

Project Administration Manual

Project Number: 52313-001
Loan Number: LXXXX
November 2018

Republic of the Philippines: Emergency Assistance
for the Recovery and Reconstruction of Marawi

Output 2: Connectivity Reestablished

ABBREVIATIONS

ADB	=	Asian Development Bank
AP	=	affected persons
BMCRRP	=	Bangon Marawi Comprehensive Rehabilitation and Recovery Program
DBM	=	Department of Budget and Management
DMF	=	design and monitoring framework
DOF	=	Department of Finance
DPWH	=	Department of Public Works and Highways
EARF	=	environmental assessment and review framework
EIRR	=	economic internal rate of return
EMP	=	environmental management plan
ERRM	=	Emergency Assistance for the Reconstruction and Recovery of Marawi
ESSD	=	Environment and Social Safeguards Division
FIDIC	=	Fédération Internationale des Ingénieurs-Conseil
FMA	=	financial management assessment
IEE	=	initial environmental examination
IGCMRSP	=	Improving Growth Corridor in Mindanao Road Sector Project
JICA	=	Japan International Cooperation Agency
LIBOR	=	London interbank offered rate
NCA	=	notice of cash allocation
NEDA	=	National Economic Development Authority
NGOs	=	non-government organizations
OCB	=	open competitive bidding
PAI	=	project administration instructions
PAM	=	project administration manual
PIC	=	project implementation consultant
QCBS	=	quality-and-cost based selection
REMDf	=	Resettlement and Ethnic Minority Development Framework
REMDP	=	Resettlement and Ethnic Minority Development Plan
RIPDP	=	Resettlement and Indigenous Peoples Development Plan
RRP	=	report and recommendation of the President to the Board
SBD	=	standard bidding documents
SETC	=	Southeast Asia Department, Transport and Communications Division
SPS	=	Safeguard Policy Statement
TOR	=	terms of reference
UPMO	=	Unified Project Management Office
VAT	=	Value-Added Tax

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Project Administration Manual Purpose and Process

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with the policies and procedures of the government and Asian Development Bank (ADB). The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Department of Public Works and Highways (DPWH) and Unified Project Management Office (UPMO) – Roads Management Cluster II (Multilateral) UPMO are wholly responsible for the implementation of ADB-financed projects, as agreed jointly between the Borrower and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by DPWH and UPMO of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At loan negotiations, the Borrower and ADB shall agree to the PAM and ensure consistency with the loan agreement. Such agreement shall be reflected in the minutes of the loan negotiations. In the event of any discrepancy or contradiction between the PAM and the loan agreement, the provisions of the loan agreement shall prevail.

After ADB Board approval of the project's report and recommendations of the President (RRP), changes in implementation arrangements are subject to agreement and approval pursuant to relevant government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval, they will be subsequently incorporated in the PAM.

I. PROJECT DESCRIPTION

1. Government of the Philippines (government) requested ADB for an Emergency Assistance Loan and Grants from ADB to support the Emergency Assistance for the Reconstruction and Recovery of Marawi (ERRM) consisting of (a) fiscal support of \$300.0 million, (b) project loan of \$100.0 million, (c) \$5.0 million grant from the Urban Climate Change Resilience Trust Fund (UCCRTF) and (d) \$3.0 million grant from the Japan Fund for Poverty Reduction (JFPR). The assistance consists of (a) Output 1: fiscal support (\$300.0 million, loan), (b) Output 2: connectivity reestablished in Marawi and its vicinity (\$100.0 million, loan), which is referred to as “Reconstruction and Development Plan for a Greater Marawi – Stage 2” in the Borrower’s internal approval documents, (c) Output 3: water utilities and health infrastructure restored (\$5 million, grant), and (d) Output 4 social services and livelihoods of the affected persons improved (\$3 million, grant). This Project Administration Manual sets out the implementation arrangements for Output 2: Connectivity reestablished.

2. **Damage and impact on road network.** The road sector is the most important transport subsector in Mindanao and ensures all essential connectivity for the Greater Marawi area. The road network has been less developed in Mindanao than in the rest of the country. Particularly, a large share of roads in the Greater Marawi area require rehabilitation and reconstruction. The need for intervention stems from direct damage due to conflict and insufficient investments in developing the road network. Vehicle operating costs are high, and key roads are periodically blocked because of floods or landslides. The low quality and reliability of the road network is a constraint preventing people in the Greater Marawi area, including internally displaced people, from gaining access to economic opportunities and services.

3. **Road network needs.** The government has identified the need for repair, reconstruction, improvement or new construction of about 200 km of national and local roads, and of about 2,600 linear meters of bridges and viaducts in the Greater Marawi area and on the main highways connecting with Marawi. The component will improve critical links required to reestablish and improve connectivity, with a focus on large works implemented by DPWH.

4. **Scope of Output 2.** Output 2 will help reestablish connectivity within Greater Marawi and on National highways connecting with Marawi. The project will finance repair, upgrade, rehabilitation, reconstruction or otherwise improvement works for roads, bridges and drainage/flood control included in BMCRRP. The project will support the improvement of about 22 km of roads, and of 1,700 linear meters of bridges and viaducts.

5. **Selection criteria of subprojects.** DPWH will propose road, bridge and drainage investments meeting the following key criteria to be included in the project: DPWH has the responsibility to implement, location in Greater Marawi or on connecting national highways in Mindanao, an EIRR of 10%, and adequate safety conditions. DPWH has identified potential subprojects, of which the largest are (i) the reconstruction of about 22 km of municipal roads in Marawi city (Transcentral Roads),¹ and (ii) flood-proofing of a section of the pan-Philippines national highway located in Malabang city.² Appendix 1 provides the complete set of selection criteria and list of potential subprojects.

¹ JICA will finance in parallel other sections of Marawi’s transcentral roads.

² The pan-Philippines highway is the main connection to Marawi. The highway and surrounding areas are frequently flooded. Flood-proofing works involves the construction of a 1.6 km viaduct (Malabang viaduct).

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

Table 1: Project Readiness Activities

Indicative actions	Months (2018-2019)					Who responsible
	O	N	D	J	F	
Advance contracting actions	X					DPWH, ADB
Establish project implementation arrangements		X				DPWH, DBM
Government ICC and DBCC approvals	X					NEDA, DOF, DBM, DPWH
Special Presidential Authority issued		X				Government
ADB Board Approval			X			ADB
Loan signing			X			ADB, DPWH, DOF
Government legal opinion provided					X	DOJ
Government budget inclusion					X	DPWH, DOF, DBM
Loan effectiveness					X	ADB

ADB = Asian Development Bank, DBM = Department of Budget and Management, DOF = Department of Finance, DOJ = Department of Justice, DPWH = Department of Public Works and Highways.

Source: Asian Development Bank

B. Overall Project Implementation Plan

Table 2: Project Implementation Plan

Marawi ERRM - Output 2	2018		2019				2020				2021				2022				2023		
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	
Implementation																					
Project Implementation Consultant																					
Recruitment																					
Services																					
External monitoring consultant (IGCMRSP)																					
Recruitment under IGCMRSP																					
Services																					
Transcentral roads																					
Procurement																					
Civil Works - Batch 1																					
Procurement																					
Civil Works - Batch 2																					
Malabang Viaduct																					
FS																					
DED																					
Procurement																					
Civil Works - Malabang Viaduct																					
Other Works: roads bridges and drainage																					
Procurement																					
Civil Works - Drainage																					
Civil Works - Slope Protection																					
Civil Works - Rorogagus Bridge																					

Source: Asian Development Bank

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations: Roles and Responsibilities

6. DPWH will be the Executing Agency for Output 2. Implementation will draw on existing arrangements for the ADB-financed project L3631: Improving Growth Corridors in Mindanao Road Sector Project (IGCMRSP). The main project arrangements are presented below:

- (i) UPMO's project management office for IGCMRSP will also manage the EAL. DPWH will create a field management office in Marawi.
- (ii) A project implementation consultant will be recruited to prepare detailed designs, safeguard documents, bidding documents, assist in the procurement of all subprojects financed under Output 2, supervise them, and support project management. To accelerate recruitment, it is proposed that DPWH delegates the responsibility for recruitment to ADB. DPWH will remain responsible for negotiating and signing the contract.
- (iii) The external monitoring consultants under IGCMRSP will be recruited through direct contracting to supervise and monitor subprojects under the EAL. The consultants are under recruitment as of November 2018.
- (iv) Disbursement will be primarily through direct payments to contractors and consultants. Funds flow arrangements for direct payment will be the same as under IGCMRSP.

Table 3: Organizations and Roles

Project Implementation Organizations	Management Roles and Responsibilities
Department of Finance	➤ Borrower
ERRM Steering Committee	<ul style="list-style-type: none"> ➤ High-level, strategic oversight ➤ Comprises representatives of DOF (Chair), the Department of Budget and Management (DBM), Department of Public Works and Highways (DPWH), the National Economic and Development Authority (NEDA), and other agencies on a needs basis, such as the Department of Trade and Industry (DTI), the Taskforce Bangon Marawi (TFBM), the Department of Education (DepEd), Department of Labor and Employment (DOLE), the Local Water Utilities Administration (LWUA), and the Office of Civil Defense (OCD) ➤ Meets semiannually or as needed to report on progress with BMCRRP implementation for dissemination among all the involved agencies and organizations implementing ERRM and ADB ➤ Addresses implementation and coordination issues; provides recommendations on provision of additional counterpart staff and resources, engagement of beneficiaries.
Department of Public Works and Highways	<ul style="list-style-type: none"> ➤ Executing agency ➤ Approve procurement plans, procurement actions such as bid evaluation and contract awards

	<ul style="list-style-type: none"> ➤ Approve working drawings, design documents, engineering designs and cost estimates. ➤ Carry out consultant selections for detailed design and construction supervision consultants ➤ Procure civil works contracts ➤ Obtain necessary environmental approval(s) from DENR and other relevant agencies/organizations prior to award of civil works contracts
Unified Project Management Office (UPMO) Roads Cluster II (Multilateral)	<ul style="list-style-type: none"> ➤ Implementing office ➤ Ensure that Project implementation complies with Government environmental policies and regulations, ADB safeguard policy and provisions of the EMP included in the IEEs and REMDPs, cleared by ADB. ➤ Ensure that environmental protection and mitigation measures in the EMP and REMDPs are incorporated in the detailed design, included in bid documents, implemented and monitored ➤ Ensure Gender Action Plan implementation, monitoring and reporting ➤ Submit disbursement projections, request budgetary allocations for counterpart funds, ➤ Ensure compliance with Government policies and loan covenants
ADB	<ul style="list-style-type: none"> ➤ Provides financing ➤ Project preparation ➤ Implementation monitoring

ADB = Asian Development Bank
Source: ADB

B. Key Persons Involved in Implementation

Executing Agency

Department of Public works and Highways

Officer's Name: Emil K. Sadain
Position: Undersecretary for PMO Operations
Telephone: 304-3410
Email address: sadain.emil@dpwh.gov.ph
Office Address: DPWH Central Office Bonifacio Drive Port Area, Manila

Implementing Office

UPMO – Roads Cluster II

Officer's Name: Sharif Madsmo Hassim
Position: Project Director
Telephone:
Email address:
Office Address: DPWH Central Office Bonifacio Drive Port Area, Manila

Asian Development Bank

Southeast Asia Transport and Communications Division (SETC)

Staff Name: Hiroaki Yamaguchi
Position: Director

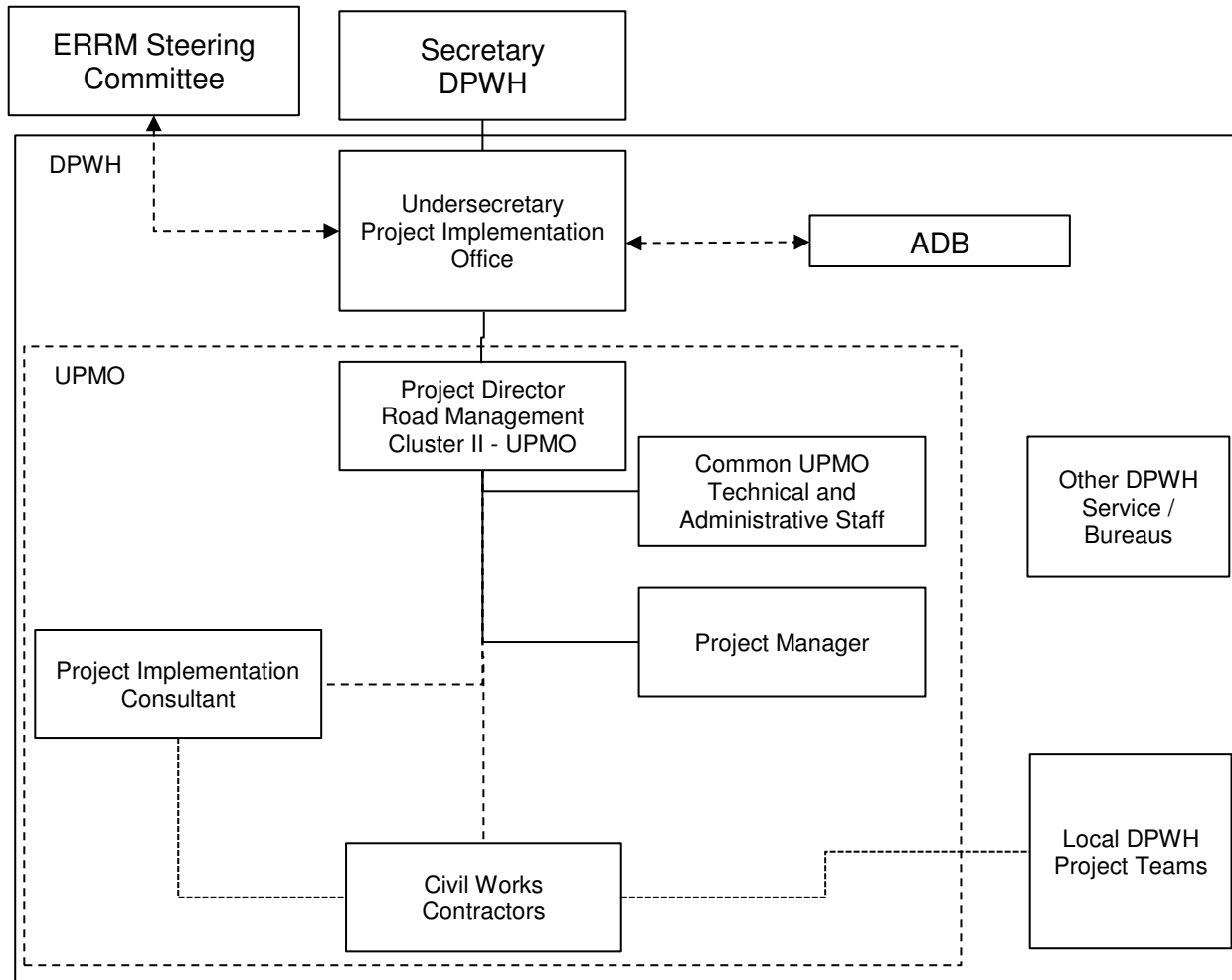
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C. Project Organization Structure

Figure 1: Project Organization Chart



ADB = Asian Development Bank; DPWH = Department of Public Works and Highways; ERRM = Emergency Marawi Recovery and Reconstruction; UPMO = Unified Project Management Office

IV. COSTS AND FINANCING

7. The estimated costs of Output 2 are \$131.6 million. The ADB loan will finance civil works and consultants related to Output 2 during implementation. The government will provide \$31.6 million in counterpart financing. Government counterpart will finance taxes and duties on the civil works and consultants³ through cash contribution, land acquisition and resettlement, incremental administration costs, and interests during construction (**Table 1** and **Table 2**).

8. Output 2 will be financed by a loan of \$100 million from the \$400 million ADB loan. The ADB loan will have a 32-year term, including a grace period of 8 years; an annual interest rate determined in accordance with ADB's London interbank offered rate (LIBOR)-based lending facility; a commitment charge of 0.15% per year; and such other terms and conditions set forth in

³ Taxes and duties are estimated to be 15% of the contracts' cost.

the draft loan agreement. Based on the straight-line method, the average maturity is 19 years, and the maturity premium payable to ADB is 0.20% per year.

A. Cost Estimates Preparation and Revisions

9. Project costs estimates were prepared by the ADB mission using the indicative costs presented by DPWH in the damage and needs assessment.

B. Key Assumptions

10. The following key assumptions underpin the cost estimates and financing plan:

- (i) Exchange rate: 53.5 Pesos = \$1.00 (as of 3 September 2018).
- (ii) Price contingencies based on expected cumulative inflation over the implementation period are as follows:

Table 4: Escalation Rates for Price Contingency Calculation

Item	2018	2019	2020	2021	2022	Average
Foreign rate of price inflation	1.4%	1.5%	1.5%	1.5%	1.6%	1.5%
Domestic rate of price inflation	4.0%	3.9%	3.7%	3.7%	3.7%	3.8%

Source(s): ADB

11. The main assumptions used to prepare cost estimates have been:

- ADB loan amount of \$100 million
- Indicative cost provided by DPWH is a base cost exclusive of taxes and duties.
- Detailed design and supervision cost of 7.5% of base civil works costs
- External monitoring cost of 0.5% of base civil works costs
- Physical contingencies of 2%
- Price contingencies based on local and international inflation and exchange rate variations at purchasing power parity.
- ADB loan to finance financing charges during implementation
 - 5-year implementation
 - Commitment fee of 0.15% on undisbursed amounts
 - Loan interest rate of 3.83% computed as the sum of (i) 5-year libor swap rate of 3.13% (as of 1 October 2018), (ii) contractual spread of 0.5%, [and (iii) maturity premium of 0.2%].
- Administration cost of 3% of base cost
- Land acquisition cost of \$1 million
- Government finances taxes and duties, which are assumed to be 15% of consulting and civil works costs.

C. Detailed Cost Estimates by Expenditure Category

Table 5: Detailed Cost Estimates by Expenditure Category
(\$ million)

Item	Total Cost ^a	% of Total Base Cost
A. Investment Costs^b		
1 Civil Works	98.88	85.70%
2 Consultants	12.35	10.71%
3 Land Acquisition and Resettlement	1.00	0.87%
5 Incremental Administration Cost ^c	3.14	2.72%
Subtotal (A) (Base Cost)	115.38	
B. Contingencies^d		
1 Physical Contingencies	1.98	1.71%
2 Price Contingencies	4.43	3.84%
Subtotal (B)	6.41	
C. Financing Charges During Implementation^e		
1 Commitment Fee	0.38	0.33%
2 Interests during Construction	9.48	8.22%
Subtotal (B)	9.86	
Total Project Cost (A+B+C)	131.65	100.0%

^a Includes taxes and duties of about \$15 million. Such amount does not represent an excessive share of the project cost. The government will finance taxes and duties through cash contribution.

^b In mid-2018 prices as of 13 September 2018.

^c Includes cost of audit for the duration of the project.

^d Physical contingencies computed at 2% for civil works. Price contingencies computed based on ADB forecast international and domestic inflation rates applied to foreign exchange and local currency costs.

^e Includes interest and commitment charges. Interest during construction for the OCR loan has been computed at the 5-year US dollar fixed swap rate plus an effective contractual spread of 0.5% and maturity premium of 0.2%. Commitment charges for the OCR loan are 0.15% per year to be charged on the undisbursed loan amount. Financing charges during implementation will be covered by the government through annual budget appropriations.

Note: Numbers may not sum precisely because of rounding.

Source: ADB

12. The government refers the sum of Investment Costs (A) and Contingencies (B) as presented in Table 5 as the total project cost of \$121.79 million.

D. Allocation and Withdrawal of Loan Proceeds

Table 6: Allocation and Withdrawal of Loan Proceeds

Number	Item	Total Amount Allocated for ADB Financing (US\$)	Percentage and Basis for Withdrawal from the Loan Account
1	Civil Works and Consultants (Component 2)	100,000,000	85% of total expenditure claimed
	Total	100,000,000	

ADB = Asian Development Bank.

E. Detailed Cost Estimates by Financier

Table 7: Detailed Cost Estimates by Financier
(\$ million)

Item	ADB		Gov		Total Cost
	Amount	% of Cost Category	Amount	% of Cost Category	
A. Investment Costs					
1 Civil Works	84.05	85.0%	14.83	15.0%	98.88
2 Consultants	10.50	85.0%	1.85	15.0%	12.35
3 Land Acquisition and Resettlement	0.00	0.0%	1.00	100.0%	1.00
5 Incremental Administration Cost	0.00	0.0%	3.14	100.0%	3.14
Subtotal (A)	94.55	81.9%	20.83	18.1%	115.38
B. Contingencies					
1 Physical Contingencies	1.68	85.0%	0.30	15.0%	1.98
2 Price Contingencies	3.77	85.0%	0.67	15.0%	4.43
Subtotal (B)	5.45	85.0%	0.96	15.0%	6.41
C. Financing Charges During Implementation					
1 Commitment Fee	0.00	0.0%	0.38	100.0%	0.38
2 Interests during Construction	0.00	0.0%	9.48	100.0%	9.48
Subtotal (B)	0.00	0.0%	9.86	100.0%	9.86
Total Project Cost (A+B+C)	100.00	76.0%	31.65	24.0%	131.65
% Total Project Cost		76.0%		24.0%	100.0%

Note: Numbers may not sum precisely because of rounding.

Source: ADB

F. Detailed Cost Estimates by Year

Table 8: Detailed Cost Estimates by Year
(\$ million)

Item		2019	2020	2021	2022	2023
A. Investment Costs						
1 Civil Works	98.88	0.00	31.65	42.16	18.32	6.75
2 Consultants	12.35	1.47	3.09	3.24	3.09	1.47
3 Land Acquisition and Resettlement	1.00	0.25	0.75	0.00	0.00	0.00
4 Incremental Administration Cost	3.14	0.79	0.79	0.79	0.79	0.00
Subtotal (A) (Base Cost)	115.38	2.51	36.28	46.18	22.19	8.22
B. Contingencies	6.41	0.00	0.92	1.88	3.08	0.52
C. Financing Charges During Implementation	9.86	0.16	0.52	2.17	3.30	3.71
Total Project Cost (A+B+C)	131.64	2.67	37.72	50.23	28.58	12.45
% Total Project Cost	100%	2%	28%	39%	21%	10%

Source: Asian Development Bank

G. Contract and Disbursement S-Curve

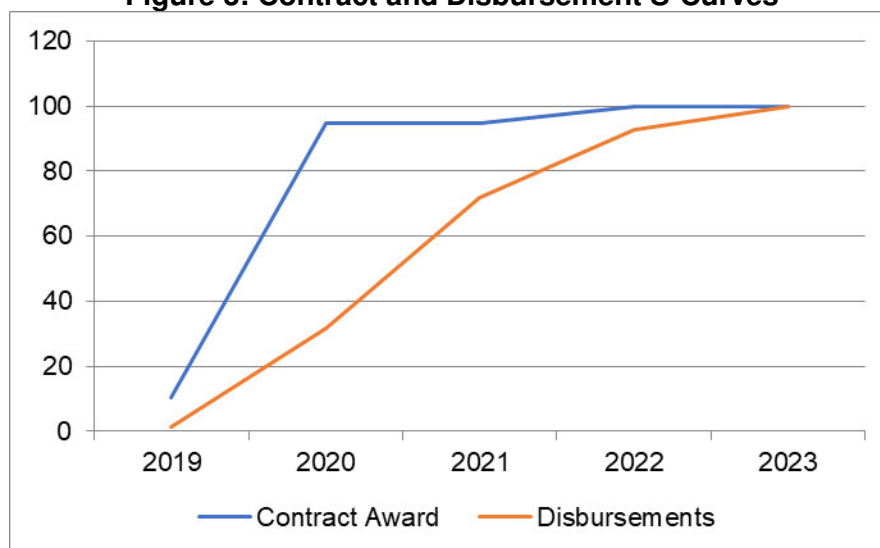
13. Tables 9 and Figure 3 below shows the contract awards and disbursement projections for the ADB loan over the implementation period for the Project.

Table 9: Contract Award and Disbursement Projections

Contract Awards (in \$ million)						Disbursements (in \$ million)					
Year	Q1	Q2	Q3	Q4	Total	Year	Q1	Q2	Q3	Q4	Total
2019	0.0	10.0	0.5	0.0	10.5	2019	0.0	0.0	0.6	0.6	1.3
2020	0.0	8.8	66.4	8.8	84.0	2020	0.6	2.7	13.5	13.5	30.3
2021	0.0	0.0	0.0	0.0	0.0	2021	13.7	11.6	7.4	7.4	40.2
2022	0.0	5.4	0.0	0.0	5.4	2022	7.9	8.9	2.9	1.0	20.8
2023	0.0	0.0	0.0	0.0	0.0	2023	0.6	0.6	6.2	0.0	7.4
Total					100.0	Total					100.0

Source: Asian Development Bank

Figure 3: Contract and Disbursement S-Curves

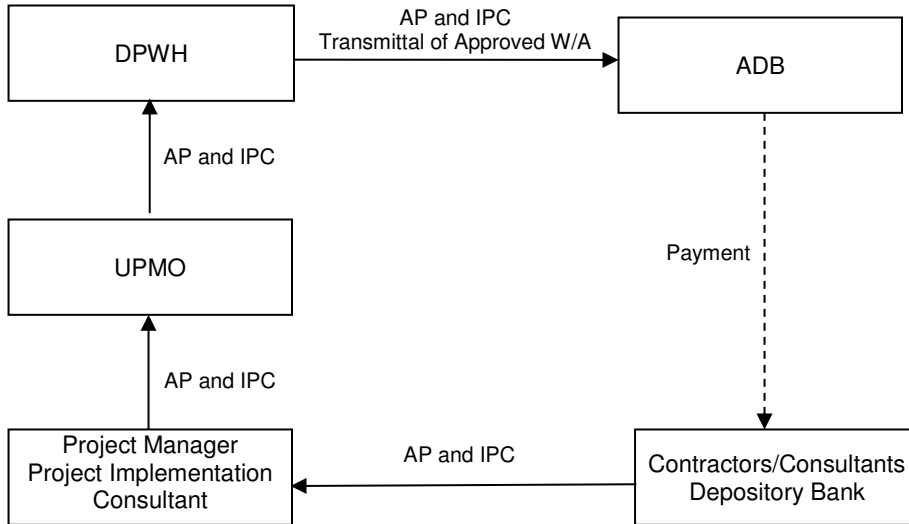


Source: Asian Development Bank

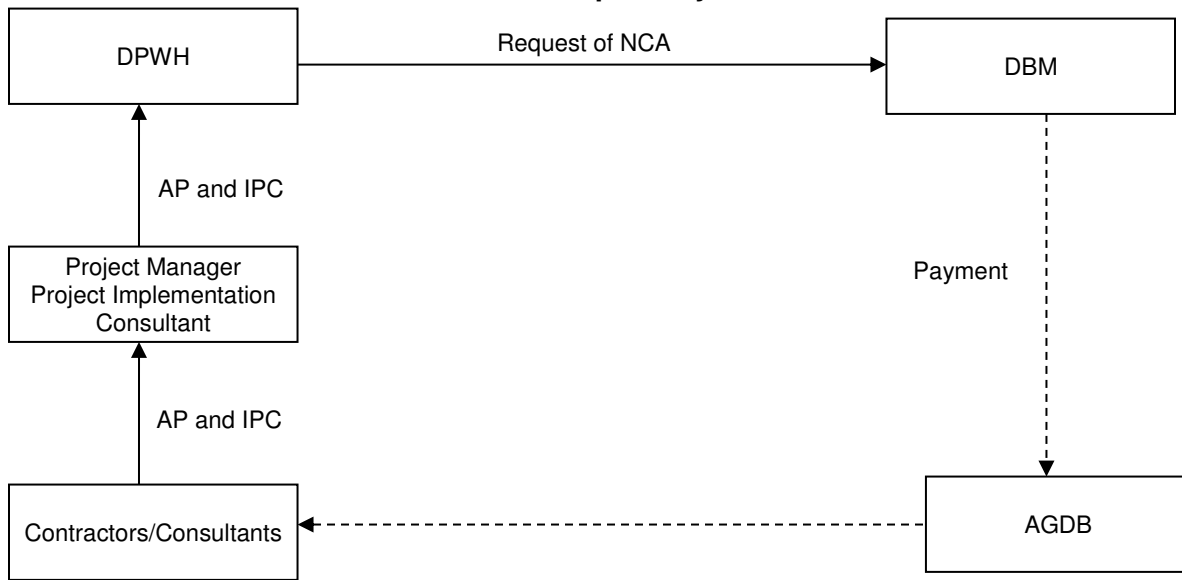
H. Fund Flow Diagram

14. The project will use similar funds flow arrangements as the IGCMRSP, except for the provision for an advance account, which will not be used.

**Civil Works and Consultancy Contracts
Loan Proceeds
Direct Payment**



**Civil Works and Consultancy Contracts
GOP Counterpart Payment**



Document flow →

Fund flow - - - - ->

AGDB = authorized government depository bank, AP = advance payment, DBM = Department of Budget and Management, DPWH = Department of Public Works and Highways, IPC = interim payment certificates, NCA = notice of cash allocation.

