliverable / expected outcome	Timeframe (originally planned)	Status/ Updated timeframe	Summary of Implementation
	<p>C.3 Improving overall E&S disclosure</p> <p>1. IFC assists RCBC to improve overall E&S disclosure consistent with applicable Central Bank’s regulations (e.g., BSP Circular No. 1085) and international good practices.</p>		Any actual disclosed reports by RCBC	December 2022	Not started/ December 2023	Completion is dependent on results of the Reassessing RCBC E&S High-risk Portfolio Sub-projects study, Gap Analysis study, and EE/GHG emissions study.
<p>D. Address underlying factors</p> <p>0/2 deliverables completed 2/2 In progress</p>	<p>D.1 Sector-wide improvements:</p> <p>1. IFC develops dedicated good practice note (GPN) for FIs on assessment of GHG gases in sub-projects to be financed.</p> <p>2. IFC develops a GPN for FIs covering sample E&S covenants to be included in loan agreements.</p>	IFC	<p>1. GPN developed</p> <p>2. GPN developed</p>	<p>1. June 2022</p> <p>2. June 2022</p>	In progress / February 2023	<p>Development of GPN/Tip Sheet on GHG assessment and reporting for FIs as well as a GPN on E&S legal covenants is in progress and expected to be completed by February 2023.</p> <p>Work was delayed due to the time needed for peer review and approval of the GPNs.</p>