V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

15. This financial management assessment was prepared in accordance with Asian Development Bank (ADB) guidelines on Financial Management Assessment⁴ and Financial Due Diligence: A Methodology Note.⁵ ADB requires that, during loan preparation and processing, sufficient analysis is undertaken to enable an informed assessment that the Borrower's financial management systems are, or will be, sufficiently robust to ensure that funds are used for the purpose intended and that controls will be in place to support project monitoring and supervision.

16. A Financial Management Assessment (FMA) of the DPWH was undertaken from June 2015 to March 2016 by PADECO Co. Ltd. under the regional technical assistance for Promoting Sustainable Energy for All in Asia and the Pacific – Project Development and Investment Facilitation⁶ for the purpose of the preparation of IGCMRSP.⁷ Preparation activities included: (i) interviews with staff of DPWH; (ii) submission to DPWH of an FMA Questionnaire, as per Appendix 2 of the Note; (iii) interviews with staff of the Project Management Office (PMO) of the on-going Philippines Road Improvement and Institutional Development Project (RIIDP); (iv) a review of ADB, RIIDP and other related project documentation; and (v) a review of ADB's on-going experience. A follow-up assessment was undertaken by the ADB staff consultant in May 2016. The assessment included reviewing documents, ADB's on-going experience and interviews with the staff of the DPWH.

17. The FMA considered the capacity of the DPWH, including funds-flow arrangements, staffing, accounting and financial reporting systems, financial information systems, and internal and external auditing arrangements. Fiduciary risks of the loan were related to the limited experience of the DPWH with the use of advance account procedure under ADB-funded projects. Internal control within the DPWH was also relatively weak as evidenced by several audit findings reflected in the 2014 and 2015 Commission on Audit opinions on the entity financial statements and project financial statements for ADB-financed projects involving accounting errors and deficiencies. Under IGCMRSP, these risks were considered manageable as the IGCMRSP loan will finance the engagement of a consultant who will be based in the DPWH to undertake the financial monitoring and reporting requirements for the IGCMRSP loan at the executing agency.

18. The FMA indicated that with several risk mitigation measures in place, the executing agency and implementing agency's financial management system was acceptable for IGCMRSP. With the provision of consultant support to the executing agency and implementing agency involved in the loan, overall, DPWH can be considered as capable of implementing the loan, with the overall project financial management risk for IGCMRSP being assessed as moderate post mitigation. The action plan for financial management aimed at increasing UPMO's financial management capacity, particularly in relation with the management of an advance account.

19. During the preparation of this project, the FMA prepared for IGCMRSP was reviewed and found to be relevant to the proposed project since (i) the project's Output 2 will rely on the same funds flow arrangements and organization arrangements as IGCMRSP, (ii) the FMA was

⁴ ADB. 2015. *Financial Management Technical Guidance Note: Financial Management Assessment*. Manila

⁵ ADB. 2009. *Financial Due Diligence: A Methodology Note*. Manila.

⁶ ADB. 2015. Technical Assistance for Promoting Sustainable Energy for All in Asia and the Pacific – Project Development and Investment Facilitation (Subproject D) into Regional Cooperation. Manila. (TA 8954-REG).

⁷ The financial management assessment can be retrieved at: <https://www.adb.org/sites/default/files/linked-documents/41076-048-sd-01.pdf>

prepared in 2016 and the situation has not substantially changed. The FMA was updated to consider the 2016 Public Expenditure and Financial Accountability (PEFA) performance assessment report, the 2016-2017 audited project financial reports of another ADB-assisted project and the 2017 audited entity financial statement. The FMA will be continuously updated and monitored after loan approval and throughout the implementation of the project.

20. The project's financial management risk is assessed to be substantial. Table 10 provides an action plan for mitigating financial management risks for the project: (i) the disbursements will be primarily be carried out using the direct payment procedure for the project's expenditures; the project will not use an advance account, (ii) an additional consultant will be recruited (under the detailed design and supervision consultant) to assist UPMO in financial management and accounting for the new project. The post-mitigation risk is assessed to be moderate.⁸

Table 10: Action Plan for Financial Management

Mitigation Actions	Responsible Parties	Timeframe
A consultant (as part of the PIC) will be engaged to assist in the financial monitoring and reporting requirements for the loan and will be based at the PMU and the DPWH.	ADB, UPMO and DPWH and consultant	Six months from loan approval
ADB will provide training on ADB's disbursement guidelines and procedures to the relevant staff of the DPWH.	UPMO and DPWH consultant	Within twelve months from loan approval
Under L3631, ADB will finance the installation of an Integrated Enterprise Financial Management System (FiMS).	ADB	Procurement scheduled in 2019
The EA will be required to include ADB-assisted projects in their audit plan. This will be included in the legal agreement.	DPWH, ADB	2019 onwards

B. Disbursement

1. Disbursement Arrangements for ADB Funds

21. The loan proceeds will be disbursed in accordance with ADB's Loan Disbursement Handbook (2017), as amended from time to time), and detailed arrangements agreed upon between the Government and ADB. The DPWH will maintain separate accounts and records for the loan. Online training for project staff on disbursement policies and procedures is available.⁹ Project staff will avail of the ADB's disbursement training to help ensure efficient disbursement and fiduciary control.

22. The DPWH will be the budget user and will be responsible for managing the payment for all goods and consultant services procured under the loan. The UPMO will be responsible for preparing the annual contract awards and disbursement projections; requesting budgetary

⁸ Appendix 2: Financial management, internal control, and risk assessment (FMICRA).

⁹ Disbursement eLearning. http://wpqr4.adb.org/disbursement_elearning

allocations for counterpart funds, preparing of withdrawal applications, and sending the withdrawal applications to ADB. They are also responsible for collecting and maintaining supporting documents for the project expenditures they have incurred. The UPMO shall submit regular financial reports to the executing agency for consolidation and submission to ADB.

23. Before the submission of the first withdrawal application request, the Borrower will submit to ADB sufficient evidence of the authority of the persons who will sign the withdrawal applications on behalf of the Borrower, together with the authenticated specimen signatures of each authorized person.

24. The minimum value per withdrawal application is stipulated in the *Loan Disbursement Handbook* (2017, as amended from time to time). Individual payments below such amount should be paid by the executing agency and/or implementing agency and subsequently claimed to ADB through reimbursement, unless otherwise accepted by ADB. The Borrower should ensure sufficient category and contract balances before requesting disbursements. Use of ADB's Client Portal for Disbursements (CPD)¹⁰ system is encouraged for submission of withdrawal applications to ADB.

2. Disbursement Arrangements for Counterpart Fund

25. Government counterpart funds for the project will be disbursed for payment to the consultants and contractors through an authorized government bank. The UPMO will be responsible for (i) preparing disbursement projections, and (ii) requesting budgetary allocations for counterpart funds. All civil works contracts will be subject to taxes that include VAT and withholding taxes. Goods will be subject to taxes and duties.

26. The relevant disbursement procedures are as follows: The Central Document Management Group (DMG) of the DPWH receives the disbursement voucher (DV) with withdrawal application and supporting documents from the PMO, forwards the DV and attached documents to the Accounting Division for review and funding, the chief accountant approves the journal entry voucher and signs the DV. The Central DMG receives the signed DV from the chief accountant and forwards it to the approving official who signs the DV. The Central DMG sorts the documents and forward photocopies of the approved DV and withdrawal application to the Notice of Cash Allocation (NCA) Section, Accounting Division for allocation of NCA and preparation of the List of Due and Demandable Accounts Payable (LDDAP) with Advice to Debit Account (ADA) and Advice of Checks Issued and Cancelled (ACIC). The LDDAP –ADA and ACIC are forwarded to the Department Chief Accountant who will certify as to their correctness and who will forward said documents to the authorized signatories – the Director, Financial and Management Service and the Assistant Secretary for Support Service. The authorized signatories will then forward the documents to the Central DMG who will forward the signed documents to the authorized government depository bank for payment to contractors.

C. Accounting

27. The DPWH will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the project following International Public Sector Accounting Standards for accrual-based accounting. The DPWH will prepare project financial statements in accordance with the government's accounting laws and regulations which are consistent with international accounting principles and practices.

¹⁰ The CPD facilitates online submission of WA to ADB, resulting in faster disbursement. The forms to be completed by the Borrower are available online at <https://www.adb.org/documents/client-portal-disbursements-guide>.

D. Auditing and Public Disclosure

28. The DPWH will cause the detailed project financial statements to be audited in accordance with Philippine Public Sector Standards on Auditing which are consistent with the International Standards for Supreme Audit Institutions, by an independent auditor acceptable to ADB. The audited project financial statements together with the auditor's opinion will be presented in the English language to ADB within 6 months from the end of the fiscal year by the DPWH.

29. The audit report for the project financial statements will include a management letter and auditor's opinions, which cover (i) whether the project financial statements present an accurate and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the loan were used only for the purpose(s) of the project; and (iii) whether the Borrower or executing agency was in compliance with the financial covenants contained in the legal agreements.

30. A special audit focusing on governance, transparency, and financial accountability shall be conducted at the completion of the ERRM. The special audit will be conducted by an independent auditor acceptable to ADB.

31. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal program supervision, and followed up regularly with all concerned, including the external auditor.

32. The government, DPWH and UPMO have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.¹¹ ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the Borrower), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

33. Public disclosure of the audited project financial statements, including the auditor's opinion on the project financial statements, will be guided by ADB's Public Communications Policy 2011.¹² After the review, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements no later than 14 days of ADB's confirmation of their

¹¹ ADB's approach and procedures regarding delayed submission of audited project financial statements:

- (i) When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (a) the audit documents are overdue; and (b) if they are not received within the next 6 months, requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.
- (ii) When audited project financial statements are not received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of imprest accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (a) inform the executing agency of ADB's actions; and (b) advise that the loan may be suspended if the audit documents are not received within the next 6 months.
- (iii) When audited project financial statements are not received within 12 months after the due date, ADB may suspend the loan.

¹² Public Communications Policy: <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

acceptability by posting them on ADB's website. The management letter and additional auditor's opinions will not be disclosed.¹³

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting and Retroactive Financing

34. Advance contracting has been approved for civil works, goods and services required under the Project. All advance contracting will be undertaken in conformity with ADB Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017, as amended from time to time). The issuance of invitations to bid under advance contracting will be subject to ADB approval. The Borrower and DPWH have been advised that approval of advance contracting does not commit ADB to finance the project.

35. It is expected that the Project Implementation Consultant (PIC) will be recruited after the Management Review Meeting. During project preparation, DPWH has requested ADB to recruit the PIC. DPWH will remain in charge of negotiating and signing the contract.

B. Procurement of Goods, Works, and Consulting Services

36. All procurement of goods and works will be undertaken in accordance with the Procurement Regulations for ADB Borrowers (2017, as amended from time to time). Since ADB is administering cofinancing resources (UCCRTF) for operations financed by ordinary capital resources, universal procurement shall apply to all procurement packages to be financed under the ADB loan.

37. The civil works contracts will be procured using open competitive bidding. The larger packages with value above \$15 million will be internationally advertised, and subject to prior review by ADB. It is estimated that one (1) civil works package will be internationally advertised. The smaller packages with value of less than \$15 million will be nationally advertised. The first package will be subject to ADB prior review, while the other ones will be subject to post review. It is estimated that five (5) civil works package will be nationally advertised.

38. An 18-month procurement plan indicating threshold and review procedures for goods, works, and consulting service contract packages and open competitive bidding under national advertisement guidelines is in Section C.

39. All recruitment of consultants will be undertaken in accordance with the Procurement Regulations for ADB Borrowers (2017, as amended from time to time). The terms of reference for all consulting services are detailed in Section D. The following consulting services will be required under the project:

- (i) Project Implementation Consultant. The PIC will be recruited under the loan to prepare, design, procure and supervise all works under the project. The consulting firm will be engaged using the quality- and cost-based selection (QCBS) method with a standard quality–cost ratio of 80:20.
- (ii) External monitoring consultant. The consultant contracted under IGCMRP to monitor the civil works will be recruited through direct contracting, in accordance

¹³ This type of information would generally fall under public communications policy exceptions to disclosure. ADB. 2011. *Public Communications Policy*. Paragraph 97(iv) and/or 97(v).

with ADB's Operational Manual Bank Policy on Disaster and Emergency Assistance. This will expedite recruitment so that resettlement activities can start earlier, and facilitate management, by building on the ERRM's synergies with IGCMRSP.

C. Procurement Plan

Basic Data		
Project Name: Marawi Reconstruction – Road Component		
Project Number:	Approval Number:	
Country: Philippines	Executing Agency: Department of Public Works and Highways (DPWH)	
Project Procurement Classification: A	Implementing Agency: Unified Project Management Office (UPMO)	
Procurement Risk: Medium	Project Closing Date: 31 December 2023	
Project Financing Amount: \$ 120,700,000.00 ADB Financing: \$100,000,000.00 Non-ADB Financing: \$20,700,000.00	Date of this Procurement Plan: 12 November 2018	
Date of First Procurement Plan: 12 November 2018	Date of this Procurement Plan: 12 November 2018	
Procurement Plan Duration: 18 months	Advance contracting: yes	eGP: no

1. Methods, Review and Procurement Plan

Except as the Asian Development Bank (ADB) may otherwise agree, the following methods shall apply to procurement of goods, works and consulting services.

Procurement of Goods and Works		
Method	Applicability	Comments
Open Competitive Bidding (OCB)	Works	International advertising for contracts with value above \$15 million

Consulting Services	
Method	Comments
Quality-Cost Based Selection (QCBS)	80:20. Applicable to the project implementation consultant. At DPWH's request, ADB will recruit on behalf of DPWH.
Direct Contracting (DC)	Applicable to the package of consultants being recruited under IGCMRSP for external monitoring

2. List of Active Procurement Packages (Contracts)

The following table lists goods, works and consulting services contracts for which the procurement activity is either ongoing or expected to commence within the procurement plan duration.

Goods and Works							
Package Number ¹	General Description	Estimated Value	Procurement Method	Review ²	Bidding Procedure ³	Advertisement Date ⁴	Comments ⁵
	Repair, rehabilitation, reconstruction or construction of roads, bridges and drainage in Greater Marawi	\$35,000,000	OCB	First contract prior, then post review	1s1e	Q3 2019 to Q2 2020	National advertisement; no dom. pref; no PQ; large works; 6 to 10 packages

	Area						
	Construction of Malabang Viaduct	\$64,400,000	OCB	Prior	1s1e	Q4 2019	International advertisement; no dom. pref; no PQ; large works

Consulting Services							
Package Number	General Description	Estimated Value	Selection Method	Review	Type of Proposal ⁷	Advertisement Date	Comments
CS-1	Project Implementation Consultant	\$7,500,000	QCBS	Prior	FTP	Q4 2018	80:20 quality-to-cost ratio
CS-2	External monitoring consultant	\$500,000	DC	Prior	n/a	n/a	Recruitment under IGCMRSP

FTP = Full Technical Proposal

3. List of Indicative Packages (Contracts) Required under the Project

The following table lists goods, works and consulting services contracts for which the procurement activity is expected to commence beyond the procurement plan duration and over the life of the project (i.e. those expected beyond the current procurement plan duration).

Goods and Works						
Package Number ¹	General Description	Estimated Value	Procurement Method	Review ²	Bidding Procedure ³	Comments ⁵

Consulting Services						
Package Number	General Description	Estimated Value	Selection Method	Review ⁶	Type of Proposal ⁷	Comments ⁸

4. List of Awarded and Completed Contracts

The following table lists the awarded contracts and completed contracts for goods, works and consulting services.

Goods and Works					
Package Number	General Description	Contract Value ⁹	Date of ADB Approval of Contract Award ¹⁰	Date of Completion ¹¹	Comments ¹²

Consulting Services					
Package Number	General Description	Contract Value ⁹	Date of ADB Approval of Contract Award ¹⁰	Date of Completion ¹¹	Comments ¹²

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5. Non-ADB Financing

The following table lists goods, works and consulting services contracts over the life of the project, financed by Non-ADB sources.

Goods and Works				
General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Comments

Consulting Services				
General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Selection Method	Comments

D. Open Competitive Bidding – National Advertisement

1. General

OCB under national advertisement shall be undertaken in accordance with the Procurement Regulations for ADB Borrowers (2017, as amended from time to time). The Harmonized Philippine Bidding documents, approved by ADB, can be used for OCB under national advertisement. To ensure compliance with the Procurement Regulations for ADB Borrowers (2017, as amended from time to time), the clarifications and modifications described in the following paragraphs must be adhered to.

2. Eligibility

- (i) Eligibility screening shall not be applied. However, bids that do not contain any of the following documents will not pass the documentary compliance check: (i) evidence of the required financial, technical or production capability; (ii) audited financial statements; (iii) credit line, or cash deposit certificate; (iv) bid security; and (v) authority of the bid signatory.
- (ii) National sanction lists may be applied only with prior approval of ADB

3. Advertising

Advertising of invitations to prequalify or to bid, as the case may be, can be carried out solely in the national press or official gazette or a free and publicly accessible website.

4. Price of Bidding Document

The price of bidding documents should be nominal, covering only reproduction and mailing/courier costs.

5. Price Ceiling

The approved budget for the contract (ABC) may be published, but it shall not be stated or implied that bid prices may not exceed the ABC, or that bid evaluation will in any way take into account the ABC. The ABC, budgetary allocation, ceiling price, or similar estimates of contract value may not be used to reject bids without prior concurrence of ADB.

6. Preferences

- (i) No preference of any kind shall be given to domestic bidders or for domestically manufactured goods.
- (ii) Suppliers and contractors shall not be required to purchase local goods or supplies or materials.
- (iii) Foreign suppliers and contractors from ADB member countries shall be allowed to participate, if interested, without first being required to associate with, or enter into joint venture with, local firms.
- (iv) Foreign suppliers and contractors from ADB member countries shall be allowed to bid, without registration, licensing, and other government authorizations, leaving compliance with these requirements for after award and before signing of contract.

7. Experience Qualification

For works contract, the experience qualification requirement shall be: (i) at least one previous contract at eighty (80) percent of the estimated cost of the contract being procured; and (ii) an annual turnover from all works averaged over the last three (3) years equal to one hundred (100) percent of the estimated cost of the contract being procured.

8. Anticorruption Provisions in Bidding Documents

Anticorruption provisions in the Instructions to Bidders section of ADB standard bidding documents (SBDs) shall be incorporated into NCB bidding documents including those under "Corrupt Practices" and "Eligible Bidders" clauses of the SBDs.

9. Bidding Period

Bidders shall be given a minimum period to prepare and submit bids of four (4) weeks, counted from the date of invitation to bid or the date of availability of bidding documents, whichever is later.

10. Single Bid Submission

When a lone bidder obtains a bidding document and submits a bid at the deadline for bid submission under a post-qualification bidding, bid opening and evaluation shall not proceed but it shall be considered a failure of bidding. Before taking any alternative procurement action, a proper assessment of the cause of lack of participation shall be made and ADB prior approval shall be sought for any proposed subsequent action.

11. Shopping Method

If included as a procurement method in the Procurement Plan, “Shopping” shall be undertaken in accordance with the Procurement Regulations for ADB Borrowers (2017, as amended from time to time).

12. Contract Amendment

In case of contracts for prior review, modifications exceeding fifteen (15) percent of contract amount and material changes in the conditions during implementation require prior ADB concurrence.

13. Member Country Restrictions

Universal procurement shall apply.

E. Consultant's Terms of Reference

40. **Project Implementation Consultant.** The consultant’s objective will be to prepare and launch all civil works contracts under the project and supervise them thereafter. The consultant will also assist UPMO in project management. The consultant’s scope of works will include:

- (i) Project identification, conceptual and/or preliminary design as required to define the works to be subject to engineering design;
- (ii) Detailed engineering design;
- (iii) Preparation of environmental and social safeguards documents in accordance with the project’s environmental assessment and review framework, land acquisition and resettlement and indigenous peoples’ framework;
- (iv) Preparation of bidding documents;
- (v) Tender assistance;
- (vi) Ensure that ADB-cleared environmental management plans (EMP) are included in bidding documents;
- (vii) Pre-construction activities;
- (viii) Project accounting;¹⁴
- (ix) Construction supervision as the FIDIC Engineer;
- (x) Gender action plan implementation, monitoring and reporting;
- (xi) Assist DPWH in undertaking internal monthly monitoring of EMP implementation during construction phase and prepare semi-annual environmental monitoring reports for review and public disclosure by ADB; and

41. **External Monitoring Consultant (social safeguards).** The consultant’s objectives are to:

- (i) Verify ongoing internal monitoring information;
- (ii) Verify whether the overall project and social safeguards objectives are being met in accordance with the RIPF and other social safeguards planning documents, and if not suggest corrective measures;
- (iii) Assess the extent to which implementation of social safeguards planning documents complies with ADB’s Safeguard Policy Statement (SPS);
- (iv) Identify problems and potential problems;
- (v) Identify methods of responding immediately to mitigate problems and advise the DPWH accordingly; and

¹⁴ Includes among others monitoring the implementation of the financial management action plan and financial management risk mitigation measures.

- (vi) Verify if the livelihoods and the standard of living of affected persons (APs) and IPs are restored and improved.

42. **Financial Management and BMCRRP Monitoring Consultant.** The consultant's objectives are to:

- (i) Monitor the implementation of BMCRRP; and
- (ii) Financial monitoring for ADB's funds under Output 1 of the project.

VII. SAFEGUARDS

43. Prohibited investment activities. Pursuant to ADB's Safeguard Policy Statement (2009), ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the Safeguard Policy Statement (2009).

44. The project has no significant social and environmental impacts in accordance with ADB's Safeguards Policy Statement (SPS) of 2009. Safeguards frameworks, specifically an environmental assessment and review framework (EARF) and environmental assessment and resettlement and ethnic minority development framework (REMDF) were prepared in accordance with ADB's SPS. Environmental assessment reports will be prepared for each subproject consistent with the EARF. A combined Resettlement and Ethnic Minority Development Plan (REMDP)—collectively known as social safeguards documents/plans—will be prepared consistent with the REMDF.

45. Prior to the implementation of works, the safeguard framework for environmental assessment and REMDF, will be reviewed and updated by DPWH to ensure relevance and consistency with applicable laws and regulations in the Philippines and ADB SPS, as amended from time to time. If there is a discrepancy between the laws and regulations of the Philippines and ADB's SPS, the ADB SPS will prevail.

46. DPWH will review ongoing projects to check on the status of compliance with the environmental management plans, REMDF and other social safeguards planning documents and submit the review reports to ADB, together with other required safeguard documents relevant to the project. In any case, if major noncompliance is discovered during the review of ongoing projects, a corrective action plan will be prepared and submitted to ADB.

47. Safeguards assurances for the projects will be incorporated into the loan agreement.

1. Social Safeguards

48. Of the four outputs of the project, the component for fiscal support has no safeguards issues (Output 1), and the Marawi Recovery Grant from the Urban Climate Change Resilience Trust Fund (UCCRTF) (Output 3), and JFPR funded Restoring Livelihoods and Learning in Marawi project (Output 4) have their own safeguards documents to follow. This text in the PAM relates to the component of investments through DPWH (Output 2),

49. DOF will be the Executing Agency for Output 1 fiscal support. DPWH will be the executing agency for Outputs 2, 3, and 4. Output 2 will be implemented using the existing arrangements for the ongoing ADB project L3631: Improving Growth Corridor in Mindanao Road Sector Project.

This will be using the same project management office, supervision and external monitoring arrangements (described in Section IX/B), and financial management arrangements.

50. The Project shall, under the aegis of DPWH, uphold legal provisions of the Government of the Philippines in harmony with ADB-SPS 2009 safeguard requirements and as described in the RIPP.

51. National Level. The Department of Public Works and Highways (DPWH) will be the Executing Agency (EA) for the Project. The UPMO shall be responsible for implementing and monitoring the Project, including land acquisition and other resettlement related activities. The Environment and Social Safeguards Department (ESSD) shall assist the UPMO and the District Engineering Office (DEO) provide technical guidance and support in the implementation and monitoring of the social safeguards document/plan. Specifically, ESSD shall:

- carry out overall preparation and planning of the social safeguards document/plan;
- submit social safeguards document/plan budget plans (to include compensation, relocation costs, operations) for approval and allocation of needed resources by the DPWH central office;
- in accordance with the Department's resettlement policies, guide the DEO and the Regional Offices (RO) in their tasks, such as the verification of the PAPs, final inventory of affected assets, consultation, and information dissemination;
- amend or complement the social safeguards document/plan in case problems or potential problems are identified during the internal and/or external monitoring of its implementation;
- in collaboration with its counterpart in the Region, work closely with the DPWH Regional Office on the processing of compensation claims of the PAPs;
- in collaboration with UPMO, monitor the progress of compensation payment to APs and other resettlement-related activities stated in the social safeguards document/plan; and;
- in collaboration with its regional counterpart, prepare semi-annual monitoring reports on social safeguards document/plan implementation for submission to the UPMO and ADB.
- For preparing the social safeguards document/plan, the DEO with assistance of the RIC shall conduct inventory of loss, detailed measurement surveys and socio-economic surveys for the validation of the ESSD and UPMO.
- Provide social safeguards document/plan orientation to DPWH Regional and DEO Team and RIC to strengthen the social, legal, and technical capabilities of these resettlement implementing entities.
- Assist the RIC in community awareness raising activities for the resettlement implementation.

52. At the site level, the DEO is Technical Coordinator and will (i) oversee the staking-out and verification of affected properties; (ii) review, prepares and approves disbursement vouchers/payments; (iii) cause the prompt delivery of payments to the affected persons with the assistance of the RIC (iv) submit reports on disbursements and payments to APs to the RO and the UPMO; and (v) submit monthly progress reports to ESSD, the ROs and the UPMO.

53. The RO will act as the liaison between ESSD and DEO to ensure that the social safeguard document/plan is implemented as planned. Specific activities of the RO are: (i) monitor the social safeguard document/plan implementation and fund disbursement; (ii) submit the monthly progress reports to ESSD; (iii) monitor payments to PAPs; (iv) monitor assistance provided to the

poor and vulnerable households and maintain sex disaggregated records and (v) address grievances filed by the PAPs for speedy resolution.

54. Legal instruments from the municipality government are necessary for the implementation of the social safeguards document/plan. In particular, LGUs shall (i) provide the necessary land for relocation purposes, (ii) cooperate with UPMO to form and mobilize RIC to direct and oversee implementation and monitoring of social safeguards document/plan implementation; and (iii) address issues, grievances and complaints.

55. DPWH shall provide adequate budget for appropriation that will allow acquisition of the required right-of-way, site or location for national government infrastructure projects in advance of the project implementation. These appropriations shall include the funds needed to cover the following expenses for activities directly related to right-of-way acquisition for the subprojects, to include:

- (i) Cost of parcellary surveys and appraisal of properties affected by the projects;
- (ii) Compensation for the project-affected land, structures and improvements, including relocation or replacement of compensable utilities, crops and trees;
- (iii) Cost of development and implementation of resettlement projects, including planning, social preparation, in accordance with HUDCC design standards and costings. Where necessary, this may include land development and housing construction, provision of basic services and community facilities, livelihood restoration and improvement and other activities under the social safeguard document/plan in coordination with concerned government agencies; and
- (iv) Related expenses of the IA, including CGT in the case of negotiated sale, DST, transfer tax and registration fees for the transfer of titles, and other relevant administrative expenses for right-of-way management, including the cost of ECC application.
- (v) The Department of Finance will responsible for the timely allocation of the required funds to the DPWH for implementing the REMDPs. The budget for land, tree and crop compensation as well as structures/houses, employment loss, income loss, relocation cost (if any), etc. will be disbursed by the DPWH to the PAPs through the Resettlement Committees.

2. Environmental Safeguards

56. As the executing agency, DPWH will be responsible for overall oversight, strategic and policy direction. The UPMO shall be responsible for implementing and monitoring the Project. The Environmental and Social Safeguards Division (ESSD), Planning Service will provide technical guidance and support in the preparation of environmental assessment reports such as initial environmental examination (IEE) reports as well as implementation and monitoring of environmental management plans (EMP) consistent with the ADB SPS and EARF. ESSD is tasked to:

- (i) carry out overall preparation of the IEEs for the subprojects in line with the principles set out in the EARF;
- (ii) obtain required government environmental approvals such as environmental compliance certificate or certificate of non-coverage prior to subproject implementation; and

- (iii) prepare semi-annual environmental monitoring reports on EMP implementation for review and public disclosure by ADB.

VIII. GENDER AND SOCIAL DIMENSIONS

57. More than a year after the siege, there are around 369,196 remaining IDPs, 54% of them are women. IDP women and girls continue to be confronted by issues that exacerbate pre-conflict gender disadvantages, including: (i) gender-based violence (GBV) (such as sexual assaults and child marriages); (ii) unhealthy living conditions in evacuation centers and resettlement areas (e.g., exposure to the elements, lack of water and sanitation) which heighten vulnerability not only of women themselves, but of children and the elderly to disease, in the latter case, increasing women's burden of care and domestic work; (iii) lack of adequate health services, including for sexual and reproductive health services exposing women and adolescent girls to unplanned pregnancies, and increasing maternal, neonatal and children's morbidity and mortality; (iv) economic hardships because of loss of property, livelihood and income, and inadequate opportunity or support for IDPs to fully recover.

58. Particularly relevant to Output 2 are the following gender issues: (i) difficulty in accessing crucial social and health services, and economic opportunities, due to damaged or blocked roads around the greater Marawi area; (ii) lack of safety and accessibility features of urban roads pre-siege exposing pedestrian children, the elderly, and persons living with disabilities to danger; (iii) lack of consultation on Marawi's development plans leading to IDP women's continued sense of uncertainty and powerlessness to plan for their future; (iv) women and girls' increased vulnerability to sexual harassment and other forms of gender-based violence and reproductive health issues, in the context of civil works; and (v) the risk of current rehabilitation and recovery efforts not responding to gender concerns as legally mandated gender mainstreaming processes are not fully observed.

59. The project is categorized as effective gender mainstreaming (EGM) at entry. It will address the above gender issues through pro-active gender measures that include: (i) integration of gender-responsive physical designs in the construction of the roads and bridges; (ii) participation of women in local consultations on infrastructure sub-projects and ensuring gender mainstreaming of gender issues in the sector; (iii) development and implementation of mechanisms to prevent and address sexual harassment and gender-based violence committed among co-workers, and against members of the community by workers in the context of the sub-projects' civil works; and (iv) ensuring gender-responsiveness of the social service PPAs to be supported by ADB. A Gender Action Plan (GAP) that contains these pro-active gender measures has been prepared (Table 11).

60. Gender mainstreaming shall be carried out following guidance provided for in DPWH Department Order No. 48 Series of 2011 which set guidelines and procedures for mainstreaming gender equality actions in all phases of road infrastructure projects including systems for monitoring gender equality actions in DPWH. Gender equality actions are to be executed at the planning, design, pre-construction, construction and maintenance stage and the execution will be guided by the DPWH Toolkit for Making Road Infrastructure Projects Gender Responsive.¹⁵ As such, the ESSD will serve as the gender oversight focal point with the project Gender Specialist assisting in effective gender mainstreaming through capacitation of project key actors.

61. The GAP will be implemented by UPMO, which will be supported by a gender specialist, under the project implementation consultant. The UPMO will report on the progress of implementation of GAP activities in its quarterly project progress reports for submission to the

¹⁵ Toolkit for Making Road Infrastructure Projects Gender Responsive see: <http://www.mcap.ph/wp-content/uploads/downloads/2013/08/Toolkit-for-Making-Road-Infrastructure-Gender-Responsive-prototype.pdf>.

ADB. The Government will ensure that the GAP is implemented and adequate financial resources are allocated for GAP implementation. It shall endeavor to accomplish all GAP targets and actions for the project to achieve a successful rating from a gender perspective at project completion.¹⁶

¹⁶ ADB rates a GAP successful from a gender perspective if at least 75% of the targets and 70% of the actions are achieved/completed. See: <https://www.adb.org/sites/default/files/institutional-document/34135/files/tip-sheet-5-gender-inclusive-results-pcrs.pdf>

Table 11: Gender Action Plan

Project Outputs	Gender Actions and Targets
Output 2: Connectivity reestablished	<p>2.1. At least 25 km of roads and bridges in Marawi or connecting highways are rehabilitated and improved, including safety features for women, children, elderly, and persons with disabilities (2017 baseline: 0 km of roads and bridges)¹⁷</p> <p>2.2. Sub-projects comply with DPWH gender mainstreaming policies.</p> <p>2.3. All road signages and safety IEC materials use gender-sensitive language, must be conveniently located, simple and easy to understand.</p> <p>2.4. At least 50% female participants in the discussions held with IDPs and local stakeholders to confirm the subprojects, ensure ownership and maximize benefits.</p>
Common GAP actions across outputs 2, 3, and 4:	<p>5.1. All civil works bidding documents and contracts require contractors to comply with RA 6685; apply core labor standards; strongly encourage to employ at least 20% women in skilled and unskilled positions in civil works; and comply with GAD-related legal mandates, including prevention and response to gender-based violence.</p> <p>5.2. Develop/establish and implement a program and mechanism to adequately prevent and respond to incidents of sexual harassment and other forms of gender-based violence occurring in the context of civil works (at work and in surrounding communities), emergency employment, and livelihood initiatives.</p>

¹⁷ Safety features include: steps and hand railings for elevated pathways; sufficient lighting; bike and pedestrian lanes; speed bumps; flood mitigating drainage system; and road safety signage.

Project Outputs	Gender Actions and Targets
Gender actions related to project management:	<p>a) Gender specialist is engaged on an intermittent basis from project inception to completion for supporting the UPMO in GAP implementation, monitoring and reporting.</p> <p>b) Orientation and capacity building on GAP implementation and related requirements is conducted for the EA, IA/IC, contractors and other key implementing partners.</p> <p>c) Collection of sex-disaggregated and gender-specific data relevant to the DMF and GAP is integrated in the overall project performance and monitoring system.</p> <p>d) GAP implementation is integrated in the Annual GAD Plans and Budgets and Annual GAD Reports of DPWH, and other government partners, where applicable.</p> <p>e) Representatives of the GAD Focal Point System (GAD-FPS) of each government agency-member of the steering committee shall form the GAD-FPS of the committee, tasked to oversee GAP implementation.</p> <p>f) At MTR and project completion, the project is assessed as gender-responsive using the Project Implementation, Management, Monitoring and Evaluation (PIMME) checklist of the Harmonized Gender and development Guidelines (HGDG) tool.</p> <p>g) One (1) knowledge product developed from project learnings on gender and post-conflict rebuilding</p>

DPWH = Department of Public Works and Highways, GAP = Gender Action Plan, STD = sexually transmitted disease, UPMO = Unified Project Management Office.

¹ DO 48-201: Guidelines for Mainstreaming Gender Equality Actions in Road Infrastructure Projects.

² <http://www.mcap.ph/wp-content/uploads/downloads/2013/08/Toolkit-for-Making-Road-Infrastructure-Gender-Responsive-prototype.pdf>

³ The current composition of DPWH technical staff at the national headquarters is female= 199 (25%), and male= 608 (75%).

⁴ The current composition of DPWH female technical staff in the regional offices is TBC.

Source: Asian Development Bank.

Implementation Arrangements:

62. The Department of Public Works and Highways will engage a gender specialist as part of the project implementation consultant, in support to the Unified Project Management Office. The gender specialist will coordinate and supervise the implementation of the gender actions. All gender targets will be reported not only in percentage (%) terms but also actual number. He/she shall ensure that the project performance management system (PPMS) integrates collection, analysis and reporting of sex-disaggregated data, wherever relevant. GAP progress reports will be submitted to ADB at least on a semi-annual basis using the GAP progress monitoring template for the ERRM. Participatory monitoring of project impact will be implemented at the mid-term of the project and this will include focus group discussion and interviews with women who are direct beneficiaries of activities supported by the project to obtain both quantitative and qualitative data.

63. The responsibilities of the social development and gender specialist to be hired under the PIC include:

- (i) Provide technical inputs and guidance to UPMO to ensure effective implementation and achievement of process and empowerment results of the key GAP actions.
- (ii) Provide technical inputs and guidance to other key and non-key experts for mainstreaming gender and social inclusion considerations in activities related to project implementation, management and monitoring, including in assessing the gender-responsiveness of the project at mid-term and completion.
- (iii) Ensure that sex-disaggregated data and gender specific indicators included in the GAP and DMF are incorporated in the project performance and monitoring system; and that GAP implementation is incorporated in the over-all project workplans and budget.
- (iv) Review contracts and agreements under the project to ensure compliance with GAP requirements; and monitor compliance of partners with gender-specific provisions of the agreement.
- (v) Conduct regular field visits to support and monitor GAP implementation, collect qualitative and quantitative data showing progress on GAP targets and indicators and outcomes. Qualitative data include human interest stories of project beneficiaries showing the project's contribution to gender equality and women's empowerment.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Design and Monitoring Framework

DESIGN AND MONITORING FRAMEWORK

Impact the ERRM is Aligned with

Social and economic recovery in Marawi achieved by 2023 (Bangon Marawi Comprehensive Reconstruction and Recovery Program, 2019–2022)^a

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome Adverse social impact of the armed conflict on affected persons mitigated	By 2023: a. Remaining IDPs (disaggregated by sex) reduced by 80% (August 2018 baseline of remaining IDPs: 73,266 [54% female]) b. All-season road accessibility to and within Marawi reestablished (2018 baseline: Road accessibility not ensured all season) c. 24/7 potable water supply reestablished in 19 <i>barangays</i> (villages) (1,392 households; about 3,500 women) under the Marawi city water district (2018 baseline: Intermittent water supply) d. At least 20% increase in people (50% women) ^b in Marawi and surrounding areas with improved access to health services (2018 baseline: 250,000 catchment population) e. 75% of Department of Education schools in Marawi and surrounding municipalities ^c meeting Department of Education minimum standards for quality (2017 baseline: 0%)	a. TFBM progress reports on implementation of BMCRRP and status of IDPs b. DPWH-Autonomous Region in Muslim Mindanao's road database and consultant's surveys c. Project construction records and project progress reports d. Clinic patient records e. Department of Education records	Possibility of intermittent conflict in Lanao del Sur
Outputs 1. Quick-disbursing support for the recovery program implemented	By 2023: a. Up to 449 PPA in the BMCRRP implemented in the following categories: (i). local governance, (ii) housing assistance,	TFBM subcommittee monitoring and evaluation reports	Lack of coordination on reconstruction and recovery efforts between different national and

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	(iii) business and livelihoods, and (iv) social services (2017 baseline: 0%) ^d		local government agencies Contentious land acquisition and registration delays civil works
2. Connectivity reestablished	By 2023 a. At least 22 km of roads and bridges in Marawi or on connecting highways are rehabilitated and improved, including safety features for women, children, elderly, and people with disabilities ^e (2017 baseline: 0 km of roads and bridges)	DPWH annual road network status reports	Political and security risks to contractors and consultants delay civil works Lack of operation and maintenance of water supply systems because of legal and financial challenges of water district
3. Water utilities and health infrastructure restored	By the end of 2020: a. At least 15.4 km of water supply pipes reconstructed and rehabilitated (2018 baseline: 15.4 km of damaged and/or dilapidated pipelines) b. Two new local health units, with birthing facilities, constructed to Department of Health standards and equipped to meet the 4:1 service delivery requirement, and three new mobile health clinics operational (2018 baseline: 0) c. At least 20% of rural health unit, urban health unit, and mobile clinic staff (including midwives and nurses) have increased service delivery skills (2018 baseline: 0)	a.–b. Project construction records and project progress reports c. Post-workshop survey of participants	Limited medical supplies and/or budget for operation and maintenance for health facilities
4. Social services and livelihoods support improved	By 2021: a. At least 3,600 people receive income-generating social service support ^g (at least 50% female; 20% youth) (2018 baseline: 0) b. At least 300 classrooms upgraded and equipped with basic equipment and materials (2018 baseline: 0) d. 400 education staff have increased skills in delivering	a.–b. Save the Children Philippines biannual monitoring and evaluation reports c. Post-training survey of participants	

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
	gender-responsive psycho-social support and quality conflict-sensitive education (2018 baseline: 0)		

Key Activities with Milestones

1. Quick-disbursing support for the recovery program implemented

- 1.1 Publish audited statement of eligible expenditures for FY2019 by the end of December 2020.
- 1.2 Publish audited statement of eligible expenditures for FY2020 by the end of December 2021.

2. Connectivity reestablished

- 2.1 Recruit design consultant by April 2019 and complete detailed designs by December 2019.
- 2.2 Complete land acquisition and resettlement activities by April 2020.
- 2.2 Recruit supervision consultant and award civil works contracts by April 2020.
- 2.3 Complete civil works by March 2022.

3. Water utilities and health infrastructure restored

- 3.1 Procure mobile health facilities by January 2019 and medical equipment by June 2019.
- 3.2 Construct health units by November 2019.
- 3.3. Consult locally on draft master plan for water supply, drainage, and sewerage in 2019 and 2020 with 50% participation of women.
- 3.4 Complete master plan for water supply, drainage, and sewerage by April 2020.
- 3.5 Design–build contractor constructs water supply works by April 2020.

4. Social services and livelihoods support improved

- 4.1 Match beneficiaries with short-term emergency employment opportunities by Q2 2019–Q4 2020.
- 4.2 Procure and deliver livelihood materials, equipment, and tools by Q3 2019–Q4 2020.
- 4.3 Provide school furniture in affected schools and temporary learning spaces by April 2019.
- 4.4 Support Department of Education to identify and integrate core competencies and messages on gender-sensitive peace education in the kindergarten to grade 12 curricula by December 2020.

Budget Support

Asian Development Bank:

Ordinary capital resources loan: \$400,000,000

Urban Climate Change Resilience Trust Fund under the Urban Financing Partnership Facility: \$5,000,000

Japan Fund for Poverty Reduction: \$3,000,000

Government of the Philippines: \$31,650,000^f

Assumptions for Partner Financing

Not applicable

BMCRRP = Bangon Marawi Comprehensive Reconstruction and Recovery program; DOE = Department of Education; DPWH = Department of Public Works and Highways; FY = fiscal year, IDP = internally displaced person; km = kilometer; Q = quarter; PPA = programs, projects, and activities; TFBM = Task Force Bangon Marawi.

^a Government of the Philippines, National Economic and Development Authority. 2018. *Bangon Marawi Comprehensive Reconstruction and Recovery Program, 2019–2023*. Manila.

^b Per 2015 population census, the combined population in the directly affected local government units of Marawi, Piapago, and Butig was 246,527, which represents the catchment and a significant portion of the displaced populations.

^c Municipalities include Marantao, Piapago, and Saguiaran, covered in the BMCRRP as affected areas.

^d Components covered under output 4 (SS-2, 15, 16, 27, 28, 33, and 34; and LBD-35) in the BMCRRP will not be double counted in this reporting.

^e Income-generating social service support will include the provision of livelihood starter kits, livelihood-related equipment, and emergency employment.

^f Government counterpart financing includes taxes and duties, land acquisition and resettlement costs, incremental administration costs, and financial charges during construction.

Source: Asian Development Bank.

B. Monitoring

64. Within 3 months after loan effectiveness, DPWH with assistance from the design and supervision consultant will establish a project performance monitoring system, similar to the one designed for IGCMRSP. The consultant will implement a monitoring and evaluation program,

which will include the collection of 'before' and 'after' data on traffic volume and type, condition of roads and bridges, transport tariffs, as well as the collection of sex-disaggregated socio-economic data. This information will be included in the quarterly reports submitted to ADB, and serve as a basis for project evaluation.

65. **Environmental Safeguard Monitoring.** The project is categorized B for environment. The UPMO with assistance of the project implementation consultant will supervise the implementation of the environmental management plans and conduct monthly monitoring. The results of the monthly monitoring will be summarized in the quarterly reports which in turn will be consolidated into semi-annual environmental monitoring reports for review and public disclosure by ADB. DPWH shall submit a Project Completion Environmental Monitoring Report after completion of construction.

66. **Gender Action Plan Monitoring.** The ESSD will serve as a GAP monitoring body, as for IGCMRSP. The social development and gender specialist under the project implementation consultant will coordinate and supervise the implementation of the gender actions, including gender related indicators/targets included in the DMF. He/she shall ensure that the project performance management system (PPMS) integrates collection, analysis and reporting of sex-disaggregated data, wherever relevant. Participatory monitoring of project impact will be implemented at the mid-term of the project and this will include focus group discussion and interviews with women who are direct beneficiaries of activities supported by the project to obtain both quantitative and qualitative data.

67. **Financial Management Action Plan Monitoring.** DPWH, with assistance of the Project Implementation Consultant will monitor and update the implementation of the FMA and FMICRA (Appendix 2) and report upon its implementation in the project's Consolidated Annual Reports.

68. **Social Safeguards Monitoring.** The project is categorized A for involuntary resettlement, and therefore two types of monitoring are required—internal and external. It is expected that one month prior to the start of civil works, all social safeguards plan activities have been determined by the ESSD, as internal monitoring agent and external monitor as having been concluded. The project is categorized B for IP, but as a joint RP-IP plan will be prepared, monitoring of IP safeguard will fall under the arrangements for IP safeguard. During resettlement activities, UPMO will prepare with assistance of the internal monitor quarterly monitoring reports, and the external monitor will prepare reports on a semi-annual basis. The external monitor will also prepare a "resettlement compliance report" following completion of resettlement activities per subproject or section of road, which will be submitted to ADB prior to commencement of construction activities on the subproject or section. Key points for monitoring are provided, though not limited to these:

- (i) Payment of compensation to all APs/IPs in various categories, according to the compensation policy described in the social safeguards planning document.
- (ii) Delivery of livelihood restoration and social support entitlements.
- (iii) Public information dissemination and consultation procedures.
- (iv) Adherence to grievance procedures and outstanding issues requiring management's attention.
- (v) Priority of APs/IPs regarding the options offered.
- (vi) The benefits provided from the project.

69. The project will rely on the set of internal monitoring indicators, external monitoring indicators, and monitoring reports developed for IGCMRSP.¹⁸ The ESSD will serve as the Project's internal monitoring body on resettlement, as for IGCMRSP. Quarterly monitoring reports will be submitted to the UPMO starting from the commencement of social safeguards documents/plans, which coincide with the conduct of detailed design and the other resettlement related activities. The UPMO in turn will consolidate the quarterly reports and submit semi-annual monitoring reports to ADB for review and uploading on the ADB website. The internal monitor's tasks will be the same as under IGCMRSP.¹⁹ The TORs of the external monitor will extend the external monitoring tasks under IGCMRSP to the project roads.

70. Monitoring Disclosure. For internal monitoring, DPWH will generate the data for a full and consolidated semi-annual monitoring report (IMR) to be submitted to ADB. Monitoring reports are subject to review by ADB and posted on the ADB and project websites for disclosure purposes. DPWH through its implementing units shall disclose results of monitoring pertinent to the sites specifically to the affected communities/persons in summary form, to wit: status of the social safeguards planning document, information on benefits sharing, and corrective action plans, if any. Community disclosures will be in the language commonly understood by the AHs/IPs and posted at a location commonly agreed with AHs/IPs and village leaders.

C. Evaluation

71. ADB will hold a project review mission with DPWH at least twice a year to monitor performance during implementation. Within 24 months after effectiveness, ADB will carry out a mid-term review mission. Within 6 months of physical completion of the project, DPWH will submit a project completion report to ADB, following which ADB will hold a project completion review mission.

D. Reporting

72. DPWH's reporting requirements are summarized in Table 12.

Table 12: Project Reporting Requirements

Reporting Requirements	Periodicity	Start Date	End Date
a- Quarterly Progress Reports	Quarterly	Within three months after effectiveness	Until project completion mission
b- Consolidated Annual Report	Annual	January 2020	
c- Environmental Monitoring Report	Semiannual, and after completion of activities	Commencement of construction works	Completion of all works
d- Resettlement and Social Monitoring Report	Semiannual	Commencement of resettlement activities	Completion of all resettlement activities
e- External Resettlement Monitoring Report	Semiannual	Within 6 months after commencement of resettlement activities	Completion of all resettlement activities

¹⁸ Ibid.

¹⁹ ADB. 2017. *Project Administration Manual for Philippines: Improving Growth Corridors in Mindanao Road Sector Project*. Manila

Reporting Requirements	Periodicity	Start Date	End Date
f- Resettlement Completion Reports	Once, for each subproject	When all resettlement and income restoration activities are completed	
g- Environmental Completion Reports	Once, for each subproject	When all civil works are completed	
h. Gender Action Plan reporting	Integrated into the Quarterly Progress Reports and Consolidated Annual Reports	Within three months after effectiveness	Until project completion mission
i- Audit Report	Annually, within 6 months after the end of the fiscal year	June 2020	Loan completion year
j- Project Completion Report	Once	Three months before closing of all contracts	

Note: project performance and gender action plan monitoring information will be reported as part of the quarterly reports and annual reports.

E. Communication Strategy

73. The project's communication strategy for Output 2 will draw and adapt the strategy used under IGCMRSP (Table 13). ADB will separately recruit a national communications consultant with experience in the area to identify local stakeholders in Marawi and propose a conflict-sensitive approach to engagement and information.

Table 13: Stakeholder Communication Strategy Matrix

Stakeholder Communication Strategy Matrix								
<p>Project communication objectives: To create a well-informed and supportive stakeholder community for the project, by:</p> <ul style="list-style-type: none"> • Delivering relevant information to stakeholders in an appropriate and timely manner. • Obtaining accurate and timely feedback from stakeholders. • Ensuring a regular two-way flow of information between the project team and stakeholders, and establishing consultative information sharing mechanisms. 								
Stakeholders	Desired outcome	Risks	Information	Activities	Communications	Timing	Responsibility	Resources
Project affected persons	Complete understanding and acceptance of the project and project impacts. Meaningful consultation on impacts and mitigation measures. Understanding of entitlements and grievance redress mechanism.	Accuracy, completeness and timeliness of information. Literacy barriers. Concerns addressed in timely manner	Project objective, project plans (IEE/EMP, RP), land acquisition impacts, entitlements, compensation rates, safeguard and resettlement policies, and grievance redress mechanism, as well as resettlement and income restoration strategies. Activities during project preparation and implementation. Broader project benefits.	Provide easily understandable, gender sensitive and culturally appropriate and accessible information (leaflets and brochures) Community consultations: engage stakeholders in soliciting meaningful feedback. FGDs and KIs Meetings with affected households – alignment surveys, ROW procedures, impact minimization, updated resettlement framework, GRM Establishment of a project information office overseen by dedicated DPWH Communication Focal Point.	Meetings with project affected persons Distribution of Public Information Booklet (PIB) and project FAQ Sustained and regular engagement with communities Project phone hotline number posted in communities and along highway. All hotline calls logged, and issues addressed as required. Project website and Facebook	Throughout project	DPWH Communication Focal Point Implementation Consultants	Sufficient funds to produce and disseminate information materials Sufficient funds for regular community engagement Sufficient funds for phone hotline and signage. Sufficient funds for establishment and upkeep of project website, and Facebook. Sufficient dedicated human resources to ensure all functions can be fully carried out. Capacity building by project implementation consultants.
Project beneficiaries, regular road users, Transport Orgs.	Understanding of project rational, and project implementation program. Understanding project commitment to transparency Link project benefits with transport services and operations. Made aware of possible construction/ traffic delays in advance.	Lack of understanding of project activities, implications and results. Lack of regular updates, information flow Disruption during construction period.	Regular messages and information sharing activities on project developments. Construction developments, delays	Public information updates (leaflets and brochures) Establishment of a project information office. Notice of construction developments, delays Engage stakeholders in soliciting meaningful feedback.	PIBs, consultations Website, Facebook Local Media Notification of construction delays well in advance: along road and online Hotline number posted	Throughout project	DPWH Communication Focal Point Implementation Consultants	See above. Sufficient funding for activities implementation, and sufficient human resources Capacity building by project implementation consultants.

Stakeholders	Desired outcome	Risks	Information	Activities	Communications	Timing	Responsibility	Resources
Government Officials	Understand and support project. Link project benefits with other development opportunities.	Alignment of project with local plans. Changes in leadership—lack of familiarity with project requirements. Commitment to communications, engagement	Meetings and workshops. Project plans, projected impacts, benefits. Protocol for meaningful consultation and grievance redress.	Meetings and workshops. Briefings on resettlement policies, etc. Monthly information sharing (e-newsletter). Meetings with EA on updated IEE and EMP, and their disclosure	PIB. Engaging officials to ensure support for project objectives and requirements. Project performance reports.	Throughout project	DPWH Communication Focal Point Implementation Consultants	See above. Sufficient funding for activities implementation, and sufficient human resources
Local leaders	Understand and support project. Link project benefits with other development opportunities. Involvement in consultation process. Understanding of process for handling concerns, grievance redress	Accuracy, completeness, timeliness of information	Project plans, projected impacts, benefits	Meetings local leaders. Monthly information sharing. Provide easily-understood information. Establishment of a project information office.	DPWH's designated communication focal point will provide local leaders with regular (at least monthly) project updates, which they in turn can share with local communities. Updates will be concurrently shared via the project website and Facebook. PIB, information materials.	Throughout project	DPWH Communication Focal Point Implementation Consultants	See above. Sufficient funding for activities implementation, and sufficient human resources
Community organizations, RCIs, local NGOs and women's organizations	Understand project rationale, implementation program and ADB's Safeguard Policy Statement. Understand project benefits for communities. Community participation	Relationship with project team, Accuracy, timeliness, completeness of information. Trust	Regular messages and information sharing activities. Project plans, impacts, procedures, etc.	Information dissemination. Project information office. Website, Facebook	PIB. Consultations. Project performance reports and project information documents. Grievance Redress Mechanisms	Project Throughout project	DPWH Communication Focal Point Implementation Consultants	See above. Sufficient funding for activities implementation, and sufficient human resources

X. ANTICORRUPTION POLICY

74. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.²⁰ All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all project contractors, suppliers, consultants, and other service providers. Individuals and/or entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the project.²¹

75. To support these efforts, relevant provisions are included in the loan agreement and the bidding documents for the project.

XI. ACCOUNTABILITY MECHANISM

76. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.²²

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

77. All revisions and/or updates during the course of implementation should be retained in this section to provide a chronological history of changes to implemented arrangements recorded in the PAM, including revision to contract awards and disbursement s-curves.

²⁰ Anticorruption Policy: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

²¹ ADB's Integrity Office web site: <http://www.adb.org/integrity/unit.asp>

²² Accountability Mechanism. <http://www.adb.org/Accountability-Mechanism/default.asp>.

APPENDIX 1 SUBPROJECT SELECTION CRITERIA AND LIST OF POTENTIAL SUBPROJECTS UNDER OUTPUT 2

1. **Criteria.** DPWH will update and finalize the list of investments to be financed by the project with support from the detailed design and the supervision consultants. To be financed, the subproject will have to meet the following criteria:

- (i) Listed under BMCRRP, and any update.
- (ii) Related to the repair, upgrade, rehabilitation, reconstruction or otherwise improvement of roads and bridges, and drainage/flood control.
- (iii) DPWH has the authority to implement;
- (iv) Located in (i) Marawi city, Saguiaran or Piagapo, or (ii) along a national highway in Mindanao and providing essential connectivity to Marawi City;
- (v) Technically feasible, as evidenced by a preliminary or detailed design;
- (vi) Economically viable, as demonstrated by an economic internal rate of return (EIRR) equal to or greater than 10% or other criteria consistent with ADB's *Guidelines for the Economic Analysis of Projects provided that any Subproject for repair and restoration are deemed to satisfy this criteria*;
- (vii) Security conditions enable safe preparation and implementation of the works.
- (viii) Estimated Subproject implementation period is within the overall project implementation timeframe; and
- (ix) No duplication of funding.

2. **Process.** Each subproject will be prepared and appraised in accordance with the following process:

- (i) DPWH will conduct a technical study and prepare and fill out safeguard categorization checklists, in accordance with the project's safeguards framework documents.
- (ii) DPWH conducts an economic analysis in accordance with ADB's *Guidelines for the Economic Analysis of Projects*.
- (iii) DPWH confirms by letter to ADB that each subproject meets the selection criteria and attaches as a summary appraisal report the findings of the technical study, safeguard categorization checklists and economic analysis. ADB will review and approve all subprojects.
- (iv) DPWH prepares and provides to ADB for review and concurrence all safeguard documentation: Resettlement and Indigenous Peoples Development Plan (RIPDP), Initial Environmental Evaluation (IEE) and Environmental Management Plan (EMP).
- (v) No works for a subproject with environmental impacts shall be awarded before the IEE has received the final approval from DENR and ADB, and the provisions of the EMP have been reflected in the contracts.
- (vi) The Borrower, through DPWH, shall not provide site possession to Works contractor in relation to any encumbered site involving resettlement and/or indigenous peoples impacts, until the Borrower has prepared and submitted to ADB the final RIPDP based on the subprojects' final design and obtained ADB's clearance of such RIPDP.

3. Potential subprojects identified by DPWH are in Table A1.1

Table A1.1: Potential Subprojects under Output 2

		Government Timeframe	Notes
1	Construction of Transcentral Roads	2018-2020	Marawi city
2	Construction of Main Outlet Drainage System, Phase I	2018	Greater Marawi area
3	Rehabilitation/ Improvement of Beyaba Damag Open Channel (5.0 x 2.0 m); L=2,000.00 Im (Barangays Basak Malutlut, Biaba Damag, Cadayonan, Marawi City)	2019-2020	Greater Marawi area
4	Construction of Slope Protection Works along Marawi-Bito Road, Marawi City (Barangay Emie Punud)	2019	Greater Marawi area
5	Construction of Main Drainage Outlet Bangon-Luksadatu Lake Lanao Phase II, Marawi City (Barangays Bangon and Luksadatu)	2019	Greater Marawi area
6	Construction of Permanent Rorogagus Bridge; L = 95.0 Im (Brgys. Rorogagus Proper and Rorogagus East)	2019-2020	Greater Marawi area
7	Construction of Malabang Viaduct (1.6 km)	2019-2020	Malabang
	Total		

APPENDIX 2: Financial Management, Internal Control and Risk Assessment

Risk Description	Risk Assessment Without Mitigation	Mitigation Measures	Risk Assessment With Mitigation
Inherent Risk			
1. Country Specific – Budget reliability, accounting and reporting and external scrutiny are weak.	Substantial	Continuation of PFM reforms by the Government of the Philippines through the following: (a) PFM Reform Roadmap; (b) Good Governance and Anti-Corruption Cluster Plan and (c) several stand-alone initiatives.	Moderate-Low
2. Entity Specific – Adverse audit opinion for the agency has for 4 years already	Substantial	Under L3631, ADB will finance the installation of an Integrated Enterprise Financial Management System (FiMS).	Moderate
Overall Inherent Risk	Substantial		Moderate
Project Risk			
1. Implementing Entity – The experience of the DPWH with ADB projects is limited.	Moderate	A consultant will be recruited under the loan to undertake the financial monitoring and reporting requirements for the loan at the executing agency. In addition, ADB will provide training on ADB's disbursement guidelines and procedures to the relevant staff of the DPWH.	Moderate
2. Funds Flow–The ongoing project with ADB primarily uses the direct payment procedure.	Low		Low
3. Staffing – Existing staff members of the Accounting Division of the DPWH will be assigned to handle the financial management of the project in addition to their regular workload. There is a possibility that the preparation of the project financial statements may be delayed.	Moderate	A consultant will be engaged to assist in the financial monitoring and reporting requirements for the loan and will be based at the PMU and the DPWH.	Low

Risk Description	Risk Assessment Without Mitigation	Mitigation Measures	Risk Assessment With Mitigation
Staff will not be well-versed in ADB policies and procedures, and reporting requirements.		ADB will provide training on ADB's disbursement guidelines and procedures to the relevant staff of the DPWH.	
4. Accounting Policies and Procedures – The expenditure categories under the DPWH chart of account are different from those used in ADB projects. The accounting staff of the DPWH will not prepare the project financial statements according to ADB's expenditure categories unless formally notified and oriented on the need to do so.	Moderate	The cost categories of the project should be prepared following the chart of accounts of DPWH.	Low
5. Internal Audit – ADB assisted projects are not included in the audit plan	Substantial	The EA will be required to include ADB-assisted projects in their audit plan.	Low
6. External Audit – There have been substantial delays in the APFS submission for the Road Improvement and Institutional Development Project.	Low		Low
<p>7. Reporting and Monitoring</p> <p>7.1. The COA issued qualified opinion on the fairness of the presentation of the consolidated financial statements for Loan 2836 due to delays in updating Construction in Progress and non-restatement of previous financial statements.</p> <p>7.3. The latest APFS (2017) presents the consolidated results of the project; it does</p>	High	<p>The cost categories of the project should be prepared following the chart of accounts of DPWH. A consultant will also assist the PMU and DPWH in ensuring timely and proper submissions of the APFS.</p> <p>Under L3631, ADB will finance the installation of an Integrated Enterprise Financial Management System (FiMS).</p>	Moderate

Risk Description	Risk Assessment Without Mitigation	Mitigation Measures	Risk Assessment With Mitigation
not present the information on a per financier basis. The accounting system follows the chart of accounts mandated by the COA. Thus, expenditures categories used are different from those indicated in the ADB loan agreement. Therefore, the expenditures funded by the ADB loan cannot be determined from the APFS as required by the ADB.			
8. Information Systems– Not all financial reports can be generated from the system. The preparation of the statement of cash flows requires manual intervention and the use of Excel, which may result in errors.	Substantial	Under L3631, ADB will finance the installation of an Integrated Enterprise Financial Management System (FiMS).	Low
Overall Project Risk	Substantial		Moderate
Overall (Combined) Risk	Substantial		Moderate

Project Administration Manual

Project Number: 52313-001
Grant Number: GXXXX
November 2018

Republic of the Philippines: Emergency Assistance
for the Reconstruction and Recovery of Marawi
Project

Output 3: Restoring water utilities and health
infrastructure

ABBREVIATIONS

ADB	=	Asian Development Bank
BMCRRP	=	Bangon Marawi Comprehensive Rehabilitation and Recovery Program
CHO	=	City Health Office
DOF	=	Department of Finance
DOH	=	Department of Health
DPWH	=	Department of Public Works and Highways
EA	=	executing agency
EARF	=	environmental assessment and review framework
ERRM	=	emergency assistance for the reconstruction and recovery of Marawi
GAP	=	gender action plan
HUDCC	=	Housing and Urban Development Coordinating Council
IA	=	implementing agency
ICRC	=	International Committee of the Red Cross
IDP	=	internally displaced persons
IPHO	=	Integrated Provincial Health Office
LGU	=	local government unit
LWUA	=	Local Water Utilities Administration
MCWD	=	Marawi City Water District
NEDA	=	National Economic Development Authority
OCB	=	open competitive bidding
PAM	=	project administration manual
PPA	=	projects, programs and activities
QCBS	=	quality-and-cost based selection
REMDf	=	resettlement and ethnic minority development framework
REMDP	=	resettlement and ethnic minority development plan
RRP	=	Report and Recommendation of the President to the Board
SPRSS	=	Summary Poverty Reduction and Social Strategy
SPS	=	Safeguard Policy Statement
TFBM	=	Task Force Bangon Marawi
TOR	=	terms of reference
UCCRTF	=	Urban Climate Change Resilience Trust Fund

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Project Administration Manual Purpose and Process

- . The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with the policies and procedures of the government and Asian Development Bank (ADB). The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.
- . The Local Water Utilities Administration (LWUA) and the Department of Health (DOH), with strategic oversight from the Department of Public Works and Highways (DPWH), is responsible for the implementation of the grant financed under the Urban Climate Change Resilience Trust Fund (UCCRTF), as agreed jointly between the Recipient and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by LWUA of their obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.
- . At grant negotiations, the Recipient and ADB shall agree to the PAM and ensure consistency with the grant and project agreements. Such agreements shall be reflected in the minutes of the grant negotiations. In the event of any discrepancy or contradiction between the PAM and the grant and project agreements, the provisions of the grant and project agreements shall prevail.
- . After ADB Board approval of the project's report and recommendations of the President (RRP), changes in implementation arrangements are subject to agreement and approval pursuant to relevant government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval, they will be subsequently incorporated in the PAM.

I. PROJECT DESCRIPTION

1. The Government of the Philippines has requested ADB to provide emergency assistance combining a \$400 million Emergency Assistance Loan (EAL) and \$8 million in grants to support the reconstruction of Marawi. The Emergency Assistance for the Reconstruction and Recovery of Marawi Project (ERRM) is structured to provide the Government of the Philippines (government) with immediate and flexible financing to implement programs, projects and activities (PPAs) included in the *Bangon Marawi Comprehensive Rehabilitation and Recovery Program* (BMCRRP), as may be updated from time to time.¹ The ERRM comprises of four outputs: (i) fiscal support; (ii) reestablishing connectivity in Marawi by building back better public infrastructure; (iii) restoring water utilities and health infrastructure; and (iv) improving social services and livelihoods to affected persons.

2. This Project Administration Manual sets implementation arrangements for Output 3 (restoring water utilities and health infrastructure)

3. Output 3 of the ERRM will be financed by a \$5 million grant under the Urban Climate Change Resilience Trust Fund (UCCRTF). It will include a water supply component and a health component. These two sectors have been identified as critical components for the recovery of the city. Hence, UCCRTF as a multi-donor trust fund created to enhance resilience, particularly of the poor and vulnerable, is directing its support towards the provision of these key urban services.²

4. For the water component, the output will finance reconstruction and rehabilitation of water supply infrastructure in the areas of the existing water supply system, comprising 19 barangays (villages) currently served by Marawi City Water District (MCWD) and develop a comprehensive water supply, septage/sewerage and drainage master plan for the city. The new infrastructure will improve 24-hour supply of water with a minimum pressure of 10 psi. The grant will build on the study conducted by Maynilad with support from the International Committee of the Red Cross (ICRC) which was completed in August 2018. The master plan shall be informed by consultations held with the local communities, ensuring participation of women and marginalized groups. The water supply component supports items 118 and 119 in the physical infrastructure PPAs under the BMCRRP.

5. The health component will finance the construction of two local health units, procurement of mobile health facilities, and institutional and operational support. The grant will finance the construction of 2 local health units (an Urban Health Unit³ in Marawi; and a Rural Health Unit in Piagapo) as model health units that meet or exceed national standards. The health units will incorporate climate resilience measures (solar powered refrigeration), be well equipped, have birthing facilities and have provisions for water supply and sanitation.⁴ The grant will also finance the procurement of mobile health facilities (3 mobile health clinics, 2 ambulances, 2 patient

¹ Government of the Philippines, National Economic and Development Authority-Regional Development Office. 2018. *Bangon Marawi Comprehensive Rehabilitation and Recovery Program*. Manila.

² All UCCRTF supported interventions are expected to be completed by Q4 2021 due to the fund's operational closure.

³ In this PAM, the health unit located in Marawi city is referred to as an "Urban Health Unit". The DOH standard design for Rural Health Units will also apply to the health unit in Marawi City.

⁴ The two health units will be equipped to meet the 4:1 service delivery requirement, comprising (i) *Tamang Serbisyo sa Kalusugan ng Pamilya* (TSeKaP, a primary health care package under the Philippine Health Insurance Corporation); (ii) Maternal Care Package; (iii) Directly observed treatment, short-course for tuberculosis (TB DOTS) and (iv) Animal Bite Services.

transport vehicles and 1 monitoring vehicle) for the Integrated Provincial Health Office (IPHO) and the City Health Office (CHO). The provision of mobile health facilities will enable the restoration of essential health services, including reproductive health services, to Marawi City (through the City Health Office) and surrounding areas hosting IDPs (through the Integrated Provincial Health Office).⁵ The health component support related to items 163 and 168 in the physical infrastructure PPAs and items 37, 39, 41 and 51 in the social services PPAs under the BMCRRP. The procurement of mobile health facilities is required to deliver items 35 to 37 in the social services PPAs.

6. As a UCCRTF grant, the design of the proposed interventions have to embed climate change and disaster resilience and must demonstrate transformative elements (i.e. building back better). The grant will also provide institutional and operational support related to the above activities.

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

7. Key project readiness activities and milestones are:

- (i) Develop specifications for mobile health facilities (G-01) and medical equipment for urban and rural health units (G-2) –September 2018
- (ii) Confirm geographic coverage of water supply investments – September 2018
- (iii) Confirm scope for Water Supply, Sewerage and Drainage Master Plan (CS-01) and reconstruction and rehabilitation of water supply system (CW-01) – October 2018
- (iv) Grant negotiations – November 2018
- (v) Grant approval – December 2018

B. Overall Project Implementation Plan

8. The grant will be formally approved in December 2018, and project activities are expected to be completed by 30 April 2020. The formal project completion date is 30 September 2020 and formal project closure is 31 December 2020.

⁵ The mobile health facilities will cover Marawi city as well as the first and second congressional district areas of Lanao Del Sur province (refer Attachment 4).

Table 1: Project Implementation Plan for Water Supply

Activities	Responsible	2018			2019								2020														
		Q4			Q1			Q2		Q3			Q4		Q1			Q2		Q3			Q4				
		O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N
Preparation of design specifications for Design-Build Contractor for water supply	LWUA, ADB																										
Negotiations and contract signature with master planning consultant	LWUA																										
Negotiations and contract signature with design-build contractor for water supply	LWUA																										
Preparation and approval of Master Plan for Water Supply, Drainage and Sewerage	Master Planning Consultant, LWUA																										
Design and implementation of water supply works by Design-Build Contractor	Water supply contractor, LWUA																										

LWUA = Local Water Utilities Administration

The project completion date will be 30 September 2020; the project closure date will be 31 December 2020

Table 2: Project Implementation Plan for Health Component

Implementation schedule for health component

Activities	Responsible	2018			2019								2020															
		Q4			Q1			Q2		Q3			Q4		Q1			Q2		Q3			Q4					
		O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Health Component																												
Prepare design specifications and bidding documents for design-build contractor for UHU and RHU	ADB, DOH, IPHO, CHO																											
Hiring of contractor for construction of UHU and RHU	DOH																											
Construction of UHU & RHU	Contractor, DOH, IPHO, CHO																											
Prepare bidding documents for mobile health facilities (G-01)	ADB, IPHO, CHO, DOH																											
Procurement of Supplier for mobile health facilities (G-01)	DOH																											
Fabrication and delivery of mobile health facilities (G-01)	Supplier for mobile health facilities																											
Prepare bidding documents for medical equipment (G-02)	DOH																											
Procurement of Supplier for medical equipment (G-02)	DOH																											
Delivery and installation of medical equipment (G-02)	Supplier for equipment																											

CHO = City Health Office; DOH = Department of Health; IPHO = Integrated Provincial Health Office; RHU = Rural Health Unit; UHU = Urban Health Unit

Note: The project completion date will be 30 September 2020; the project closure date will be 31 December 2020

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations: Roles and Responsibilities

9. The roles and responsibilities of key agencies and organizations in project management for the UCCRTF grant are summarized below.

Table 3: Project Implementation Organizations: Roles and Responsibilities

Project Implementation Organizations	Roles and Responsibilities
Executing Agency (EA)	
Department of Finance (DOF)	Grant Recipient
Department of Public Works and Highways (DPWH) <i>Supported by consultants under the Japan Fund for Poverty Reduction (JFPR) grant</i>	Strategic oversight (all infrastructure components) <ul style="list-style-type: none"> - Consolidate and validate reports mandated under the loan and grant agreements from Implementing Agencies and submit to ADB - Establish, maintain and update the project performance monitoring system - Work with relevant agencies to identify opportunities for follow-on activities in water supply and health under the larger Emergency Assistance Loan - Coordinate implementation of safeguards measures, including land acquisition and resettlement measures included in the Resettlement and Ethnic Minority Development Plan (REMDP), in the unlikely event of significant land acquisition or resettlement impacts
ERRM Projects Steering Committee	
ERRM Projects Steering Committee	High-level, strategic oversight <ul style="list-style-type: none"> - Comprises representatives of Department of Finance (DOF, Chair); Department of Budget and Management (DBM); Department of Public Works and Highways (DPWH) and the National Economic and Development Authority (NEDA). Other agencies, including Task Force Bangon Marawi (TFBM); Local Water Utilities Administration (LWUA); the Department of Education (DepEd), Department of Labor and Employment (DOLE); Marawi City Local Government Unit (LGU), Department of Health Central Office (DOH-CO), Department of Health in the Autonomous Region for Muslim Mindanao (DOH-ARMM) and Office of Civil Defense (OCD) will be part of the Committee on an “on call” basis. - Oversees implementation of all four outputs under the Marawi Reconstruction Emergency Assistance Project - Meets semiannually or as needed to report on progress with BMCRRP implementation for dissemination among all the involved agencies and organizations implementing ERRM and ADB; to address implementation and coordination issues; and provide recommendations on provision of counterpart staff and resources as well as engagement of beneficiaries (particularly local beneficiaries)
Implementing Agencies (IAs)	
Local Water Utilities Association (LWUA) IA for water supply <i>Project Management Unit (PMU) to be</i>	Project Management and Administration: <ul style="list-style-type: none"> - Ensure delivery of grant outputs - Supervise contractors and consultants and ensure quality of works - Liaise and coordinate closely with MCWD, DOH-ARMM, IPHO, CHO, LGU and other agencies to ensure field support for grant activities and works

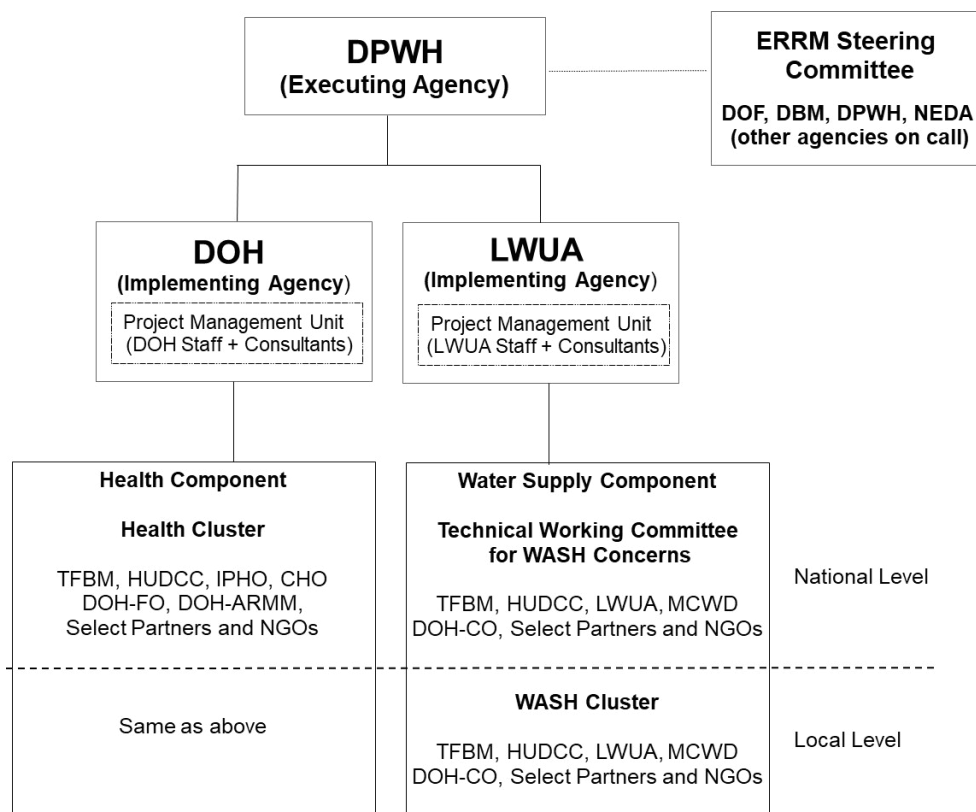
Project Implementation Organizations	Roles and Responsibilities
<p><i>supported by consultants under the Urban Climate Change Resilience Trust Fund (UCCRTF)</i></p>	<ul style="list-style-type: none"> - Prepare project financial reports and have them audited - Prepare and submit quarterly reports to the EA for submission to ADB - Ensure compliance with relevant grant covenants - Approve and ensure that sufficient resources are allocated for O&M (after project completion) of water supply systems <p>Procurement of Goods, Works, and Services:</p> <ul style="list-style-type: none"> - Procure all civil works, goods and consulting services as per ADB Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017, as amended from time to time) <p>Safeguards Compliance:</p> <ul style="list-style-type: none"> - Implement and monitor safeguards compliance, including through submission of quarterly reports to the EA - Coordinate with the EA, Steering Committee and Technical Working Groups regarding any land acquisition or resettlement issues related to the grant <p>Gender Action Plan Implementation:</p> <ul style="list-style-type: none"> - Implement and monitor the Gender Action Plan set forth in this PAM <p>Capacity Building:</p> <ul style="list-style-type: none"> - Propose and participate in consultations and public awareness campaigns - Implement stakeholder communication strategy
<p>Department of Health-Central Office (DOH)</p> <p>IA for health</p> <p><i>Project Management Unit (PMU) supported by procurement, contracts management and health specialists under the Urban Climate Change Resilience Trust Fund (UCCRTF) grant</i></p>	<p>Project Management and Administration:</p> <ul style="list-style-type: none"> - Confirm and coordinate scope for civil works and specifications for goods with IPHO, CHO, and team of consultants - Supervise contractors and suppliers and ensure quality of works and goods for health component - Validate all claims from contractors and suppliers for direct payments by ADB - Liaise and coordinate closely with MCWD, DOH-ARMM, IPHO, CHO, LGU and other agencies to ensure field support for grant activities and works - Provide project updates to LWUA for preparation of quarterly reports to the EA for onward submission to ADB - Prepare project financial reports and have them audited - Implement and monitor the Gender Action Plan set forth in this PAM <p>Procurement of Goods, Works, and Services:</p> <ul style="list-style-type: none"> - Procure all civil works, goods and consulting services as per ADB Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017, as amended from time to time)
Other agencies	
<p>Marawi City Water District (MCWD)</p>	<p>Project Owner for water supply infrastructure and master plan</p> <ul style="list-style-type: none"> - Project owner of the water supply infrastructure - Project owner for water supply, sewerage and drainage master plan - Facilitate and support all field-based activities - Coordinate scope of work and field schedule with IA - Allocate resources (staff and budget) for operations and maintenance

Project Implementation Organizations	Roles and Responsibilities
Integrated Provincial Health Office (IPHO)	<p>Key agency for health component</p> <ul style="list-style-type: none"> - Project owner for rural health unit (RHU) in Piagapo - Confirm ownership and furnish relevant ownership documents for RHU site - Project owner for 2 mobile health clinics, 1 ambulance, 1 patient transport vehicle and 1 monitoring vehicle - Confirm specifications for all infrastructure and equipment - Confirm quality of works during construction (with support from engineering unit of IPHO) and goods during delivery - Allocate physical space and necessary infrastructure for mobile health facilities - Allocate resources (staff and budget) for operations and maintenance
City Health Office (CHO)	<p>Key agency for health component</p> <ul style="list-style-type: none"> - Project owner for the city health unit (CHU) in Marawi - Confirm ownership and furnish relevant ownership documents for CHU site - Project owner for 1 mobile health clinic, 1 ambulance and 1 patient transport vehicle - Confirm specifications for all infrastructure and equipment - Confirm quality of works during construction (with support from city engineers in Marawi City LGU), and goods during delivery - Allocate physical space and necessary infrastructure for mobile health facilities - Allocate resources (staff and budget) for operations and maintenance
Department of Health-Autonomous Region of Muslim Mindanao (DOH-ARMM)	<p>Key agency for health component</p> <ul style="list-style-type: none"> - Advise DOH–Central Office on emerging issues on the institutional arrangements for the health sector with respect to the enactment of the Bangsamoro Organic Law - Provide feedback to the Regional Governor on status of activities under the health component - Ensure provision for deployment of health personnel and provision of medicine for IPHO facilities
Marawi City Local Government Unit (LGU)	<p>Key agency for water and health component</p> <ul style="list-style-type: none"> - Provide advice and recommendations on project activities through the ERRM Steering Committee, as requested - In case land acquisition or resettlement is required, secure relevant legal instruments necessary for the implementation of the REMDP
Technical Working Groups	
Technical Working Groups	<p>Working-level coordination of grant activities</p> <ul style="list-style-type: none"> - Existing TFBM Technical Working Committee for WASH concerns, WASH cluster, and health cluster to serve as working groups for grant activities, supporting coordination of grant activities with other relevant sector initiatives
Asian Development Bank	
ADB	<ul style="list-style-type: none"> - Administer the grant, including procurement review and support, public financial management, safeguards and social monitoring and supervision - Work with relevant agencies to identify opportunities for follow-on activities in water supply and health under the Emergency Assistance Loan.

B. Key Persons Involved in Implementation

Department of Public Works and Highways Executing Agency (EA)	Officer's Name	: Emil K. Sadain
	Position	: Undersecretary for PMO Operations
	Office Address	: DPWH Central Office Bonifacio Drive Port Area, Manila
	Email address	: sadain.emil@dpwh.gov.ph
	Telephone No.	: +63 2 304 3410
Local Water Utilities Administration Implementing Agency (IA)	Officer's Name	: Jeci A. Lapus
	Position	: Acting Administrator
	Office Address	: Katipunan Ave., Balara, Quezon City 1108, Philippines
	Telephone No.	: +63 2 920 5581 (to 99)
Department of Health – Central Office Implementing Agency (IA)	Officer's Name	: Abdullah B. Dumama Jr.
	Position	: Assistant Secretary
	Office Address	: Department of Health, San Lazaro Compound, Tayuman, Sta. Cruz, Manila, Philippines
	Telephone No.	: +63 2 651-7800
Asian Development Bank	Officer's Name	: Vijay Padmanabhan
	Position	: Director, Urban Development and Water Division
	Office Address	: 6 ADB Avenue, Mandaluyong City 1550 Metro Manila, Philippines
	Email address	: vpadmanabhan@adb.org
	Telephone No.	: +63 2 632 6379/5613
	Officer's Name	: Sameer Kamal
	Position	: Urban Development Specialist
	Office Address	: 6 ADB Avenue, Mandaluyong City 1550 Metro Manila, Philippines
	Email address	: skamal@adb.org
	Telephone No.	: +63 2 632 1934

C. Project Organization Structure



II. COSTS AND FINANCING

10. The estimated costs for Output 3 is \$5 million, inclusive of taxes and duties. The government will provide in-kind support, including provision of staff time for project management and administration. No land acquisition and resettlement is anticipated under the grant.⁶

Table 4: Project Investment Plan
(\$ million)

Item	Amount ^a
A. Base Cost^b	
1. Water supply	3.13
2. Health	1.56
Subtotal (A)	4.69
B. Contingencies^c	0.31
Total (A+B)	5.00

^a Includes taxes and duties of about \$0.36 million. Taxes and duties amount does not represent an excessive share of the project cost and will be financed by ADB.

^b In mid-2018 prices as of 13 September 2018.

^c Physical contingencies computed at 6.4% for civil works. Price contingencies computed based on ADB forecast international and domestic inflation rates applied to foreign exchange and local currency costs.

Source: Asian Development Bank.

⁶ If land acquisition and resettlement (whether permanent or temporary) is required, this would be financed under government counterpart contribution.

Table 5: Financing Plan
(\$ million)

Source	Amount ^a	Share of Total (%)
Asian Development Bank		
Urban Climate Change Resilience Trust Fund	5.0	100.0
Total	5.0	100.0

^a Includes taxes and duties of about \$0.36 million. Taxes and duties amount does not represent an excessive share of the project cost and will be financed by ADB.

Sources: Asian Development Bank.

A. Cost Estimates Preparation and Revisions

11. Project costs estimates were prepared by the ADB mission and the UCCRTF advisory team based on discussions with relevant counterpart agencies. The costs for the water supply works was based on the study of the existing water supply system financed by International Committee of the Red Cross, which was further discussed and finalized together with LWUA. The costs for the health facilities and components were based on discussions with Department of Health – Central Office (DOH-CO), Department of Health – Autonomous Region for Muslim Mindanao (DOH-ARMM), Integrated Provincial Health Office (IPHO) and City Health Office (CHO).

B. Key Assumptions

12. The following key assumptions underpin the cost estimates and financing plan:

- (i) Exchange rate: 53.5 Pesos = \$1.00 (as of 3 September 2018).
- (ii) Price contingencies based on expected cumulative inflation over the implementation period are as follows:

Table 6: Escalation Rates for Price Contingency Calculation

Item	2018	2019	2020	Average
Foreign rate of price inflation	1.5%	1.5%	1.5%	1.5%
Domestic rate of price inflation	4.0%	3.9%	3.7%	3.9%

Source(s): ADB

13. Key assumptions for cost estimates are:

- Cost estimates are inclusive of taxes and duties, which are assumed to be 7% of consulting and civil works costs and 12% for goods (i.e. medical equipment). For simplicity, all taxes and duties will be financed under the grant.
- Contingencies are calculated at 6.6% of the base cost, comprising both price contingencies (about 2.1% based on local and international inflation and exchange rate variations, refer table above) as well as physical contingencies (estimated at 6.5% for all civil works, equivalent to 4.5% of the base cost)

C. Detailed Cost Estimates by Expenditure Category

Table 7: Detailed Cost Estimates by Expenditure Category
(\$ million)

Item	Total Cost ^a	% of Total Base Cost
A. Investment Costs^b		
1 Civil Works	3.25	69.3%
2 Goods	0.70	15.0%
3 Consulting Services	0.66	14.0%
4 Incremental Administration Cost ^c	0.08	1.7%
Subtotal (A) (Base Cost)	4.69	
B. Contingencies^d		
1 Physical Contingencies	0.21	4.5%
2 Price Contingencies	0.10	2.1%
Subtotal (B)	0.31	
Total Project Cost (A+B)	5.00	

^a Includes taxes and duties of about \$0.36 million. Such amount does not represent an excessive share of the project cost.

^b In mid-2018 prices as of 13 September 2018.

^c Incremental administration cost include project audit, salaries of contract and/or administrative staff, office rent, travel expenses, transportation, office running costs, computers, equipment, insurance and translation costs.

^d Physical contingencies computed at 6.5% for civil works. Price contingencies computed based on ADB forecast international and domestic inflation rates applied to foreign exchange and local currency costs.

Note: Numbers may not sum precisely because of rounding.

Source: ADB

D. Allocation and Withdrawal of Grant Proceeds

Table 8: Allocation and Withdrawal of Grant Proceeds

Number	Item	Total Amount Allocated for UCCRTF Financing (\$)	Basis for Withdrawal from the Grant Account
		Category	
1	Works, Services, and incremental administration cost for water supply	3,130,000	100% of total expenditures claimed
2	Works, Goods and Services for health	1,560,000	100% of total expenditures claimed
3	Unallocated	310,000	
	Total	5,000,000	

ADB = Asian Development Bank.

E. Detailed Cost Estimates by Financier

Table 9: Detailed Cost Estimates by Financier
(\$ million)

Item	ADB		Total Cost
	Amount	% of Cost Category	
A. Investment Costs			
1 Civil Works	3.25	100.0%	3.25
1a. Water Supply	2.60	100.0%	2.60
1b. Health	0.65	100.0%	0.65
2 Goods	0.70	100.0%	0.70
3 Consulting Services	0.66	100.0%	0.66
3a. Water Supply	0.45	100.0%	0.45
3b. Health	0.21	100.0%	0.21
4 Incremental Administration Cost ^a	0.08	100.0%	0.08
Subtotal (A)	4.69	100.0%	4.69
B. Contingencies			
1 Physical Contingencies	0.21	100.0%	0.21
2 Price Contingencies	0.10	100.0%	0.10
Subtotal (B)	0.31	100.0%	0.31
Total Project Cost (A+B)	5.00	100.0%	5.00
% Total Project Cost		100.0%	

a. Incremental administration cost include project audit, salaries of contract and/or administrative staff, office rent, travel expenses, transportation, office running costs, computers, equipment, insurance and translation costs.

Note: Numbers may not sum precisely because of rounding.

Source: ADB

F. Detailed Cost Estimates by Year

Table 10: Detailed Cost Estimates by Year
(\$ million)

Item	Total	2019	2020
A. Investment Costs			
1 Civil Works	3.25	2.73	0.52
2 Goods	0.70	0.70	0.00
3 Consulting Services	0.66	0.51	0.15
4 Incremental Administration Cost	0.08	0.06	0.02
Subtotal (A) (Base Cost)	4.69	4.00	0.69
B. Contingencies			
	0.31	0.31	0.00
Total Project Cost (A+B)	5.00	4.31	0.69
% Total Project Cost	100%	86%	14%

Source: ADB

G. Contract and Disbursement S-Curve

14. Tables 11 and the figure below shows the contract awards and disbursement projections for the grant over the life of the project, until the grant closure date of December 2020.

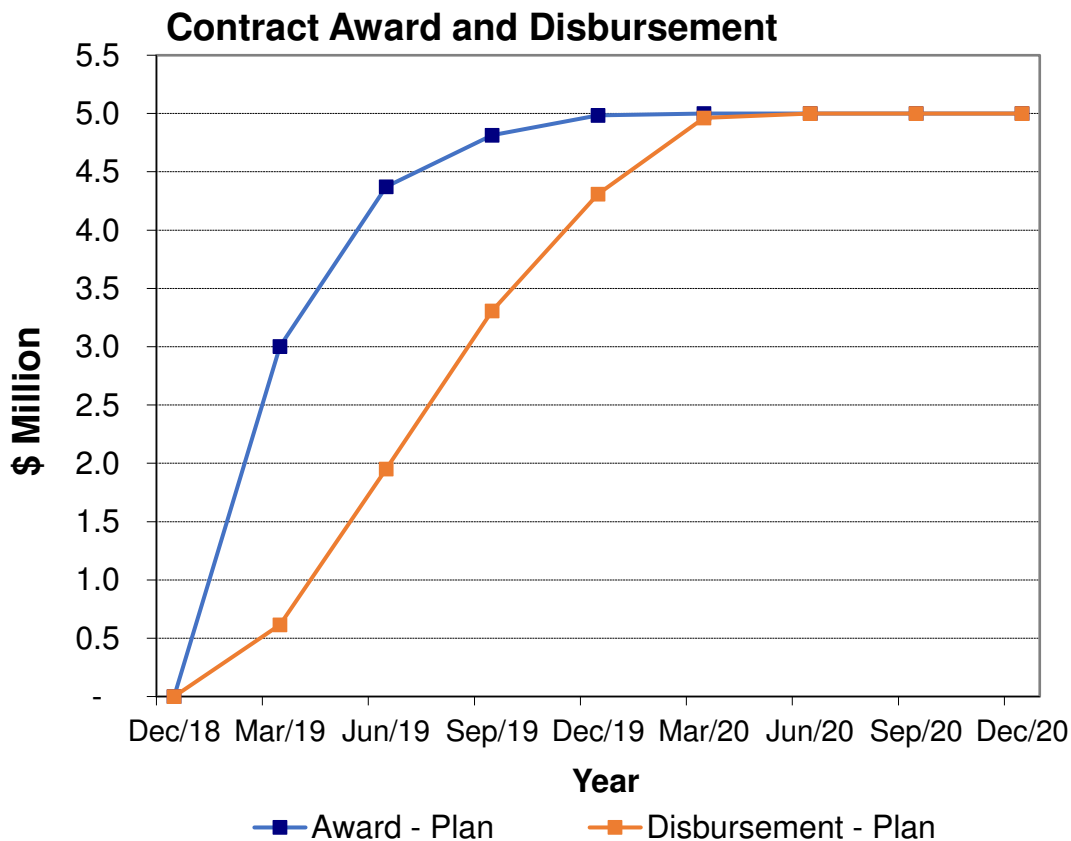
Table 11: Contract awards and disbursements

Contract awards (\$ million)					
	Q1	Q2	Q3	Q4	Total
2019	3.00	1.37	0.44	0.17	4.98
2020	0.02	0	0	0	0.02

Total: 5.00

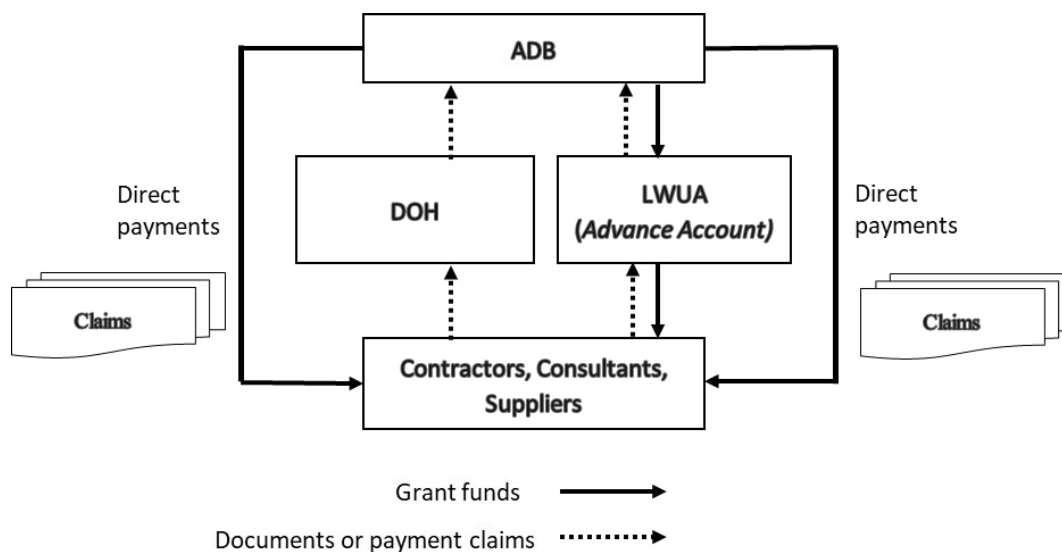
Disbursements (\$ million)					
	Q1	Q2	Q3	Q4	Total
2019	0.62	1.33	1.36	1.00	4.31
2020	0.65	0.04	0	0	0.69

Total: 5.00



H. Fund Flow Diagram

15. The funds flow arrangements are summarized in the figure below. LWUA will establish an advance account, mainly for expenses related to administration of the project. ADB will provide direct payments to contractors, consultants and suppliers based on claims validated by LWUA (for water supply component) and DOH (for health component).



III. FINANCIAL MANAGEMENT

A. Financial Management Assessment

16. This financial management assessment (FMA) was prepared in accordance with Asian Development Bank (ADB) guidelines on Financial Management Assessment⁷ and Financial Due Diligence: A Methodology Note.⁸ ADB requires that, during loan or grant preparation and processing, sufficient analysis is undertaken to enable an informed assessment that the borrower or Recipient's financial management systems are, or will be, sufficiently robust to ensure that funds are used for the purpose intended and that controls will be in place to support project monitoring and supervision.

17. Separate FMAs were conducted, one for LWUA, and one for DOH. Preliminary findings from the FMA for LWUA are included below and will be finalized by grant effectiveness. The FMA for DOH will be completed prior to grant effectiveness.

18. **Financial Management Assessment for LWUA.** The results of the FMA for LWUA under the Water District Development Sector Project were updated for this project. The assessment indicates that with several risk mitigation measures in place, the implementing agency's financial management system is acceptable for the proposed project. The assessment will be continuously updated and the action plans monitored throughout project implementation.

⁷ ADB. 2015. *Financial Management Technical Guidance Note: Financial Management Assessment*. Manila

⁸ ADB. 2009. *Financial Due Diligence: A Methodology Note*. Manila.

19. The FMA considered the capacity of LWUA, including funds-flow arrangements, staffing, accounting and financial reporting systems, financial information systems, and internal and external auditing arrangements.

20. Based on the assessment, key financial management risks identified pertain to the absorptive capacity of LWUA to implement the water supply component, and audit observations by COA in annual audit reports. It is concluded that the overall pre-mitigation financial management risk of LWUA is substantial. These risks are considered manageable as a result of key measures provided, particularly (a) set-up of project management and coordination, and financial administration functions at LWUA, and (b) roll-out of project FM and funds flow arrangements. The financial management action plan is provided in the table below.

Table 12: Project Financial Management Action Plan

Mitigating Action	Output	Responsible Party	Timeframe
Set up of project management and/or coordination functions, and project financial administration at LWUA	<ul style="list-style-type: none"> •Project Steering Committee (PSC), Technical Working Groups (TWGs), and PMUs organized with MOAs signed. •Project accounting and financial reporting arrangements established. •Capacity building for project management, administration and coordination. 	LWUA, PSC, TWGs, PMUs	Within 3 months from effectiveness
Roll-out of project financial management and funds flow arrangements	<ul style="list-style-type: none"> •All project parties oriented. •FM and funds flow arrangements adopted and operational 	LWUA, PMUs, Implementing Partners, ADB	31 December 2018
Engagement of implementation consultants	<ul style="list-style-type: none"> •Engagement of consultants to support PMUs 	LWUA, DOH, ADB	Within 3 months from effectiveness
Compliance with DBM-mandated internal audit arrangement	<ul style="list-style-type: none"> •Internal audit in accordance with government issuance 	LWUA	Within one year from project effectiveness

21. The summary of risks and the proposed mitigation measures identified for the project are summarized in Table 13.

Table 13: Financial Management Risk Assessment and Mitigation Measures and Summary Risk Assessment and Risk Management Plan

Risk Description	Risk Assessment	Mitigation Measures
<i>Country Specific</i>		
Budget reliability, accounting and reporting and external scrutiny are weak.	Substantial	Continuation of PFM reforms by the Government of the Philippines through the following: (a) PFM Reform Roadmap; (b) Good Governance and Anticorruption Cluster Plan and (c) several stand-alone initiatives.
<i>Project Risks</i>		
1. Implementing entity – The absorptive capacity of LWUA could be limited to effectively and timely implement project activities of both the water supply and health components.	Substantial	During project implementation, the ERRM Steering Committee (PSC), Technical Working Groups (TWGs), and Project Management Unit (PMU) should be formally organized. Memorandum of Agreement (MOAs) must be entered into with the Implementing Partners to set forth key responsibilities. DOH will be the IA for the health component. Actual physical and financial progress should be regularly monitored against implementation plans, and any variances to be addressed accordingly and on a timely basis.
2. Staffing – As per current DBM staffing summary report, only 337 out of 447 permanent positions authorized for LWUA were filled.	Low	During project implementation, LWUA should ensure adequate complement of staff assigned to the Project, particularly in the PMU.
3. Accounting policies and procedures – LWUA generally complies with accounting policies and procedures prescribed by COA. However, adverse opinions were rendered on LWUA's audited financial statements for the previous years.	Substantial	During project implementation, LWUA should ensure compliance to prescribed accounting rules and procedures with support from implementation consultants.
4. Internal audit – As noted in the CY2017 Audit Report by COA, the Internal Control Office of LWUA was organized under the Office of the Administrator and not with the Audit Committee of the Governing Board; and it performs functions not in accordance with the related DBM-issued circular on Internal Audit.	Substantial	During project implementation, LWUA should consider internal audit activities on the UCCRTF grant, after complying with the agreed recommendations by COA.
6. External audit – The Commission on Audit (COA) conducts annual audit of LWUA's accounts. COA rendered adverse opinions on the fairness of financial statements for	Moderate	During project implementation, LWUA should closely coordinate with COA regarding annual audit arrangements for the Project for timely submission,

Risk Description	Risk Assessment	Mitigation Measures
CYs 2017 and 2016 of LWUA due to unreliable account balances and various accounting errors and deficiencies. LWUA is currently working with COA to complete the cleanup of LWUA's books.		including satisfactory and acceptable quality of audit reports in accordance with ADB standards. LWUA should also readily resolve any reported audit issue.
7. Reporting and monitoring – COA noted in the CY2017 Audit Report that LWUA has yet to establish adequate and effective monitoring and evaluation system of the implementation of SDG programs, as there were noted delays and suspension of projects.	Low	During project implementation, LWUA has to closely monitor status of outputs and contractors' compliance to agreements, in coordination with PMU consultants; and ensure accurate reporting of actual physical accomplishments in project reports.
<i>Overall Control Risk</i>	Substantial	
<i>Overall FM Risk</i>	Substantial	The implementation of mitigation actions as proposed will reduce to risk to moderate.

22. The assessment indicates that with several risk mitigation measures in place, the implementing agency's financial management system is acceptable for the proposed project. It has adequate capacity to administer the advance fund and liquidation using Statement of Expenditure procedures. As such, disbursement and documentation of the UCCRTF Grant will be carried out using procedures for Direct Payment, advance fund and Statement of Expenditure procedures.

23. **Financial Management Assessment for DOH.** The FMA for DOH is ongoing and will be completed prior to grant effectiveness.

B. Disbursement

24. Disbursement of the UCCRTF grant will be fully administered by ADB. Grant funds will be disbursed in accordance with ADB's *Loan Disbursement Handbook 2017* (as amended from time to time)⁹, in conjunction with the grant documents and relevant ADB regulations and guidelines, and detailed arrangements agreed upon between the government and ADB. Online training for project staff on disbursement policies and procedures is available.¹⁰ Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

25. **Direct Payment.** To facilitate disbursement of grant funds, the direct payment procedure will be used to expedite disbursements given that immediate and large disbursements are key for effective and timely emergency assistance. At the request of LWUA or DOH, direct payment will be made to the contractors and suppliers in accordance with contracts. A signed Withdrawal Application (WA) must be submitted to ADB together with a summary sheet and the required supporting documents.

26. **Advance fund procedure.** LWUA will establish an advance account in US Dollars in (name of bank) and will be responsible for managing, replenishing, and liquidating this account.

⁹ The handbook is available electronically from the ADB website (<http://www.adb.org/documents/loan-disbursement-handbook>).

¹⁰ Disbursement eLearning. http://wpqr4.adb.org/disbursement_elearning

The advance accounts are to be used exclusively for ADB's share of eligible expenditures. The LWUA is accountable and responsible for proper use of advances to the advance account.

27. The total outstanding advance to the advance account should not exceed the estimate of ADB's share of expenditures to be paid through that advance account for the forthcoming 6 months. LWUA may request for initial and additional advances to the advance account based on an Estimate of Expenditure Sheet setting out the estimated expenditures to be financed through the account for the forthcoming 6 months. Supporting documents should be submitted to ADB or retained by the EAs/IAs in accordance with ADB's Loan Disbursement Handbook (2017, as amended from time to time) when liquidating or replenishing the advance account

28. **Statement of Expenditure (SOE) Procedures.** SOE procedure may be used for reimbursement of eligible expenditures or liquidation of advances to the advance account. Supporting documents and records for the expenditures claimed under the SOE should be maintained and made readily available for review by ADB's disbursement and review missions, upon ADB's request for submission of supporting documents on a sampling basis, and for independent audit.

29. Before the submission of the first withdrawal application (WA), the Recipient should submit to ADB sufficient evidence of the authority of the person(s) in LWUA and DOH who will sign the withdrawal applications on behalf of the government, together with the authenticated specimen signatures of each authorized person. The minimum value per WA, is stipulated in the *Loan Disbursement Handbook 2017*, (as amended from time to time), Individual payments below such amount, should be (i) paid by LWUA or DOH and subsequently claimed to ADB through reimbursement, or (ii) through the advance fund procedure, unless otherwise accepted by ADB. The Recipient should ensure sufficient category and contract balances before requesting disbursements. Use of ADB's Client Portal for Disbursements (CPD)¹¹ system is encouraged for submission of withdrawal applications to ADB.

C. Accounting

30. The LWUA and DOH, through their respective Project Management Units (PMUs), will maintain, or cause to be maintained, separate books and records by funding source for all expenditures incurred on the water supply and health components of the project, respectively, following the accrual-basis of accounting in accordance with the Philippine Financial Reporting Standards (PFRS). The LWUA and DOH will prepare project financial statements in accordance with government's accounting laws and regulations as prescribed by the Commission on Audit (COA), which may issue updates and relevant guidelines from time to time.

D. Auditing and Public Disclosure

31. The LWUA and DOH will cause the detailed project financial statements to be audited in accordance with Philippine Public Sector Standards on Auditing which are consistent with the International Standards for Supreme Audit Institutions, by an independent auditor acceptable to ADB. The Commission on Audit is considered independent and acceptable to ADB for these purposes and may be considered as one of the options for an independent auditor. The audited project financial statements together with the auditor's opinion will be presented in the English language to ADB within 6 months from the end of the fiscal year by the LWUA and DOH.

¹¹ The CPD facilitates online submission of WA to ADB, resulting in faster disbursement. The forms to be completed by the recipient are available online at <https://www.adb.org/documents/client-portal-disbursements-guide>.

32. The audit report for the project financial statements will include a management letter and auditor's opinions, which cover (i) whether the project financial statements present an accurate and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the grant were used only for the purpose(s) of the project; and (iii) whether the Recipient or executing agency was in compliance with the financial covenants contained in the legal agreements.

33. A special audit focusing on governance, transparency, and financial accountability shall be conducted at the completion of the ERRM. The special audit will be conducted by an independent auditor acceptable to ADB.

34. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal program supervision, and followed up regularly with all concerned, including the external auditor.

35. The government, DPWH, LWUA and DOH have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.¹² ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the Recipient), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

36. The audited entity financial statements of LWUA, together with the auditor's report and management letter, will be submitted in the English language to ADB within 1 month after their approval by the relevant authority.

37. Public disclosure of the audited project financial statements, including the auditor's opinion on the project financial statements, will be guided by ADB's Public Communications Policy 2011.¹³ After the review, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements no later than 14 days of ADB's confirmation of their acceptability by posting them on ADB's website. The management letter, additional auditor's opinions, and audited entity financial statements will not be disclosed.¹⁴

¹² ADB's approach and procedures regarding delayed submission of audited project financial statements:

- (i) When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (a) the audit documents are overdue; and (b) if they are not received within the next 6 months, requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters will not be processed.
- (ii) When audited project financial statements are not received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement such as new replenishment of advance accounts, processing of new reimbursement, and issuance of new commitment letters. ADB will (a) inform the executing agency of ADB's actions; and (b) advise that the grant may be suspended if the audit documents are not received within the next 6 months.
- (iii) When audited project financial statements are not received within 12 months after the due date, ADB may suspend the grant.

¹³ Public Communications Policy: <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

¹⁴ This type of information would generally fall under public communications policy exceptions to disclosure. ADB. 2011. *Public Communications Policy*. Paragraph 97(iv) and/or 97(v).

IV. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting and Retroactive Financing

38. Advance contracting has been approved for civil works, goods and services required under the Project. All advance contracting will be undertaken in conformity with ADB Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017, as amended from time to time). Universal procurement shall apply to all packages under the Procurement Plan. The issuance of invitations to bid under advance contracting will be subject to ADB approval. The Recipient and the EA/IAs have been advised that approval of advance contracting does not commit ADB to finance the project.

B. Procurement of Goods, Works, and Consulting Services

39. All procurement of goods, works and consulting services will be undertaken in accordance with ADB Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017, as amended from time to time).

40. There are two works contracts under the grant. The first is for the reconstruction and rehabilitation of the water supply system, to be procured by LWUA. The second is for the construction of two local health units, to be procured by DOH.

41. There are three goods contracts under the grant. The first comprises mobile health clinics; the second comprises ambulances, and patient transport and monitoring vehicles; and the third comprises medical equipment of the local health units. All three contracts will be procured by DOH.

42. There are several consulting services under the grant; one for a consulting firm that will prepare the water supply, sewerage and drainage master plan; and additional contracts for individual consultants who will support grant implementation. The consultants related to overall project management and to the water supply component will be recruited by LWUA, while those relating to the health component will be recruited by DOH.

43. The consulting services contract for the water supply, sewerage and drainage master plan, and the civil works contract for water supply, will be procured through direct contracting. Two contracts will be signed with Maynilad Water Services, Inc., also known as Maynilad. Maynilad successfully led the study "Diagnosis and Modeling of Marawi City Water Supply System", financed by the International Committee for the Red Cross and completed in August 2018, which formed the basis for the water supply component included in this grant proposal. Given Maynilad's involvement and experience with the Marawi Water Supply System, the firm already has a strong understanding of the existing water supply system, and existing experience and local network, on which it can build to deliver a quality product quickly. As the water and wastewater services provider for the 17 cities and municipalities that comprise the West Zone of the Metropolitan Manila area, Maynilad is uniquely qualified to rapidly implement a project of this nature. Through the Maynilad Water Academy, Maynilad is also positioned to immediately and efficiently train and build capacity for the Marawi City Water District, given its prior experience in conducting highly technical and specialized training courses on water and wastewater management for staff of water districts across the Philippines.

44. For the master planning consultancy, Maynilad will partner with CEST Incorporated, which is the consulting firm that carried out the Rapid Feasibility study of the Marawi City Water Supply

System that was financed by Metro Pacific Water and the Philippine Disaster Resilience Foundation and completed in May 2018.

C. Procurement Plan

45. The procurement plan is included as Appendix 1.

VII. SAFEGUARDS

46. The project is categorized as B for environment and B for Involuntary Resettlement and Indigenous Peoples in accordance with ADB's Safeguards Policy Statement (SPS) of 2009. Safeguards frameworks, specifically an environmental assessment and review framework (EARF) and environmental assessment and resettlement and ethnic minority development framework (REMDF) were prepared in accordance with ADB's SPS. Environmental assessment reports will be prepared for each subproject consistent with the EARF. A combined Resettlement and Ethnic Minority Development Plan (REMDP)—collectively known as social safeguards documents/plans will be prepared consistent with the REMDF.

47. The Government will ensure that EARF and REMDF have been prepared and are complied with during the processing and implementation of the project as stated on the Grant Agreement. Prior to the implementation of works, the safeguards framework for environmental assessment and REMDF, will be reviewed and updated by DPWH to ensure relevance and consistency with applicable Philippine laws and regulations and the ADB SPS.

48. DPWH and the IAs will constantly review ongoing projects to check the status of compliance with the environmental plans as well as with the resettlement and ethnic minority development plan. Climate change risks and vulnerabilities assessment should inform the design of the projects. The output of the compliance report will be submitted to ADB together with other required safeguard documents relevant to the project. If major non-compliance is discovered during the review of ongoing projects, a corrective action plan will be prepared and submitted to ADB.

49. Safeguards assurances for the projects will be incorporated into the grant agreement.

V. SOCIAL SAFEGUARDS IMPLEMENTATION

50. **National Level.** The EA for the grant will be the Department of Public Works and Highways (DPWH). As the executing agency, DPWH will be responsible for overall oversight, strategic and policy direction. The EA will also be responsible for organizing and convening the steering committee, obtaining all relevant government approvals related to the works, and monitoring and reporting on project activities and outputs. The Environmental and Social Safeguards Division (ESSD), Planning Service, with support from consultants hired under the grant, will provide technical guidance and support in the implementation and monitoring of the REMDP. They are tasked to:

- (i) carry out overall preparation and planning of the REMDP;
- (ii) submit REMDP budget plans (to include compensation, relocation costs, operations) for approval and allocation of needed resources by the DPWH central office;
- (iii) in accordance with the Department's resettlement policies, guide the District Engineering Offices and the Regional Offices in their tasks, such as the verification of PAPs, final inventory of affected assets, consultation, and information dissemination;

- (iv) amend or complement the REMDP in case problems or potential problems are identified during the internal and/or external monitoring of its implementation;
- (v) in collaboration with its counterpart in the Region, work closely with the DPWH Regional Office on the processing of compensation claims of PAPs;
- (vi) in collaboration with Unified Project Management Office (UPMO) of DPWH, monitor the progress of compensation payment to PAPs and other resettlement-related activities stated in the REMDP;
- (vii) in collaboration with its regional counterpart, prepare semi-annual monitoring reports on REMDP implementation for submission to the UPMO and ADB;
- (viii) prepare REMDPs in line with the principles set out in the REMDF
- (ix) together with the District Engineering Office and with assistance of the RIC, conduct an inventory of losses, detailed measurement surveys and socio-economic surveys;
- (x) provide REMDP orientation to DPWH Regional and District Engineering Office Team and RIC to strengthen the social, legal, and technical capabilities of these resettlement implementing entities; and
- (xi) assist the RIC in community awareness raising activities for the resettlement implementation.

51. The LWUA and DOH, as the implementing agencies (IAs) will be responsible for the overall delivery of outputs, including ensuring that outputs are delivered complying with agreed standards/quality.

52. A Resettlement Specialist will be engaged through the UCCRTF grant.

53. Project oversight will be provided through a steering committee while existing TFBM Technical Working Committee for WASH concerns, WASH cluster, and health cluster will serve as the technical working groups for the project (refer Table 1).

54. The IPHO and CHO will directly assist in the implementation of the health component and MCWD will directly assist in the implementation of the water supply component. Grant implementation will build on the experience of these local institutions in delivering services to the Maranao communities. Most of the staff are from the area and are familiar with the power dynamics at the barangay (village) and municipal levels.

55. In case land acquisition or resettlement is required, the LGU will secure legal instruments in the municipality government (e.g., Executive Orders, Municipal Resolutions, Memorandum Orders, etc.) that is necessary for the implementation of the REMDP. In particular, LGUs shall (i) identify and provide the necessary land for relocation purposes, (ii) cooperate with UPMO to form and mobilize RIC to direct and oversee implementation and monitoring of the REMDP; and (iii) address issues, grievances and complaints as indicated in the GRM section of this document.

56. Legal instruments from the municipality government would be necessary for the implementation of the social safeguards document/plan. In particular, LGUs shall (i) provide the necessary land for relocation purposes, (ii) cooperate with UPMO to form and mobilize RIC to direct and oversee implementation and monitoring of social safeguards document/plans; and (iii) address issues, grievances and complaints.

VI. ENVIRONMENT SAFEGUARDS IMPLEMENTATION

57. The EA for the grant will be the Department of Public Works and Highways (DPWH). As the executing agency, DPWH will be responsible for overall oversight, strategic and policy direction. The Environmental and Social Safeguards Division (ESSD), Planning Service will provide technical guidance and support in the preparation of initial environmental examination (IEE) reports as well as implementation and monitoring of environmental management plans (EMP) consistent with the ADB SPS and EARF. They are tasked to:

- (i) carry out overall preparation of the IEEs for the subprojects in line with the principles set out in the EARF;
- (ii) obtain required government environmental approvals such as environmental compliance certificate or certificate of non-coverage prior to subproject implementation; and
- (iii) prepare semi-annual environmental monitoring reports on EMP implementation for submission to the UPMO and ADB;

58. The LWUA and DOH, as the implementing agencies (IAs) will be responsible for the overall delivery of outputs, including ensuring that outputs are delivered complying with agreed standards/quality.

59. LWUA and DOH will be supported by an Environment Specialist, initially recruited under the direct charge component of the UCCRTF grant, who will be assigned to both of the PMUs.

60. in compliance with UCCRTF grant reporting, climate change risks and vulnerabilities assessment will be conducted as part of baseline measurement, as well as to inform project design.

VIII. GENDER AND SOCIAL DIMENSIONS

61. A Summary Poverty Reduction and Social Strategy (SPRSS) has been prepared and is available as a linked document to the RRP for the ERRM.

62. The SPRSS includes key actions required under the project, roles and responsibilities for these actions, and the resources required. A Stakeholder communication strategy, to guide engagement of stakeholders, including in the action items under the SPRSS, has been prepared and is available as a linked document to the RRP.

63. **Gender.** The project is categorized as “effective gender mainstreaming” at entry. It will deliver tangible benefits to the internally displaced women and girls and address the relevant gender issues, including the following:

- (i) Inadequate safe water supply and sanitation: Pre-siege only 20-30% of households had access to functional water and sanitation infrastructure. This lack of access has been worsened by the siege. Insufficient number of toilets in evacuation centers and resettlement sites lead to the practice of open defecation, usually near unprotected water sources. This situation heightens women and children’s vulnerabilities and aggravates the woman’s burden as caregiver when family members get sick.
- (ii) Lack of quality medical services including sexual and reproductive health services: Pre-siege, ARMM already has ranked the lowest in terms of infant mortality, child

nutrition, life expectancy and preventable diseases; with medicine often unavailable or unaffordable and local health systems lacking capacity to respond to health needs of the population over a sustained period. The siege rendered many IDPs with no access to medical information and services.

- (iii) Lack of gender-responsive psycho-social services: IDPs suffer trauma because of the siege and its aftermath (witnessing death and injury, separation from family, dislocation, unsafe living conditions in the evacuation centers). Yet psycho-social services are not readily available; and where available, services lack gender responsiveness to tackle gender-based factors, (including violence) that contribute to trauma and healing.
- (iv) Lack of consultation: IDP women expressed uncertainty over their future and disappointment over the limited information they have received and lack of consultation with them, which aggravates their trauma and feeling of powerlessness.

64. To address these issues, pro-active gender measures have been integrated in the project to ensure that: (i) women's reproductive health needs are addressed in the medical facilities and services to be built and provided by the project (birthing facilities in the RHU and UHU; comprehensive reproductive health services in the RHU/UHU and mobile clinics; gender-sensitive and adolescent-friendly health service providers; health service providers trained to address gender-based violence); (ii) gender-responsive physical designs are integrated in the building of the urban / rural health units (separate toilet facilities for men and women with child-minding facilities in both; separate rooms or provisions for privacy for women and girls patients); (iii) participation of women in local consultations, including for the formulation of the master plan for water supply, sewerage and sanitation in Marawi.; (iv) integration of gender analysis and mainstreaming in the formulation of local water, sewerage and drainage master plan; (v) protection of women and girls from sexual harassment and gender-based violence in the context of civil works.

65. Gender mainstreaming in the project shall be carried out in line with various Philippine laws and policies on gender and development, including PCW-DBM-NEDA Joint Circular No. 2012-01 on Guidelines for the Preparation of Annual GAD Plans and Budgets and Accomplishment Report to Implement the Magna Carta of Women, and the Supplemental Guidelines (PCW Memo Circular No. 2017-02) to Address Gender-related Concerns and Needs in the Recovery, Reconstruction, and Rehabilitation of the City of Marawi and Other Affected Localities.

66. **Gender Action Plan.** The IAs will be overall responsible for GAP implementation, monitoring and reporting. They will be assisted by a national gender consultant who will be hired for at least 9 person-months (intermittent) and will be part of the project management team. The IAs will monitor regularly and report (at least on a semi-annual basis) on the progress of GAP implementation as part of the project progress reports to be submitted to the ADB. The GAP progress monitoring template for ERRM will be used for this purpose. The IAs will ensure that adequate financial resources are allocated for GAP implementation. They shall endeavor to accomplish all GAP targets and actions to achieve a successful rating from a gender perspective at project completion.¹⁵

¹⁵ ADB considers a gender mainstreamed project to have delivered its intended gender equality results successfully if at least 75% of the quantitative gender targets and 70% of the gender actions are achieved/completed, and that the reporting includes sex-disaggregated data. See: <https://www.adb.org/sites/default/files/institutional-document/34135/files/tip-sheet-5-gender-inclusive-results-pcrs.pdf>

Table 14: **Gender Action Plan for Output 3**

DMF COMPONENTS	GAP ACTIONS & TARGETS
<p>3. Water utilities and health infrastructure restored</p>	<p><u>Water component</u></p> <p>3.1. Water supply, sewerage and drainage master plan formulated with prior local consultation, ensuring participation of women.</p> <p>3.2. Gender analysis and mainstreaming shall be an integral part of the process in the formulation of the master plan.</p> <p><u>Health Component</u></p> <p>3.3. Two new local health units, with birthing facilities, constructed to DOH standards and equipped to meet the 4:1 service delivery requirement, and 3 mobile health clinics operational.</p> <p>3.4. At least 20% of RHU, UHU, and mobile clinic staff (including midwives and nurses) have increased service delivery skills, including to address gender-based violence.</p> <p>3.5. Separate male and female toilets, at 1:2 male to female toilet fittings, and size that allow easy access for persons on wheelchairs or parents with strollers, and fittings that meet the needs of the elderly and persons with other forms of disability. Toilets should include amenities that are culturally-responsive to local needs such as a foot washing area and a worship area.</p> <p>3.6. Four (4) child-changing stations and restraint seats installed in both the male and female toilets in the RHU and UHU.</p> <p>3.7. Ensure privacy for reproductive health services, including for victims of gender-based violence in the RHU/UHU and mobile health clinics.</p> <p>3.8. Mobile health clinics provide prescribed services in RH Law IRR Sec 5.13, nutrition services for newborns, maternity kits, and gender-responsive psychological first aid for those suffering from psychological trauma.</p> <p>3.9. The RHU / UHU shall provide all the essential reproductive health services in accordance with RH Law IRR, Secs 5.03 and 5.04.</p> <p>3.10. RHU / UHU and mobile health clinics shall be part of the local Service Delivery Network for RH Care and implement a referral system and provide transportation.</p> <p>3.11. All health care service providers in these facilities shall: (a) meet the minimum clinical competency standards for service delivery; and(b) be gender-sensitive and adolescent-friendly</p> <p>3.12. 100 nurses and midwives on lifesaving drugs to prevent and manage pregnancy-related complications.</p> <p>3.13. RHU/UHU and mobile health clinics shall provide full, correct, age- and development-appropriate information in various media (written and audio-visual) formats, on responsible parenthood and RH care to all clients.</p>

DMF COMPONENTS	GAP ACTIONS & TARGETS
	3.14. The schedule of arrival of the mobile health clinics and available services shall be announced in advance in the areas to be visited and nearby areas through adequate means.
<u>Common GAP actions across outputs 2, 3 and 4:</u>	
<p>5.1. All civil works bidding documents and contracts require contractors to comply with RA 6685; apply core labor standards; strongly encourage to employ at least 20% women in skilled and unskilled positions in civil works; and comply with GAD-related legal mandates, including prevention and response to gender-based violence.</p> <p>5.2. Develop/establish and implement a program and mechanism to adequately prevent and respond to incidents of sexual harassment and other forms of gender-based violence occurring in the context of civil works (at work and in surrounding communities), emergency employment, and livelihood initiatives.</p>	
Gender actions related to project management	
<ul style="list-style-type: none"> • Gender specialist to be engaged for 9 person-months (intermittent) from project inception to completion for supporting GAP implementation, monitoring and reporting. • Orientation and capacity building on GAP implementation and related requirements is conducted for the EA, IA, contractors and other key implementing partners. • Collection of sex-disaggregated data and gender-related information is integrated in the overall project performance and monitoring system. • GAP implementation is integrated in the Annual GAD Plans and Budgets and Annual GAD Reports of DPWH, LWUA, DOH, and other government partners, where applicable. • Representatives of the GAD Focal Point System (GAD-FPS) of each government agency-member of the grant steering committee shall form the GAD-FPS of the committee, tasked to oversee GAP implementation. • At MTR and project completion, the project assessed as gender-responsive using the Project Implementation, Management, Monitoring and Evaluation (PIMME) checklist of the Harmonized Gender and development Guidelines (HGDG) tool. • One (1) knowledge product covering outputs 2,3 and 4 developed from project learnings on gender and post-conflict rebuilding. 	

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Project Design and Monitoring Framework

67. The design and monitoring framework (DMF) is available in the RRP for the ERRM. The results chain relating to Output 3 (UCCRTF grant) are extracted below.

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome Adverse social impact of the armed conflict	By end of 2020* c. 1,392 households in 19 barangays (villages) under	c. Marawi City Water District customer records	Possibility of Intermittent conflict in Lanao del Sur

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
on affected persons mitigated.	<p>the Marawi City water District (estimated 4,500 women)¹⁶ have 24/7 potable water supply re-established. (2018 baseline: Intermittent water supply)</p> <p>d. At least 20% increase in people (50% women)¹⁷ in Marawi and surrounding areas with improved access to health services (2018 baseline: 250,000 catchment population)</p>	d. Clinic patient records	
<p>Outputs</p> <p>3. Water utilities and health infrastructure restored</p>	<p>By end of 2020*</p> <p>a. At least 15.4 km of water supply pipes reconstructed and rehabilitated (2018 baseline: 15.4 km of damaged and/or very old pipelines)</p> <p>b. Two new local health units, with birthing facilities, constructed to DOH standards and equipped to meet the 4:1 service delivery requirement, and 3 mobile health clinics procured and made operational (2018 baseline: 0)</p> <p>c. At least 20% of RHU, UHU, and mobile clinic staff have increased service delivery skills (2018 baseline: 0)</p>	3a–c. Project construction records and project progress reports	<p>Lack of coordination on reconstruction and recovery efforts between different national and local government agencies.</p> <p>Political and security risks to contractors and consultants delay civil works.</p> <p>Lack of operations and maintenance of water supply systems due to legal and financial challenges of water district</p> <p>Limited medical supplies and/or budget for operation and maintenance for health facilities.</p>

¹⁶ Based on average household size in ARRM of 6.1 (<http://www.psa.gov.ph/content/highlights-household-population-number-households-and-average-household-size-Philippines>) and 54% of women among the population in Marawi.

¹⁷ Per 2015 population census, the combined population in the directly affected LGUs of Marawi, Piagapo, and Butig is 246,527 which represent catchment and a significant portion of the displaced populations.

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Key Activities with Milestones			
3. Water utilities and health infrastructure restored			
3.1 Procurement of mobile health facilities by April 2019			
3.2 Construction of health units, and procurement of medical equipment for health units, by January 2020			
3.3. Local consultation on draft masterplan for water supply, drainage and sewerage in 2019 and 2020 with 50% participation of women.			
3.4. Completion of master plan for water supply, drainage and sewerage by April 2020			
3.5 Construction of water supply works by design-build contractor by April 2020			
Inputs			
Asian Development Bank: Urban Climate Change Resilience Trust Fund: \$5,000,000			
Assumptions for Partner Financing			
None			

ADB = Asian Development Bank, DOH = Department of Health, RHU = rural health unit, UHU = urban health unit

* The UCCRTF grant (Output 3) will conclude all activities by end 2020.

B. Supplementary indicators

68. In addition to the indicators included the DMF, progress with respect to the supplementary indicators below will also be assessed and monitored.

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome Adverse social impact of the armed conflict on affected persons mitigated.	By end of 2020* a. 8,500 poor and vulnerable people with improved resilience and reduced vulnerability due to water supply interventions ¹ b. 28,500 poor and vulnerable people with improved resilience and reduced vulnerability due to health interventions ² c. 6 facilities or infrastructure (1 water supply system, 2 health units, 3 mobile clinics) are made resilient to climate and disaster shocks	a-c. Project progress reports and project construction records.	(Refer above)

* The UCCRTF grant (Output 3) will conclude all activities by end 2020.

² 57% of the total project beneficiaries are assumed to be poor and vulnerable, including women/old/children/disabled (see Summary Poverty Reduction and Social Strategy, available as a linked document to the Report and Recommendation of the President). For water supply, total project beneficiaries are assumed to be at least 8,500 people (1,392 households with an average household size of 6.1 people).

² 57% of the total project beneficiaries are assumed to be poor and vulnerable, as per the Summary Poverty Reduction and Social Strategy. For health, total project beneficiaries are assumed to be 50,000 people (calculated as 20% of catchment area population of 250,000).

C. Monitoring

69. **Project performance monitoring.** The EA and the IAs will be responsible for overall monitoring and evaluation, including: (i) performance monitoring against project milestones; (ii) safeguards monitoring; and (iii) financial commitments. Reports on project achievements will be provided quarterly, and summarized at the end of each year, by the IA and submitted to the EA, for validation and onward submission to ADB. Quarterly reports will contain updated contract awards and disbursements projections. The project performance monitoring system (PPMS) to be developed for the ERRM will be used to monitor progress for all outputs, including the UCCRTF grant.

70. **Compliance monitoring.** The status of compliance with grant covenants will be reviewed as part of ADB's review missions. Any non-compliance issues will be specified in the quarterly progress reports together with remedial actions.

71. **Safeguards monitoring.** Status of the implementation of the safeguards plans will be discussed at each ADB review mission and integrated into semi-annual reports for the ERRM. These safeguards reports will be prepared with assistance from safeguards specialists (i.e. an environment specialist and a resettlement specialist) recruited under the grant.¹⁸

Position/Agency	Responsibility
IAs (LWUA and DOH)	Oversight and coordination of safeguards implementation throughout the grant. Submit semi-annual safeguard monitoring reports to EA. Communicate potential safeguards non-compliance to ADB promptly.
EA (DPWH)	Validate semi-annual safeguards monitoring reports and submit to ADB. Communicate potential safeguards non-compliance to ADB promptly.
Project Director (PMU)	Oversee safeguard implementation for the Project, in coordination with the EA, consultants, contractors and local authorities.
Safeguards Specialists (UCCRTF grant)	Analyze monitoring information on safeguards and report the results and corrective actions to the IA and EA.
Construction Supervisor (PMU)	Oversee field work of contractors and consultants and coordinate closely with MCWD, CHO and IPHO regarding potential safeguards impacts. Review safeguards reports submitted by consultants and contractors, and consolidate and send to IA.
Project Coordinator (PMU)	Assist the IA and EA with overall safeguards implementation and monitoring.

EA = Executing Agency; IA = Implementing Agency; PMU = Project Management Unit

72. **Gender and social dimensions monitoring.** Regular monitoring of gender related indicators/targets included in the DMF and the GAP will be done during implementation. The project performance management system (PPMS) will ensure that data disaggregated by sex is collected, analyzed, and reported wherever relevant. GAP progress reports will be submitted to ADB at least on a semi-annual basis using the GAP progress monitoring template for the ERRM. Participatory monitoring of project impact will be implemented at the mid-term of the project and this will include focus group discussion and interviews with women who are direct beneficiaries of activities supported by the project to obtain both quantitative and qualitative data.

¹⁸ Safeguards specialists will initially be recruited under the direct charge component of the UCCRTF grant. This direct charge is additional to the \$5m UCCRTF grant.

D. Evaluation

73. Following grant approval, review missions are expected to be held every 3 to 6 months. Within 6 months of physical completion of the project, the IAs will submit to the EA, for validation and onward submission to ADB, a project completion report.¹⁹

E. Reporting

74. The IAs will submit to the EA, for validation and onward submission to ADB, the following reports: (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) semi-annual safeguard monitoring reports; (iii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan for the next 12 months; and (iv) a project completion report within 6 months of physical completion of the project. To ensure that projects will continue to be both viable and sustainable, project accounts and the executing agency audited financial statement together with the associated auditor's report, should be adequately reviewed.

F. Stakeholder Communication Strategy

75. A stakeholder communications strategy covering the full scope of the ERRM is included as a linked document to the RRP.

X. ANTICORRUPTION POLICY

76. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.²⁰ All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all project contractors, suppliers, consultants, and other service providers. Individuals and/or entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the project.²¹

77. To support these efforts, relevant provisions are included in the grant and project agreements and the bidding documents for the project.

XI. ACCOUNTABILITY MECHANISM

78. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.²²

¹⁹ Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>.

²⁰ Anticorruption Policy: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>.

²¹ ADB's Integrity Office web site: <http://www.adb.org/integrity/unit.asp>.

²² Accountability Mechanism. <http://www.adb.org/Accountability-Mechanism/default.asp>.

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

79. All revisions and/or updates during the course of implementation should be retained in this section to provide a chronological history of changes to implemented arrangements recorded in the PAM, including revision to contract awards and disbursement s-curves.

80. A first draft of the PAM was prepared in October 2018 as part of the grant fact finding mission. It was updated as part of the technical discussions held on 12 November 2018.

APPENDIX 1 PROCUREMENT PLAN

Basic Data		
Project Name: Emergency Assistance for Reconstruction and Recovery of Marawi (Output 3: Restoring water utilities and health infrastructure)		
Project Number:	Approval Number:	
Country: Philippines	Executing Agency: DPWH	
Project Procurement Classification: A ²³	Implementing Agencies: LWUA and DOH	
Procurement Risk: High ²⁴		
Project Financing Amount: \$ 5 Million UCCRTF Financing: \$ 5 million	Project Closing Date: 31 December 2020	
Date of First Procurement Plan: 2 October 2018	Date of this Procurement Plan: 12 November 2018	
Procurement Plan Duration: 18 months (October 2018 to March 2020)	Advance contracting: No	eGP: No

A. Methods, Review and Procurement Plan

Procurement of Goods and Works		
Method	Applicability	Comments
Open Competitive Bidding (OCB)	Contract packages for Goods and works valued \$100,000 and above	National Advertisement
Request for Quotation (RFQ)	Contract packages for goods valued at below \$100,000	National Advertisement
Direct Contracting (DC)	Contract packages for works	

Consulting Services	
Method	Comments
Direct Contracting (DC)	
Individual Selection of Consultant (ISC)	

B. List of Active Procurement Packages (Contracts)

The following table lists goods, works and consulting services contracts for which the procurement activity is either ongoing or expected to commence within the procurement plan duration.

²³ The implementing agencies are not fully familiar with the use Procurement Regulations for ADB Borrowers (2017), they are familiar with the Government of the Philippines' procurement policy and regulations.

²⁴ All procurement packages to be procured by the implementing agencies will be under the prior review threshold of ADB, except for selection of individual consultants.

Goods and Works							
Package Number ¹	General Description	Estimated Value (\$)	Procurement Method	Review ²	Bidding Procedure ³	Advertisement Date ⁴	Comments ⁵
G-01	Lot 1 - Mobile Health Clinic (3),	520,000	OCB	Prior	1S1E	Q1 2019	National Advertisement
G-01	Lot 2 - Patient Transport Vehicle (2), ambulance (2), monitoring vehicle (1)						
G-02	Medical Equipment for urban health unit and rural health unit	184,000	OCB	Prior	1S1E	Q3 2019	National Advertisement
CW-01	Reconstruction and Rehabilitation of MCWD water supply system	2,600,000	DC			Q1 2019	
CW-02	Construction of one urban health unit and one rural health unit	650,000	OCB	Prior	1S2E	Q2 2019	National Advertisement

Consulting Services

Package Number	General Description	Estimated Value	Selection Method	Review ⁶	Type of Proposal ⁷	Advertisement Date	Comments ⁸
CS-01	Water Supply, Sewerage /Septage Management and Drainage Master Plan	350,000	DC	Prior	FTP	Q4 2018	
CS-02	Project Coordinator	36,800	ISC	Post	CV	Q4 2018	
CS-03	Finance and Accounting Specialist (Water Supply)	36,800	ISC	Post	CV	Q4 2018	
CS-03	Finance and Accounting	36,800	ISC	Post	CV	Q4 2018	

Package Number	General Description	Estimated Value	Selection Method	Review ⁶	Type of Proposal ⁷	Advertisement Date	Comments ⁸
	Specialist (Health)						
CS-04	Procurement and Contract Management Specialist (Water Supply)	36,800	ISC	Post	CV	Q4 2018	
CS-05	Procurement and Contract Management Specialist (Health)	18,400	ISC	Post	CV	Q4 2018	
CS-06	Health Equipment Specialist	18,400	ISC	Post	CV	Q4 2018	
CS-07	Civil Works Specialist (Water Supply)	36,800	ISC	Post	CV	Q4 2018	
CS-08	Civil Works Specialist (Health)	36,800	ISC	Post	CV	Q4 2018	
CS-09	Gender Specialist	18,400	ISC	Post	CV	Q4 2018	

Q – Quarter. Note: Budget for hiring of additional consultants is still available.

C. List of Indicative Packages (Contracts) Required under the Project

The following table lists goods, works and consulting services contracts for which the procurement activity is expected to commence beyond the procurement plan duration and over the life of the project (i.e. those expected beyond the current procurement plan duration).

Goods and Works						
Package Number ¹	General Description	Estimated Value	Procurement Method	Review ²	Bidding Procedure ³	Comments ⁵

Consulting Services						
Package Number	General Description	Estimated Value	Selection Method	Review ⁶	Type of Proposal ⁷	Comments ⁸

MR- Marawi Recovery, CW- Civil Works, IC- Individual Consultant, CS- Consulting Services, ICS – Selection of Individual Consultant, QCBS – Quality Cost Based Selection, OCB – Open Competitive Bidding, RFQ – Request for Quotation, LCS- Least Cost Selection, 1S – 1 Stage, 2E – Two Envelope, 1E – One Envelope

D. List of Awarded and Completed Contracts

The following table lists the awarded contracts and completed contracts for goods, works and consulting services.

Goods and Works					
Package Number	General Description	Contract Value ⁹	Date of ADB Approval of Contract Award ¹⁰	Date of Completion ¹ ₁	Comments ¹²

Consulting Services					
Package Number	General Description	Contract Value ⁹	Date of ADB Approval of Contract Award ¹⁰	Date of Completion ¹ ₁	Comments ¹²

APPENDIX 2
TERMS OF REFERENCE FOR CONSULTING SERVICES
WATER SUPPLY, SEWERAGE/SEPTAGE MANAGEMENT AND DRAINAGE MASTER PLAN

I. INTRODUCTION

1. The Asian Development Bank, through the Urban Climate Change Resilience Trust Fund (UCCRTF), is providing a grant to the government of the Philippines to support the reconstruction and recovery in Marawi. The grant, with financing of \$5 million, is scheduled to be approved by ADB in December 2018.

2. This grant has two components, one focusing on water supply, and the other focusing on health. These two sectors have been identified as critical components for the reconstruction and recovery of the city. Hence, UCCRTF as a multi-donor trust fund created to enhance resilience, particularly of the poor and vulnerable, is directing its support towards the provision of these key urban services.

3. The water supply component will finance rehabilitation of existing facilities of the water district; preparation of water supply and sewerage/septage system within Marawi City; and studies, capacity building and project management. The health component will finance construction of rural and urban health units, supply and installation of medical equipment in these facilities, provision of mobile clinics, ambulances, patient transport vehicles, and monitoring vehicle and capacity building and operations support.

4. These Terms of Reference (TOR) cover the consultancy services to be delivered under the grant in support of the water supply component.

5. The Department of Public Works and Highways (DPWH) is the Executing Agency (EA) and will be the head of the oversight committee. The Local Water Utility Administration (LWUA) is the implementing agency (IA) for the water supply component, while DOH is the IA for the health component.

6. LWUA will have overall responsibility in project coordination and implementation for all water supply activities under the grant.

7. LWUA will hire an engineering consultancy firm to prepare the water supply, sewerage/septage and drainage masterplan of Marawi under the UCCRTF \$5 Million grant.

II. Proposal Preparation

8. The specific outputs and reporting requirements for the consulting firm are described in Section VI & VII. The consulting firm must have demonstrated significant experience in the following areas in the preparation of masterplan for urban and rural sewerage and drainage systems, FS for water development with due consideration on; (i) Urban planning and design of water system and; (ii) climate change resilience standards for water supply, (iii) water source development, pipelines, water treatment facility and reservoir, (iv) Financial and Economic analysis, (v) ADB and DENR standards for social and environmental safeguards, and (vii) health and safety in the workplace. Work experience in Mindanao is preferably required.

9. The shortlisted consulting firms are requested to prepare a detailed description of how they propose to deliver the outputs of the contract in the section of their proposal called “Approach and Methodology.” In this narrative, firms should clearly explain how they will achieve the outputs and defined deliverable, and include detailed information on key and non-key experts.

10. Proposing entities will determine the number and the nature of experts they will require to achieve the objectives of the contract, and the duration (in person months) of their inputs, in accordance with their proposed approach and methodology. However, ADB requires the following minimum key experts positions including: (i) Team leader/Project Manager (ii) Sewerage and Drainage Engineer; (iii) Water Supply and Treatment Design Engineer; (iv) Financial and economic Specialist; (v) Social and Environmental Expert. IA will give preference to proposals where (i) teams are composed of a limited number of key experts with extended field time and (ii) proposals where key personnel are long term employees of the firm.

Table 1 – Key Expert Qualifications

Position	Indicative Person Months	Requirements
Project Manager/ Team Leader	11	<ul style="list-style-type: none"> • Advanced degree in engineering or other relevant field; • Minimum 20 years of professional experience related to preparation of masterplans/feasibility studies/detailed engineering design of sewerage and drainage and water supply; • Minimum 15 years in professional experience as Project Manager/Team Leader for development studies and construction supervision of flood control and/or other water infrastructures. • Previous experience in working in a post-conflict context will be an advantage
Sewerage and Drainage Engineer	3	<ul style="list-style-type: none"> • Advanced degree in engineering or other relevant field; • Minimum 15 years in professional experience related to planning and designing major flood control and/or urban drainage projects, and familiar with integrating climate change adaptation principles in planning and design.
Water Supply and Treatment Design Engineer	3	<ul style="list-style-type: none"> • Advanced degree in engineering or other relevant field; • Minimum 15 years of professional experience related to planning and designing of water supply system including treatment facilities, and familiar with incorporating climate change risks in the design of water supply systems.
Financial and accounting Specialist	3	<ul style="list-style-type: none"> • Advanced degree in Finance and Economy or other relevant field; • Minimum 15 years of professional experience related to preparation of financial and economic aspect of feasibility study for flood control and water supply system.
Social and Environmental Expert	9	<ul style="list-style-type: none"> • Advanced degree in urban planning or other relevant field; • Minimum 15 years of professional experience related to preparation and implementation of Social and environmental plan for flood control and water supply system. With working knowledge on carrying out climate change risks and

Position	Indicative Person Months	Requirements
		vulnerability assessments and in integrating resilience principles in project design.
Gender Specialist	3	<ul style="list-style-type: none"> Advanced degree gender studies, social sciences or equivalent with at least 7 years' experience in social development, gender or related areas.

Non-Key Experts. In addition to the above mandatory key experts, shortlisted firms are required to provide non-key experts to ensure all aspects of the work can be undertaken and all deliverables and reports prepared. All non-key experts will have adequate qualifications and experience in a relevant field with 5 years of experience.

Qualifications of the Consultancy Firm and Experts

The firm should have at least 15 years of experience in the urban development, design and construction of Sewerage and Water Supply System, with proven technical expertise in the preparation of masterplan for urban sewerage and water supply system, feasibility study, design and construction supervision of water supply projects both for urban areas particularly in Visayas and Mindanao provinces. It should have demonstrated understanding of ADB requirements on project social and environmental safeguards and the Urban Climate Change Resilience Standards.

The consulting firm will determine the number and the nature of experts they will require to achieve the objectives of the contract, in accordance with its proposed approach and methodology. However, ADB requires a minimum of six key experts listed in table 1 above.

In addition to the list of initial key experts above, the consulting firm should also include in its technical proposal and financial proposal all other key experts and “non-key experts” proposed by the firm to implement its proposed approach and methodology. The firm must determine and indicate in the personnel schedule the number of person-months for which the listed key experts above and each other key expert and non-key expert will be required. Curriculum vitae (CV) of the listed key experts above and each other key and non-key experts must be included in the proposal. Only the CV of the listed key experts will be scored as part of the evaluation of technical proposal however ADB will review and individually approve or reject on a pass-fail basis the CVs of each other key expert and non-key expert positions in the proposal. The first-ranked firm will be required to replace any of the other key and non-key expert/s that is not approved by ADB.

All positions including non-key experts must be included and budgeted for in the financial proposal and consistent with the person-month allocation proposed by the firm. All experts engaged under the contract, whether key or non-key experts must be citizens of ADB eligible countries.

The firm's financial proposal shall include all costs to deliver the described outputs within the required duration, detailed in Section VII.

The financial proposal shall also include details of financial proposal for Preparation of Marawi Master Plan for Water Supply, Sewerage and Drainage System.

Objectives of the Assignment

General Objective:

The objective is to support the masterplan for the rehabilitation of Marawi City particularly the sewerage and drainage and water supply system. The expert will develop a master plan for the water supply, sewerage and drainage system that incorporates the urban resilience and build-back-better principles, and provides sufficient and safe water supply system covering the LGU's comprehensive land use plan (CLUP) for 20 years.

Specific objective:

To develop a reliable study and report regarding the extent of requirement to provide appropriate water supply and sewerage and drainage system within Marawi.

III. Scope of Work

5. Water Supply, Sewerage and Drainage Masterplan:

- i. Coordinate with different non-government organizations (NGOs), national and local government units to gather related data/reports for reference;
- ii. Conduct appropriate engineering surveys and investigations to include but not limited to the following:
 - Hydrologic and hydraulic analysis;
 - Sediment transport analysis;
 - Formulation of river improvement plan;
 - Formulation of design options with comparison of cost-benefits analysis;
 - Identification of key sewerage and urban drainage infrastructures;
 - Preliminary assessment of land acquisition and resettlement;
 - Preliminary assessment of social impact on vulnerable groups, women and children, and minorities;
 - Preliminary assessment of environmental impact;
 - Correlate climate data, including modelling, to proposed master plan
 - Concept design of key sewerage and drainage infrastructures;
- iii. Prepare the base map covering the identified areas, showing all existing and proposed roads, drains, rivers, water bodies, contours (at least 1 m interval) ward boundaries, physical features and existing and proposed water supply system of the LGUs and National Government Agencies;
- iv. Based on DPWH standards on flood control and climate change resilience design standards, prepare the masterplan of the sewerage and drainage system including but not limited to the: service level target fixation, demand projections, demand gap analyses etc., future status of low cost sanitation and sewerage, location of sewage treatment facility (STP), process of treatment, effluent disposal system, land requirement, Location and number of sewage pumping stations (SPS), size of land required, sewerage zones, alignment and size of outfall and trunk sewers;

- v. Prepare estimated costs including, feasibility analysis on environmental, financial, economic and social safeguards;
- vi. Recommendation and phasing of investment for immediate, short term and long term plan.

IV. Outputs

6. The deliverables are as follows:

- a. **Inception Report** to include but not limited to: (i) approach and methodology and contract implementation schedule; (ii) results of review of initial reference documents (MCWD documents, related surveys and studies of different stakeholders; (iii) DPWH and LWUA Standards for flood control projects and water supply system projects, respectively and ADB and DENR requirements for Social and Environmental safeguards;
- b. **Marawi Sewerage and Drainage Masterplan**
 - i. Draft Master Plan Report – based on gathered information and survey and investigation reports to include but not limited to the following:
 - Masterplan of the Water Supply, Sewerage and Drainage system consistent with the results of surveys and investigation to include demand projections and analyses, location of sewage treatment facility (STP), process of treatment, effluent disposal system, land requirement, Location and number of sewage pumping stations (SPS), size of land required, sewerage zones, alignment and size of outfall and trunk sewers;
 - Technical computations and analysis for each component;
 - Estimated cost and recommended implementation of immediate, short and long term plan to meet the needs for a sewerage and drainage system in the target areas within the 20 years projection.
 - ii. Final Masterplan Report – based on comments and recommendations of LWUA, DPWH, LGUs and project stakeholders on the draft final report to include but not limited to the following:
 - Masterplan of the Sewerage and Drainage system consistent with the results of surveys and investigation to include Demand projections and analyses, location of sewage treatment facility (STP), process of treatment, effluent disposal system, land requirement, location and number of sewage pumping stations (SPS), size of land required, sewerage zones, alignment and size of outfall and trunk sewers;
 - Technical computations and analysis for each component;
 - Estimated cost and recommended implementation of immediate, short and long term plan to meet the needs for a sewerage and drainage system in the target areas within the 20 years projection.

c. Water Supply to include but not limited to the following:

- i. Survey Report – based on gathered information and survey and investigation reports to include but not limited to the following
 - Survey Works Reports, technical, financial and economic analyses, social and environmental analyses and recommendation;
 - Index map; scope of work covering the sources of water supply, pumping stations, transmission lines, treatment facilities, reservoir and distribution lines; corresponding estimated cost based on LWUA standards, financial and economic analysis, social and environmental aspects and other issues concerns;
 - Scope of work, estimated cost and basic design and technical specifications;
 - Social and environmental management and sustainability plan
 - Implementation plan.
- ii. Final Report
 - Survey Works Reports, technical, financial and economic analyses, social and environmental analyses and recommendation;
 - Index map; scope of work covering the sources of water supply, pumping stations, transmission lines, treatment facilities, reservoir and distribution lines; corresponding estimated cost based on LWUA standards, financial and economic analysis, social and environmental aspects and other issues concerns;
 - Scope of work, estimated cost and basic design and technical specifications;
 - Social and environmental management and sustainability plan;
 - Implementation plan.

V. **Soft and Hard copy (electronic copy)** – the consultant is required to submit four sets of hard copies and electronic editable copies on USB flash drive of each Final Report.

VI. Timelines of Submissions of Deliverables and Schedule of Payments

a. For the Preparation of Water Supply, Sewerage and Drainage Masterplan

Item No	Particulars	Schedule of Submission	Payment Schedule
1	Inception Report	Two weeks upon issuance of Notice to Proceed (NTP) and submission of LWUA approved and acceptable form of Guarantee Bond	Mobilization or advance payment not more than 15% of the total contract amount (for recoupment)
2	Draft Master Plan	Two months upon issuance of the NTP	10% of the total contract amount
3	Final Master Plan	Two weeks upon issuance of comments and suggestions on the draft master plan	17% of the total contract amount

VII. Consultants Time Schedule:

Preparation of Masterplan for Water Supply, Sewerage and Drainage System and Preparation of Feasibility Study for the Rehabilitation, Improvement and expansion of MCWD will start within 10 days upon issuance of the Notice to Proceed;

VIII. Implementation Arrangements

[Implementation Arrangements section of PAM to be included for consultant's reference]

INDIVIDUAL CONSULTANTS FOR PROJECT MANAGEMENT UNITS (PMUs)

1. Consultants reporting to LWUA

Minimum Qualifications	Expected tasks
Project Coordinator	
A graduate of public health, public administration, business administration or management, economics or social science or related field. He/she should have at least 5 years of relevant work experience in managing and coordinating capacity building and education activities. Experience in urban development project	<ul style="list-style-type: none"> • Responsible for ensuring the efficient coordination of the project activities with DPWH, DOH, MCWD, IPHO, CHO, NEDA, DBM, DOF, ADB, Marawi City LGU and other project stakeholders. • Identify and collect the data/information and materials for review by the project steering committee, facilitate meetings and consultations with government counterparts, and if the need arises, organize dissemination workshops or seminars. • Collate and compile required progress and technical reports for submission by the IAs to the EA, and onwards to ADB.
Procurement and Contract Management Specialist (Water Supply)	
A university degree in management, finance, engineering, or related fields; at least 8 years of experience in procurement and contract administration and at least five years of experience in projects/ programs funded by donors, including ADB; with knowledge of government (RA 9184) and ADB planning, procurement, and M&E policies and procedures; skilled in the use of computer information systems, word processing, database, financial and project management. Willing to travel in Mindanao.	<ul style="list-style-type: none"> • Manage the procurement process at the national level following the project procurement guidelines, and prepare official documents related to the procurement process; • Prepare and update the project procurement plan, prepare progress reports comparing actual procurement with the procurement plan; • Coordinate with LWUA concerned officer/unit in the preparation and updating of inventory lists and participate in the inspection and handover of equipment/ materials and construction; • Coordinate with DPWH, ADB, LWUA, Marawi LGU and other project stakeholders on procurement related matters • Participate in technical, policy guidance, and other meetings, where topics related to procurement are discussed and participate in follow-up supervision meetings; • Prepare bidding documents and related procurement documents and assist the LWUA procurement Officers/Unit in the scheduling of procurement activities, advertisement of invitation for bid, conduct of pre-bid conference, receiving and opening of bids and evaluation of bids; • Following contract approval, ensure that they are effectively processed and administered, including a smooth flow of information and safekeeping of all data and documents; • Perform the initial review of contracts and amendments prior to submission to the Project Coordinator for approval; • Assist and ensure that LWUA PMU contract implementation are in accordance with the approved contracts; Prepare and submit procurement and monitoring reports to the Project Coordinator; • Manage the PMU's inventory, consultants' contracts, procurement, and bidding activities; and Perform other tasks as may be requested by the Project Manager.
Finance and Accounting Specialist (Water Supply)	
At least a graduate degree in finance, business administration/management, or related field, and a Certified Public	<ul style="list-style-type: none"> • If necessary, guide and assist the LWUA/PMU in setting up accounts (ledgers, cash flow statements, balance sheet) that will facilitate the preparation of financial statements (based on international accounting standards) and in producing good

<p>Accountant; with at least seven years of work experience with projects funded by ADB or other international funding institutions; computer literate; and willing to travel to Mindanao.</p>	<p>quality financial statements on time for submission in the format and detail that will meet ADB standards;</p> <ul style="list-style-type: none"> • Manage the project's accounts (ledgers, cash flow statements, balance sheet) and in the preparation of financial statements (based on international accounting standards) and in producing good quality financial statements on time for submission in the format and detail that will meet ADB standards; • Assist PMU in compiling the audited project financial statements from LWUA and reconcile with ADB records • Manage funds flow, imprest/advance account, and expenditures under the project accounts; • Assist PMU in preparing replenishment requests or withdrawal applications; • Assist PMU in preparing budgets for project activities, including project operation, civil works, training sessions, and other procurements; • If required, improve the capacity of LWUA/PMO finance staff through on-the-job and other training.
Civil Works Specialist (Water Supply)	
<p>A university degree in civil or structural engineering or architecture; at least five years of experience in infrastructure planning and the supervision of construction of water supply and sewerage and vertical structures, particularly health facilities. Willing to travel to Mindanao.</p>	<ul style="list-style-type: none"> • Provide guidance and assistance to the LWUA PMU on the rehabilitation of the water supply system in accordance with LWUA approved standards, • Ensure that the design, scope of work and construction methods will mitigate if not eliminate the negative social and environmental impacts; • Review quantity and cost estimates; • Review specifications, drawings, and bills of quantity for consistency, completeness, and accuracy so that they can be incorporated into bid documents; • Assist with the establishment of procedures for inspection and approval of construction; • Assist PMU LWUA and the concerned LGU, MCWD in the supervision of project consultant and construction of civil works contractors engaged by the project; • Assist the procurement specialist in the preparation of bidding documents for works; • Support and assist the national environment specialist in field inspections and environmental monitoring activities; • Ensure that works are strictly in accordance with the approved plans, specifications and within the approved budget and schedule; • Review and recommend approval on consultant and contractors' accomplishment reports, variation orders and progress billings; • Coordinate and participate in the conduct of site inspections, pre-final and final inspections; • Assist LWUA in the issuance of certificate of completion; • Prepare regular construction monitoring reports for submission to LWUA, DPWH, ADB, MCWD, LGU and other concerned stakeholders.
Gender Specialist	
<p>Master's degree in gender studies, social sciences or equivalent and at least 7 years of relevant professional</p>	<ul style="list-style-type: none"> • The gender specialist, while reporting to LWUA, will also coordinate closely with DOH to ensure that all GAP measures for the grant are fully implemented.

<p>experience in social development, gender or related areas; formal training in gender analysis and gender planning, and demonstrated experience, skills, and expertise in gender mainstreaming in post-conflict rebuilding projects, especially in Asia and the Pacific (preferably with Philippines experience); preference for a consultant who has worked as a gender specialist for a development program in the country, and with demonstrated knowledge of the socio-cultural characteristics of the project sites.</p>	<ul style="list-style-type: none"> • Provide technical inputs and guidance to ensure effective implementation of the GAP and achievement of process and empowerment results of key GAP actions • Ensure that sex-disaggregated data and gender specific indicators included in the GAP and DMF are incorporated in the project performance and monitoring system; and that GAP implementation is incorporated in the over-all project workplans and budget. • Review contracts and agreements under the project to ensure compliance with GAP requirements; and monitor compliance of partners with gender-specific provisions of the agreement. • Conduct regular field visits to support and monitor GAP implementation, collect qualitative and quantitative data showing progress on GAP targets and indicators and outcomes. Qualitative data include human interest stories of project beneficiaries showing the project's contribution to gender equality and women's empowerment. • Provide technical inputs and guidance for mainstreaming gender and social inclusion considerations in activities related to project implementation, management and monitoring, including in assessing the gender-responsiveness of the project at mid-term and completion, using the HGDG tool.
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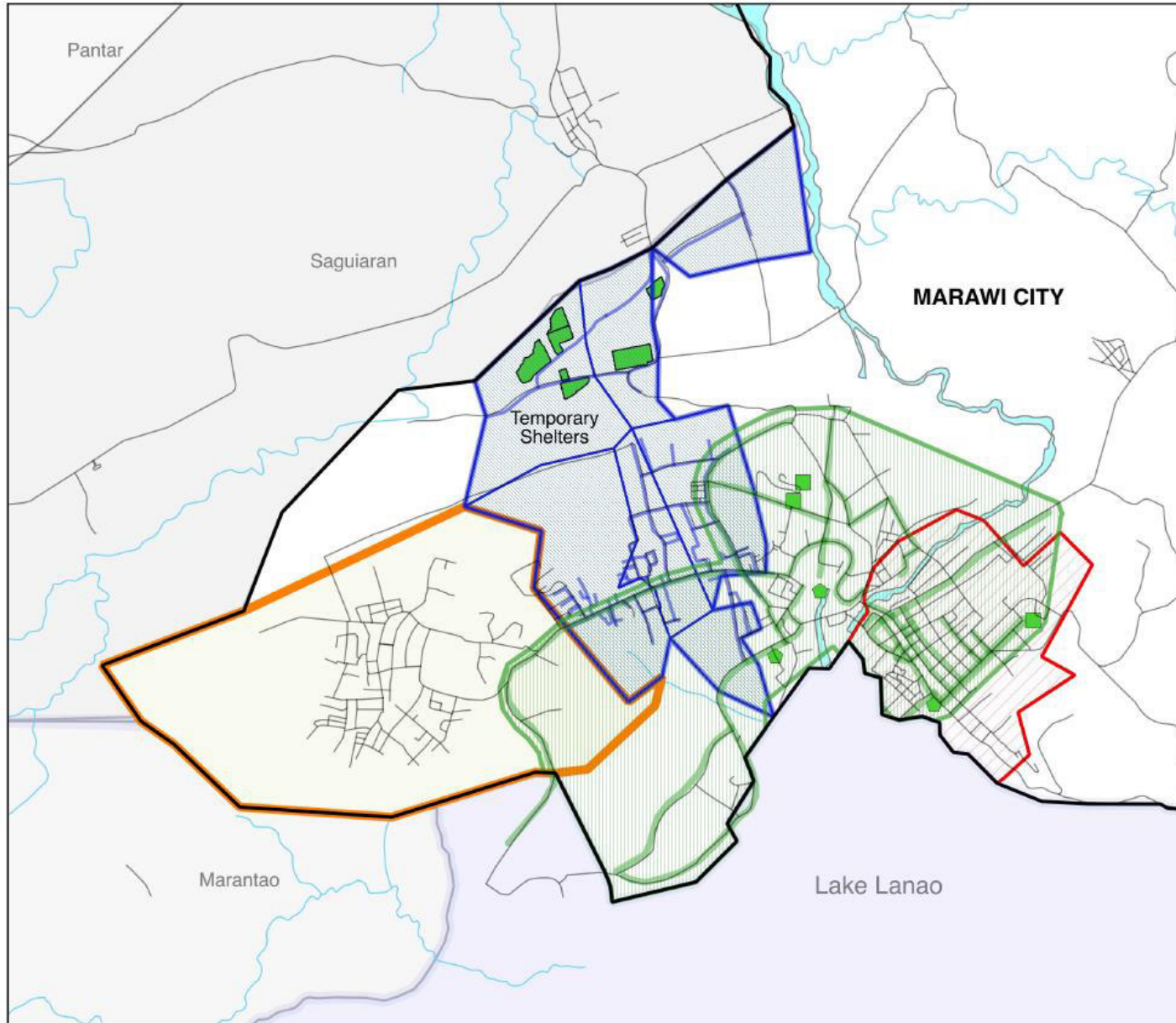
2. Consultants reporting to DOH

Minimum Qualifications	Expected tasks
Procurement and Contract Management Specialist (Health)	
<p>A university degree in management, finance, engineering, or related fields; at least 8 years of experience in procurement and contract administration and at least five years of experience in projects/ programs funded by donors, including ADB; with knowledge of government (RA 9184) and ADB planning, procurement, and M&E policies and procedures; skilled in the use of computer information systems, word processing, database, financial and project management. Willing to travel in Mindanao.</p>	<ul style="list-style-type: none"> • Manage the procurement process at the national level following the project procurement guidelines, and prepare official documents related to the procurement process; • Prepare and update the project procurement plan of BIHC, prepare progress reports comparing actual procurement with the procurement plan; • Prepare the bidding documents for goods and works and the RFP for consulting services (if required) of the project in accordance with the approved standard of DOH Procurement Service and the project; • Coordinate with DOH concerned units and ensure that PS required documents on the procurement of goods, works and services are properly prepared and submitted without delay; • Assist the PS particularly the concerned COBAC in the conduct of pre-procurement conference, issuance of bidding documents, pre-bid conference, receiving and opening of bids, bid evaluation, post qualification and issuance of notice of award and notice to proceed; • Assist BIHC in the contract management and ensure that contract implementation is in accordance with the approved contract; • Assist in the receiving and inspection of medical equipment and ensure that delivered equipment are in accordance with the approved quantity, quality and schedule; • Assist BIHC in the processing of suppliers' billings and requests;

	<ul style="list-style-type: none"> • Coordinate with DPWH, ADB, DOH, IPHO, CHO and other project stakeholders on procurement related matters and coordinate with procurement officers of LWUA; • Participate in technical, policy guidance, and other meetings, where topics related to procurement are discussed and participate in follow-up supervision meetings; • Prepare bidding documents and related procurement documents and assist the LWUA procurement Officers/Unit in the scheduling of procurement activities, advertisement of invitation for bid, conduct of pre-bid conference, receiving and opening of bids and evaluation of bids; • Following contract approval, ensure that they are effectively processed and administered, including a smooth flow of information and safekeeping of all data and documents; • Perform the initial review of contracts and amendments prior to submission to the Project Coordinator for approval; • Assist and ensure that DOH PMU contract implementation are in accordance with the approved contracts; Prepare and submit procurement and monitoring reports to the Project Coordinator; • Manage the PMU's inventory, consultants' contracts, procurement, and bidding activities; and • Perform other tasks as may be required by the BIHC director.
Civil Works Specialist (Health)	
<p>A university degree in civil or structural engineering or architecture; at least five years of experience in infrastructure planning and the supervision of construction of health facilities water supply and sewerage and vertical structures, particularly health facilities; preferably knowledgeable in the use of AutoCAD; Willing to travel to Mindanao.</p>	<ul style="list-style-type: none"> • Assist BIHC in the coordination with concerned Bureaus and service units of DOH as well as with the different project stakeholders including but not limited to IPHO, CHO and LGU; • Assist the BIHC in the preparation of TOR and the minimum performance standard/specification for RHU if design and build approach is required; • Ensure that the scope of work and design requirements for the RHUs are in accordance with the latest approved standards of DOH - Health Facilities and Services Regulatory Bureau, Health Facilities and Infrastructure Development Team for infrastructure; • Ensure that the RHUs design requirements include requirements of Muslim culture; • Ensure that architectural and engineering requirements are in accordance with the DOH standards that is consistent with the Philippines National Building Code; • Ensure that the RHU design includes the climate change resilience design standards are considered in the detailed architectural and engineering design; • Monitor and assist IPHO and CHO in the construction of RHU and ensure that construction is in accordance with the approved scope of work, quality, time and safety; • Assist IPHO, CHO and BIHC in the approval of variation order/s, progress reports, progress billings; • Assist the IPHO, CHO and BIHC in the conduct of prefinal and final inspection and in the issuance of Certificate of Completion and processing of final billing; • Ensure that the project required safety standards particularly on environmental, resettlement and gender are complied with during construction;

	<ul style="list-style-type: none"> • Coordinate with other consultants on about the medical equipment to ensure that quantity and specifications of equipment are suitable with the actual design and construction of RHUs; • Perform other tasks as may be required by the BIHC director.
Finance and Accounting Specialist (Health)	
<p>At least a graduate degree in finance, business administration/ management, or related field, and preferably a Certified Public Accountant; with at least seven years of work experience with projects funded by ADB or other international funding institutions; computer literate; and willing to travel to Mindanao.</p>	<ul style="list-style-type: none"> • If necessary, guide and assist the DOH BIHC and Finance Service in setting up accounts (ledgers, cash flow statements, balance sheet) that will facilitate the preparation of financial statements (based on international accounting standards) and in producing good quality financial statements on time for submission in the format and detail that will meet ADB standards; • Manage the project's accounts (ledgers, cash flow statements, balance sheet) and in the preparation of financial statements (based on international accounting standards) and in producing good quality financial statements on time for submission in the format and detail that will meet ADB standards; • Manage funds flow, imprest/advance account, and expenditures under the project accounts; • Assist DOH BIHC and Finance Service in preparing replenishment requests or withdrawal applications; • Assist DOH BIHC and Finance Service in preparing budgets for project activities, including project operation, civil works, training sessions, and other procurements; • Assist BIHC and Finance Service in the coordination with DBM regarding the issuance of SARO and NCA for each procurement package of the project; • Assist BIHC and Finance service in the processing of payments to concerned contractors, suppliers and consultants; • Assist BIHC and Finance Service in the closing of project financial accounts; • Perform other tasks as may be required by the BIHC director.
Health Equipment Specialist	
<p>Bachelor degree and with background in biomedical sciences, hospital engineering or other relevant area, with at least five years working experience; demonstrate understanding of medical equipment with/without hospital engineering; relevant experience for government and/or international funded projects; demand analysis for medical equipment of the identified level of health facility; with developing generic (non)medical equipment specifications particularly on DOH specifications for (non)medical equipment; advanced Microsoft package (Excel, database and Microsoft project); Willing to travel to Mindanao.</p>	<ul style="list-style-type: none"> • Review and update equipment plan as requested; • provide support to DOH in reviewing technical specifications for (non)medical equipment; • Assist the procurement specialist in the preparation of bidding documents for medical equipment and the review of the composition of the different bidding packages / lots to ensure that effective competition and value for money are achieved; • Contribute to improving content and training methodology for workshops to strengthen the maintenance capacity of concerned IPHO and CHO; and • Assist BIHC and DOH concerned units and ADB in any other task related to medical equipment and mobile clinic as requested • Perform other tasks as may be required by the BIHC director.

APPENDIX 3: REFERENCE MAP FOR WATER SUPPLY COMPONENT



ADB Support for Marawi Recovery

Proposed Coverage:
Water Supply

LEGEND:

Repair/Rehabilitation of Existing Facilities in Marawi City Water District (MCWD)

- Existing MCWD Facilities
- Pump Station
- Reservoir
- Pipes

Bulk Water and/or Distribution to Mindanao State University (MSU) and Surrounding Areas

- 7 Barangays under USAID SURGE "Mini Master Plan"

Bulk Water to Areas under Salin Tubig Program (including Temporary Shelters)

- 7 Barangays under Department of Interior and Local Government (DILG) Salin Tubig Program

- Most Affected Area (MAA) - 24 Barangays

- Temporary Shelters

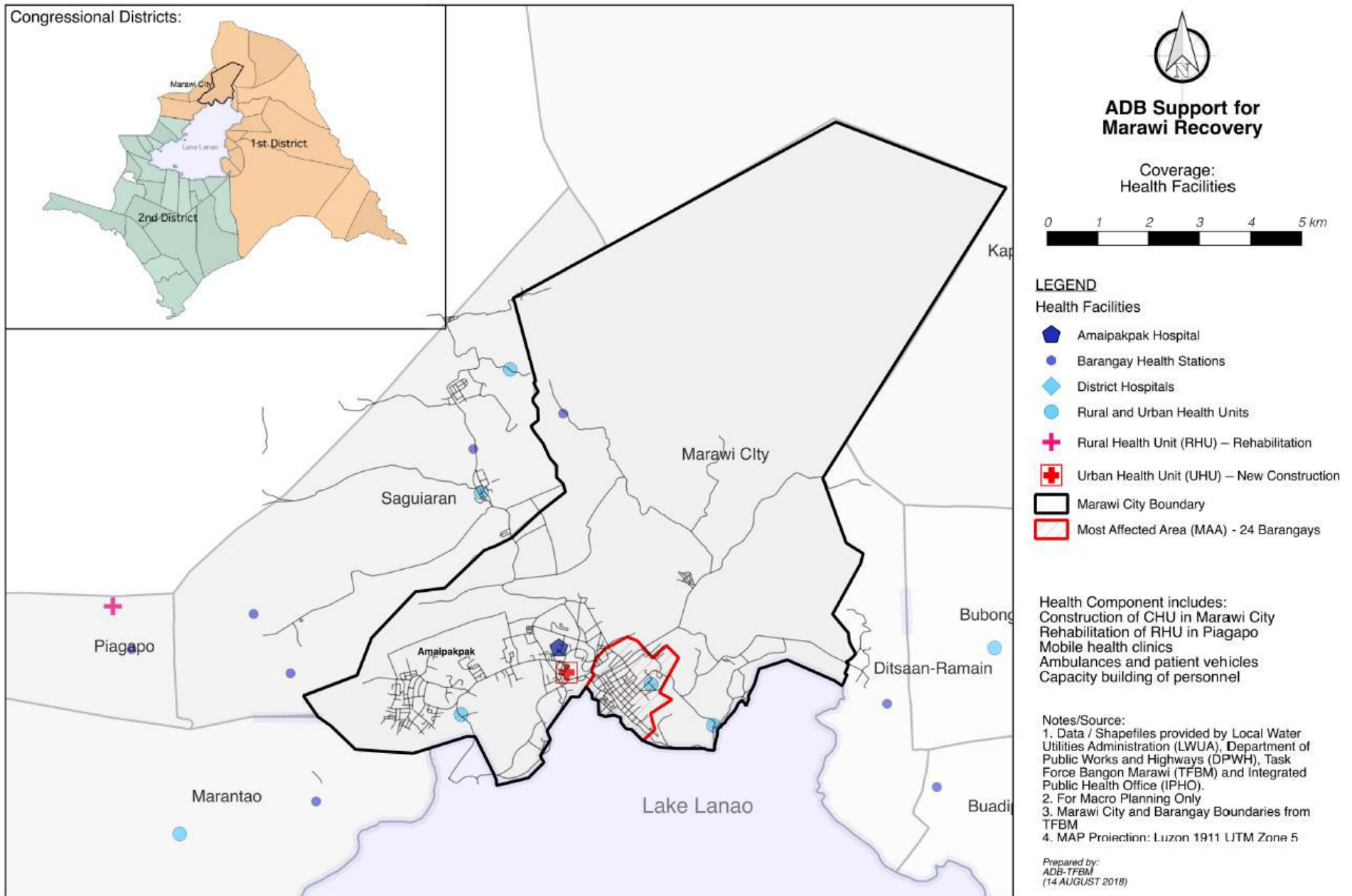
- Road Network
- Rivers / Creeks / Canals

- Marawi City Boundary

Notes/Source:
 1. Data / Shapefiles provided by Local Water Utilities Administration (LWUA), Department of Public Works and Highways (DPWH), and Task Force Bangon Marawi (TFBM)
 2. For Macro Planning Only
 3. Marawi City and Barangay Boundaries from TFBM
 4. MAP Projection: Luzon 1911 UTM Zone 5

Prepared by:
 ADB-TFBM
 (27 JUNE 2018)

APPENDIX 4: REFERENCE MAP FOR HEALTH COMPONENT



Project Administration Manual

Project Number: 52313-001
Grant Number: GXXXX
November 2018

Republic of the Philippines: Emergency Assistance
for the Reconstruction and Recovery of Marawi

Output 4: Philippines: Restoring Livelihoods and
Learning in Marawi

ABBREVIATIONS

ADB	–	Asian Development Bank
BMCRRP	–	Bangon Marawi Comprehensive Rehabilitation and Recovery Program
DepEd	–	Department of Education
DILP	–	DOLE Integrated Livelihood Program
DOLE	–	Department of Labor and Employment
DPWH	–	Department of Public Works and Highways
DTI	–	Department of Trade and Industry
ERRM	–	Emergency Assistance for the Reconstruction and Recovery of Marawi
FMA	–	financial management assessment
GAP	–	Gender Action Plan
GSC	–	grant steering committee
IC	–	implementing consultant
IDP	–	internally displaced persons
IP/EM	–	Indigenous Peoples /Ethnic Minority Plan
JFPR	–	Japan Fund for Poverty Reduction
M&E	–	monitoring and evaluation
PAM	–	Project Administration Manual
PIU	–	project implementation unit
PMU	–	Project management unit
SCP	–	Save the Children Philippines
SSFP	–	Shared Services Facility Program
TFBM	–	Task Force Bangon Marawi

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Project Administration Manual Purpose and Process

The project administration manual (PAM) describes the essential administrative and management requirements to implement the project on time, within budget, and in accordance with the policies and procedures of the government and Asian Development Bank (ADB). The PAM should include references to all available templates and instructions either through linkages to relevant URLs or directly incorporated in the PAM.

The Department of Public Works and Highways is wholly responsible for the implementation of ADB-financed projects, as agreed jointly between the recipient and ADB, and in accordance with the policies and procedures of the government and ADB. ADB staff is responsible for supporting implementation including compliance by Department of Public Works and Highways of its obligations and responsibilities for project implementation in accordance with ADB's policies and procedures.

At loan negotiations, the recipient and ADB shall agree to the PAM and ensure consistency with the grant^a agreement. Such agreement shall be reflected in the minutes of the loan negotiations. In the event of any discrepancy or contradiction between the PAM and the grant agreement, the provisions of the grant agreement shall prevail.

After ADB Board approval of the project's report and recommendations of the President (RRP), changes in implementation arrangements are subject to agreement and approval pursuant to relevant government and ADB administrative procedures (including the Project Administration Instructions) and upon such approval, they will be subsequently incorporated in the PAM.

^a The name of the operational financing document may vary on a project-to-project basis; this reference shall be deemed to encompass such variations, e.g., a Framework Financing Agreement, as applicable

I. PROJECT DESCRIPTION

1. The Japan Fund for Poverty Reduction (JFPR) grant will support implementation of Output 4 of the Emergency Assistance for the Reconstruction and Recovery of Marawi (ERRM), “social services and livelihood improved”. The grant will complement the overall emergency loan by ensuring access to emergency income and livelihood support to the conflict-affected internally displaced persons (IDPs) and host communities in Marawi and its neighboring municipalities. It also focuses on the youth, who are vulnerable to being recruited by extremist groups, by providing peace education and restoring learning and livelihood opportunities. The JFPR grant will specifically provide support for (i) short-term emergency employment, (ii) longer-term livelihood development for working-age men and women, and (iii) culturally- and age-appropriate, gender- and conflict-sensitive learning opportunities for boys and girls. The JFPR grant activities are aligned with the government’s needs assessment and the Bangon Marawi Comprehensive Rehabilitation and Recovery Program (BMCRRP), managed by the Task Force Bangon Marawi (TFBM).¹

2. The JFPR contributions to Output 4 will support the following components:

3. **Component 1: Emergency employment provided.** This component will deliver a program patterned on the Department of Labor and Employment (DOLE) Emergency Employment Program, known as Tulong Panghanapbuhay sa ating Disadvantaged/Displaced Workers, in Marawi, as well as in neighboring municipalities Marantao, Piagapo, and Saguiran, reaching 2,400 beneficiaries.² This is a community-based (barangay or municipal level) package of cash-for-work assistance that provides emergency employment at 100% of the prevailing minimum wage for up to 30 days.³ This immediate income will provide much-needed temporary relief to reduce household-level financial barriers to continued education and needed nutrition, while medium- and long-term livelihood activities are restarting. Key activities for implementation of this component include (i) appropriate selection of workers and identification of employment projects following the existing eligibility criteria set by DOLE (see Grant Assistance Report, Appendix 7),⁴ coordinating registration with TFBM and the Department of Social Welfare and Development, targeting an equal number of men and women, and focusing on IDPs and working-aged youth in the host communities; (ii) design and establishment of a robust and transparent monitoring system for cash payments with use of a blockchain-powered platform in line with the DOLE program; (iii) identification of employment activities with local government units on social community projects; and (iv) provision of basic orientation on occupational safety and health, personal protective equipment, and skills training appropriate to the employment assignment; and (v) enrolment and covering the premium of group micro-insurance for beneficiaries while engaged.

4. **Component 2: Sustainable livelihoods restored.** This component will support 1,200 beneficiaries in accessing livelihood programs, patterned on the DOLE Integrated Livelihood Program (DILP) and Department of Trade and Industry’s (DTI) Shared Services Facility Program

¹ The BMCRRP reflects the government’s coordinated efforts to reconstruct and restore Marawi. TFBM is the appointed coordination mechanism to lead these efforts in close collaboration with the international community and other actors.

² Tulong Panghanapbuhay sa ating Disadvantaged/Displaced Workers has been implemented post-Marawi siege by the governor’s office, but is currently not operating due to limited funds.

³ Current minimum wage for the Autonomous Region of Muslim Mindanao is ₱285 per day for non-agricultural labor and ₱270 per day for agricultural labor.

⁴ Grant Assistance Report (accessible from the list of linked documents in Appendix 2 of the report and recommendation of the President).

(SSFP) (see Grant Assistance Report, Appendix 7).⁵ Component 2 will be implemented to provide livelihood assistance for individual undertakings. Key activities for implementation of this component include (i) training on business planning, basic entrepreneurship development, productivity and workers safety and health, and production skills; (ii) providing livelihood starter kits comprised of raw materials, equipment, and tools; (iii) enrolment and covering the premium of group micro-insurance for beneficiaries while engaged; and (iv) providing technical and business advisory services specific to the livelihood.⁶ Delivery of the SSFP will support micro and small enterprises by providing energy-efficient equipment for increasing productivity and sustainability of beneficiary livelihoods. The activities will also include business advisory training and link beneficiaries closely with local business associations and external markets (see Grant Assistance Report).⁷ The combination of the DILP and SSFP will generate sustainable income on an individual and community level during and beyond this protracted period of displacement. Female beneficiaries looking to further scale up their livelihood business will have access to micro-finance through Asian Development Bank's (ADB's) Fostering Women's Empowerment Through Financial Inclusion in Conflict-Impacted and Lagging Provinces Project.⁸

5. Component 3: Quality education opportunities restored. This component will increase access to culturally and age appropriate, inclusive, gender- and conflict-sensitive learning opportunities in safe and protective learning spaces,⁹ minimizing disruption of quality education. Key activities under this component include (i) providing needed school furniture in affected schools and temporary learning spaces; (ii) rehabilitating a catchment school; (iii) providing capacity development for teachers to offer gender-responsive psycho-social support for children, youth, and their families; (iv) providing capacity development to the Lanao del Sur education management staff to adhere to minimum standards of education in emergencies and planning for the recovery process; (v) creating a multi-stakeholder network for peace in Marawi City;¹⁰ and (vi) support to the DepEd to identify and integrate core competencies and messages on peace education in the kindergarten to grade 12 curriculum and provide related teacher trainings.¹¹

6. Project management support. To support components 1 to 3 for effective monitoring and financial management, additional support is needed by the executing agency. As the common

⁵ Beneficiaries will be targeted based on TFBM Subcommittee on Business and Livelihood monitoring and registration. Grant Assistance Report (accessible from the list of linked documents in Appendix 2 of the report and recommendation of the President).

⁶ Examples of livelihoods could be tailoring where fabric and a sewing machine would be procured, or running a convenient store where bulk grocery goods would be procured.

⁷ Grant Assistance Report (accessible from the list of linked documents in Appendix 2 of the report and recommendation of the President).

⁸ ADB. [Republic of the Philippines: Fostering Women's Empowerment Through Financial Inclusion in Conflict-Impacted and Lagging Provinces Project](#).

⁹ "Safe and protective learning spaces" is a term used in the context of education in emergencies. It refers to the provision of quality education opportunities that meet the physical protection, psychosocial, developmental, and cognitive needs of people affected by emergencies, which can be both life-sustaining and life-saving. "Conflict-sensitive education" means "understanding the context in which the education policy/programme takes place, analyzing the two-way interaction between the context and the education policy/programme, and acting to minimize negative impacts and maximize positive impacts of education policies and programming on conflict."

¹⁰ The network will strengthen commitment for the declaration of schools as Zones of Peace and deepen understanding of the role of education in building and sustaining a culture of peace. Members will include DepEd, local government, local civil society organizations and nongovernment organizations, including women, youth, and persons with disabilities organizations, as well as religious leaders, private sector, academe, peace advocates to maintain dialogue on peace and the role of education.

¹¹ The targeted catchment school is in Marawi division near ground zero. A catchment school serves students from barangays that no longer have open schools after the conflict, and is staffed by IDP teachers. "Ground zero" or the "most affected area" comprises the 24 barangays of Marawi that were heavily bombed during the siege. This school

executing agency across all emergency assistance loan components and as an added assurance that documentation from the JFPR-financed components are quality assured, Department of Public Works and Highways (DPWH) will engage the following individual consultants: (i) a monitoring and evaluation specialist; (ii) a financial management specialist and (iii) a gender specialist. These specialists will liaise between the implementation consultant firm, DPWH and ADB.

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

Table 1: Project Readiness Activities

Indicative Activities	Months (2018-2019)					Responsible Individual/Unit/Agency/ Government
	1	2	3	4	5	
Advance contracting actions	X					DPWH, ADB
Establish project implementation arrangements		X				DPWH, DBM
Government ICC and DBCC approvals						NEDA, DOF, DBM, DPWH
Special Presidential Authority issued		X				Government
ADB Board approval			X			ADB
Loan signing				X		ADB, DPWH, DOF
Government legal opinion provided					X	DOJ
Government budget inclusion					X	DPWH, DOF, DBM
Grant effectiveness					X	ADB

ADB = Asian Development Bank, DBCC = Development & Budget Coordination Committee, DBM = Department of Budget and Management, DOF = Department of Finance, DOJ = Department of Justice, DPWH = Department of Public Works and Highways, ICC = investment coordination committee, NEDA = National Economic and Development Authority.

Source: ADB.

was identified by DepEd as a school that has low environmental safeguard risk and will serve as a model school for others. Other schools will receive support through teacher trainings, furniture, and teaching and learning materials.

B. Overall Project Implementation Plan

7. The implementation plan will be updated annually and submitted to ADB with contract and disbursement projections for the following year.

Table 2: Project Implementation Plan

Key Activities	2019				2020				2021			
	1	2	3	4	1	2	3	4	1	2	3	4
A. Output 4 of the DMF												
Component 1. Emergency employment provided												
Activity 1.1 Identify potential gender- and culturally-sensitive emergency employment projects from LGU and community plans		■	■									
Activity 1.2 Identify target beneficiaries for short-term emergency employment		■	■									
Activity 1.3 Set up a M&E framework for the EEP to track beneficiaries by sex, income, project benefits		■	■									
Activity 1.4 Match beneficiaries with short-term emergency employment opportunities		■	■	■	■	■	■	■				
Activity 1.5 Provide basic orientation on occupational safety and health and relevant skills training		■	■	■	■	■	■	■				
Activity 1.6 Provide personal protective equipment and enrolment in group micro-insurance		■	■	■	■	■	■	■				
Component 2. Sustainable livelihoods restored												
Activity 2.1 Undertake local market assessments to identify potential gender- and culturally-sensitive livelihoods for support per DILP guidelines		■	■									
Activity 2.2 Identify target beneficiaries in coordination with TFBM's sub-committee on Business and Livelihoods and DSWD		■	■									
Activity 2.3 Deliver training on business planning, basic entrepreneurship, productivity and workers health and safety, and production skills		■	■	■	■	■	■	■				
Activity 2.4 Procure and deliver materials, equipment, tools		■	■	■	■	■	■	■				
Activity 2.5 Enroll beneficiaries in group micro insurance schemes		■	■	■	■	■	■	■				
Activity 2.6 Deliver technical and business advisory services			■	■	■	■	■	■				

Key Activities	2018	2019				2020				2021			
	4	1	2	3	4	1	2	3	4	1	2	3	4
Component 3. Conflict-sensitive education initiatives supported													
Activity 3.1 Provide school furniture in affected schools and temporary learning spaces. The proposal will include a detailed procurement plan													
Activity 3.2 Rehabilitate selected catchment school in Marawi													
Activity 3.3 Support DepEd to identify and integrate core competencies and messages on peace education in the kindergarten to grade 12 curriculum through consultation workshops, revision of existing modules, pilot-testing, printing, and training of teachers													
Activity 3.4 Deliver training for teachers on protective learning spaces, culturally- and conflict-sensitive education, planning and management of education in emergencies, and positive discipline													
Activity 3.5 Deliver psycho-social support for children and short courses on life skills to youth													
Activity 3.6 Support a multi-stakeholder network to maintain dialogue on peace and the education sector													
Project management support provided													
B. Management Activities													
Consultant selection procedures													
Project management													
Gender action plan key activities													
Communication strategy key activities													
Biannual and/or midterm review													
Project completion report													

DepEd = Department of Education; DILP = DOLE Integrated Livelihood Program; DMF = design and monitoring framework; DSWD = Department of Social Welfare and Development; EEP = Emergency Employment Program; LGU = local government unit; M&E = monitoring and evaluation; TFBM = Task Force Bangon Marawi. Source: Asian Development Bank.

III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations: Roles and Responsibilities of the Government

1. Executing Agency

8. DPWH is the executing agency. DPWH will appoint a focal point for the JFPR grant to be responsible for its overall coordination and implementation in DPWH. Save the Children Philippines (SCP), as an implementation consultant firm, will sign a service contract with the executive agency for services rendered under the JFPR grant.

2. Project Management and Implementation

9. DPWH will ensure that the grant steering committee (GSC) is established before JFPR grant inception to provide the oversight. Through the GSC, DPWH will ensure that each of DTI, DOLE and DepEd coordinates and supports implementation of the JFPR grant with SCP, and provides relevant information, data, statistics or government plans that can be relevant to the JFPR grant.

10. The GSC, composed of the DPWH (chair), DepEd, DOLE, DTI, and TFBM, and with ADB as an observer, will also ensure alignment with the BMCRRP. As part of the GSC member responsibilities, during the inception phase of the grant, they will give an orientation to SCP on their government programs including norms of monitoring, reporting, implementation and results management.

11. The GSC will meet biannually, or as needed, to review grant progress, agree on workplans and budgets, discuss policy actions and other concerns relevant to the components under the grant. The SCP will report to the GSC biannually with narrative and financial reports, together with an updated workplan and projected disbursements for the next 6 months. The SCP will submit key documentation 2 weeks in advance of the GSC meeting. For the biannual meeting, the SCP will prepare the agenda, take minutes, and organize other meetings as required. Once SCP submits its 6 monthly progress report (1 week before the biannual meeting), GSC members have 5 working days to provide feedback to SCP. Any unanticipated delay, either from SCP or the GSC members should be effectively communicated, as it will delay implementation of the JFPR grant. After the SCP obtained feedback the GSC, it will be given 5 days to improve report considering the comments from the GSC, and subsequently submit it to the executing agency.

12. The Recipient will authorize DTI, DOLE and DepEd to endorse the withdrawal applications for their respective components for which they are responsible. Prior to the submission of such withdrawal applications to ADB, DPWH (PIU) will review and verify that there are no overlapping claims. If required, the SCP may provide information to any of the GSC members. TFBM will ensure that activities and results are well anchored within the BMCRRP and that collaboration with TFBM sector clusters are well coordinated.

13. The GSC will report on progress made under the JFPR grant to the Marawi Projects Steering Committee which is chaired by Department of Finance. This steering committee will oversee the reporting of all four outputs under the ERRM, including output 4, which the JFPR grant supports. Members of the GSC are also members of the ERRM Steering Committee.

Meetings with GSC and ERRM Steering Committee will be carefully coordinated to ensure synergy.

14. DPWH has established a project implementation unit (PIU) to provide overall management of the investments and the grants under the ERRM, including coordination, implementation, and monitoring and evaluation activities. The PIU will ensure timely and effective coordination, procurement, financial management, monitoring and provision of audited financial statements and reporting to the government and ADB as stated in the grant agreement. DPWH together with other members of the GSC will approve the annual report, work plan and budget, as well as monitor the service agreement signed with the SCP. The PIU will also be responsible for reviewing and verifying the withdrawal applications for the grant prior to the submission of the withdrawal applications by DTI, DOLE and DepEd for their respective components, to be submitted to ADB for disbursement to the SCP.

15. The PIU will be supplemented by individual consultants including a financial management specialist, and a monitoring and evaluation specialist. These individual consultants will be employed by the executive agency, and ADB will support in the recruitment process. The DPWH will report on the performance of and management of these individual consultants for oversight support. Tasks to be supported by the consultants include: (i) reviewing and monitoring annual work and budget of the SCP; and (ii) review and provide guidance on procurement, financial management in accordance with ADB policies and guidelines.

Table 3: Primary Roles and Responsibilities

Project Implementation Organizations	Management Roles and Responsibilities
DPWH (Executing Agency)	<ul style="list-style-type: none"> • Hire the following positions: (ii) monitoring and evaluation specialist; (iv) financial management specialist • Oversee the implementation of the grant • Monitor the agreement with the SCP and report on any deviations or shortfalls • Chair and guide the GSC • Together with other GSC members, approve the annual reports, workplans and budgets of the SCP • Ensure that the JFPR grant outputs are achieved and implemented in line with the grant agreement • Responsible for reviewing and verifying withdrawal applications prepared by DOLE, DTI and DepEd, prior to submission. • Coordinate and agree with COA and SCP on appropriate audit of output 4 activities
ERRM Steering Committee: Comprises representatives of DOF (Chair), TFBM, DBM, DepEd, DOLE, DPWH, DTI, NEDA, Local Water Utilities Administration, Marawi City Local Government Unit,	<ul style="list-style-type: none"> • Oversees implementation of all four outputs under the Marawi Reconstruction Emergency Assistance Project • Meets biannually to report on progress with BMCRRP implementation for dissemination among all the involved agencies and organizations implementing ERRM and ADB; to address implementation and coordination issues; and coordinate provision of counterpart staff and resources as

Project Implementation Organizations	Management Roles and Responsibilities
DOH-CO, DOH-ARMM and OCD	well as engagement of beneficiaries (particularly local beneficiaries).
GSC (DPWH, DepEd, DOLE, DTI, TFBM and ADB as an observer)	<ul style="list-style-type: none"> • Oversight body that ensures alignment with BMCRRP • Provide overall direction and guidance of the grant • Facilitates inter-departmental collaboration • Meet twice a year, linked to the ERRM steering committee meeting, or as necessary during the implementation period • Review grant progress, agree on workplans and budgets, discuss policy actions and other concerns relevant to the components under the Grant. (DOLE-Bureau of Workers with Special Concerns and Regional Office 10 oversee component 1, DOLE and DTI oversee component 2 and DepEd oversee component 3) DPWH will review and verify the withdrawal applications, prepared by DTI, DOLE and DepEd for their respective components, to be submitted to ADB for disbursement to the SCP.
PIU consultants within DPWH	<ul style="list-style-type: none"> • Responsible for overall management of the grant coordination and monitoring and evaluation JFPR activities • Monitoring and compliance of the service agreement with the SCP and grant agreement with ADB. • Oversee financial management and audits. • Oversee and monitor GAP and DMF gender-specific targets and activities, partners' roles and responsibilities. • Closely coordinate activities with the other ERRM related activities • Support the executive agency in managing the overall ERRM, with emphasis on the JFPR grant, but not limited to the JFPR grant.
Implementing Consultant Firm, SCP	<ul style="list-style-type: none"> • Responsible for the implementation of the JFPR grant • Reports to the GSC biannually with narrative and financial reports, together with an updated workplan and projected disbursements for the next 6 months • Participate in review missions of ADB and GSC members and prepare biannual meetings, record minutes and other key documentation. • Ensure compliance with ADB policies and guidelines on: audit, financial management, procurement, safeguards and anti-corruption • Undertake necessary actions to ensure visibility and promotion of the JFPR grant • Participate in meetings organized by TFBM and other coordination meetings to improve the success of the project • Provide ad-hoc information, as required by ADB or GSC members • Regularly monitor risks that could adversely impact the JFPR grant

Project Implementation Organizations	Management Roles and Responsibilities
ADB	<ul style="list-style-type: none"> • Provide financing, supervision of implementation, undertakes review missions and compliance with the grant agreement • Ensure compliance with ADB policies and procedures: audit, financial management, procurement, safeguards and anti-corruption • Administer the project and oversee the executing agency's and SCP's compliance with the grant agreement during the project implementation • Disburses grant proceeds • Reviews and as needed, approves procurement, consultant recruitment, progress reports, and audit reports • Reviews project compliance and targets against the DMF, environmental safety guidelines, GAP, PAM and selection criteria for the cash-for-work assistance • Monitors the project progress and conducts review missions • Disclose monitoring reports on ADB public website • Observer at the project steering committee meetings • Coordination with EOJ in Philippines and ADB's OCO–Japan team - [Invite EOJ in Philippines and OCO–Japan team to project events and missions (for OCO, inform up to 4 months ahead)] • Inform on project progress and provide key reports and materials • Inform and/or discuss potential changes in project scope • Respond to inquiries and/or information requests • Support donor visibility for dissemination of outcomes and lessons

ADB = Asian Development Bank; BMCRRP = Bangon Marawi Comprehensive Rehabilitation and Recovery Program; COA = Commission on Audit; DBM = Department of Budget and Management; DepEd = Department of Education; DMF = design and monitoring framework; DOF = Department of Finance; DOH-ARMM = Department of Health in the Autonomous Region for Muslim Mindanao; DOH-ARMM = Department of Health – Autonomous Region of Muslim Mindanao; DOH-CO = Department of Health - Central Office; DOLE = Department of Labor and Employment; DPWH = Department of Public Works and Highways; DTI = Department Trade and Industry; EOJ = Embassy of Japan; ERRM = Emergency Assistance for the Reconstruction and Recovery of Marawi; GAP = Gender Action Plan; GSC = grant steering committee; JFPR = Japan Fund for Poverty Reduction; MSU = management support unit; NEDA = National Economic and Development Authority; OCD = Office of Civil Defense; OCO = Office of Cofinancing; PAM = project administration manual; SCP = Save the Children Philippines; TFBM = Task Force Bangon Marawi.

Source: ADB.

B. Key Persons Involved in Implementation

Executing Agency

Department of Public Works and Highways	Officer's Name Position Telephone Email address Office Address
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Asian Development Bank

Human and Social Development
Division

Ayako Inagaki
Director
Telephone No. 632-4530
ainagaki@adb.org

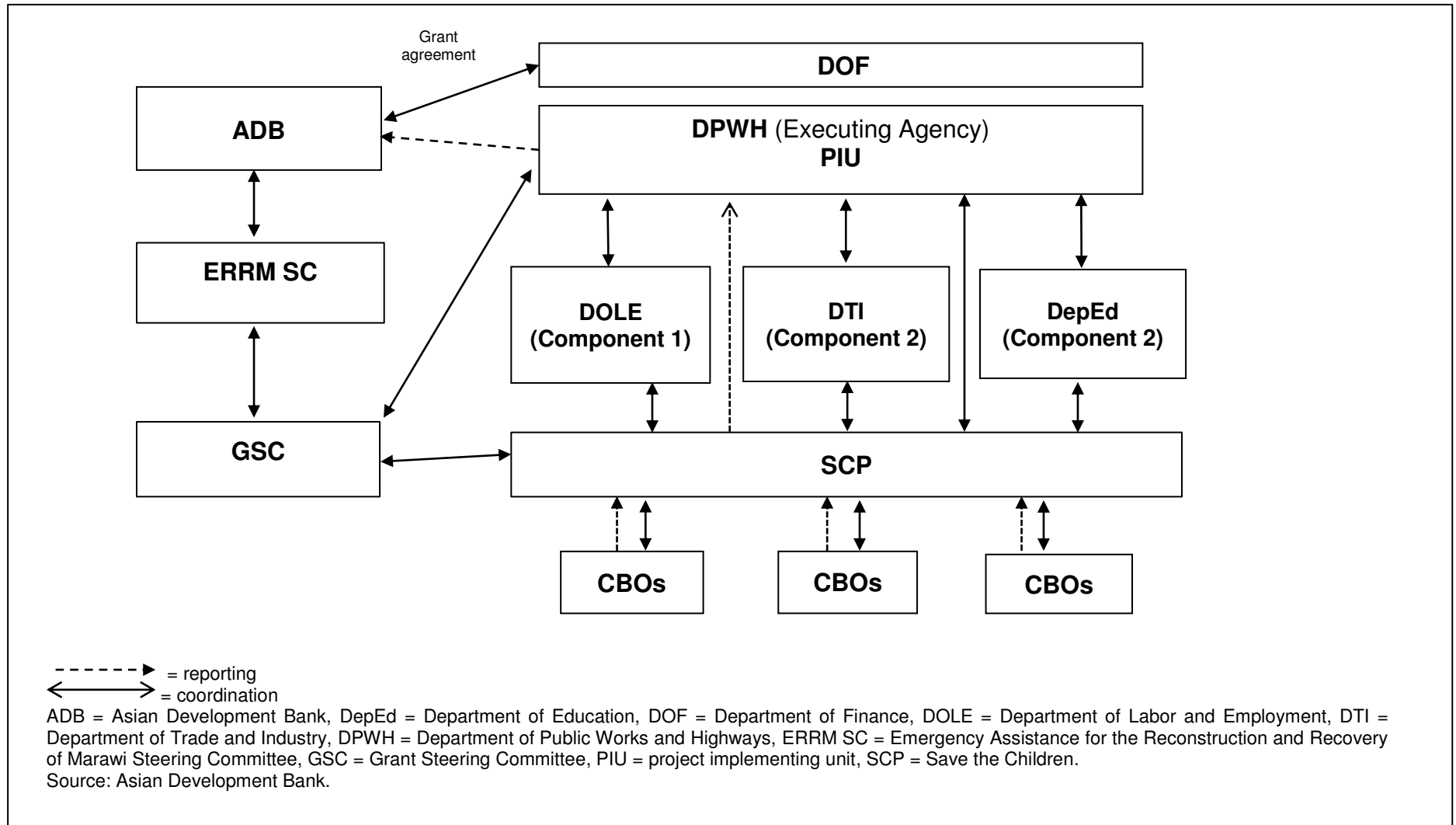
Mission Leaders

Rikard Elfving
Senior Social Sector Specialist
Telephone No. 632-5019
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Annika Lawrence
Education Specialist
Telephone No. 632-5830
alawrence@adb.org

C. Project Organization Structure

Figure 1: Implementation Arrangement Chart



IV. COSTS AND FINANCING

16. The JFPR grant output is estimated to cost \$3 million. The JFPR grant will finance equipment, consulting services, materials, minor works and contingencies. The government will provide counterpart support in the form of counterpart staff, office accommodation, and other in-kind contributions.

Table 4: Cost Estimates

Item	Amount (\$ million) ^a	Share of Total (%)
A. Base Cost^b		
1. Component 1: Emergency employment provided (Micro-insurance contracting, training, and cash)	0.69	23
2. Component 2: Sustainable livelihood restored (Small goods, small to medium equipment/machinery, micro-insurance contracting and trainings)	1.29	43
3. Component 3: Quality education opportunities restored (trainings, curriculum development, school furniture, learning and teaching materials, and minor repairs)	0.90	30
Subtotal (A)	2.88	96
B. Contingencies^c	0.12	4
Total (A+B)	3.00	100
Administrative Budget Support^d	0.15	

^a Includes taxes and duties of about \$0.21 million to be financed by the Japan Fund for Poverty Reduction (JFPR) grant. Such amount does not represent an excessive share of the project cost.

^b In end-2018 prices.

^c Physical Contingencies are calculated at 5% of the base cost for Goods (Equipment, Materials and Furniture). Price contingencies computed at average of 3.9% on local currency costs and 1.5% on foreign currency costs from 2019 onwards; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

^d This additional budget support provided by JFPR for grant implementation is exclusive of the grant amount. It will be used for piloting a block-chain enabled monitoring and evaluation system to better manage implementation of the JFPR components.

Source: Asian Development Bank.

17. The financing plan is in Table 5.

Table 5: Financing Plan^a

Source	Amount (\$ million)	Share of Total (%)
Japan Fund for Poverty Reduction ^b	3.0	100.0
Total	3.0	100.0

^a In end 2018 prices.

^b Administered by the Asian Development Bank.

Source: Asian Development Bank.

A. Cost Estimates Preparation and Revisions

18. The cost estimates and financing plan of the project have been prepared during ADB's Fact-Finding Mission by ADB and DPWH advisory teams based on discussions with relevant counterpart agencies. The cost estimate shall be reviewed and updated, if necessary, during the inception, review and midterm review missions.

B. Key Assumptions

19. The following key assumptions underpin the cost estimates and financing plan:

- (i) Exchange rate: ₱53.97 = \$1.00 (as of 18 October 2018).
- (ii) Price contingencies based on expected cumulative inflation over the implementation period are as follows:

Table 6: Escalation Rates for Price Contingency Calculation

Item	Escalation Rates (%)			Average
	2018	2019	2020	
Foreign rate of price inflation	1.5	1.5	1.5	1.5
Domestic rate of price inflation	4.0	3.9	3.7	3.9

Source: Asian Development Bank.

- (iii) Cost estimates are inclusive of taxes and duties of \$0.21 million. Physical Contingencies are calculated at 5% of the base cost for Goods (Equipment, Materials and Furniture). Price contingencies computed at average of 3.9% on local currency costs and 1.5% on foreign currency costs from 2019 onwards; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

C. Allocation and Withdrawal of Grant Proceeds

Table 7: Allocation and Withdrawal of Grant Proceeds

		CATEGORY	
Number	Item	Total Amount Allocated for ADB Financing (\$ million)	Basis for Withdrawal from the Grant Account
	Consulting Services	3.0	100% of total expenditure claimed
	Total	3.0	

ADB = Asian Development Bank.

Source: ADB.

D. Detailed Cost Estimates by Financier

Table 8: Detailed Cost Estimates by Financier

		ADB Grant		Total Cost
		(\$ million)		
	Item	Amount	% of Cost Category	Amount
A.	Consultants	2.88	100	2.88
B.	Contingencies	0.12	100	0.12
	Total Project Cost (A+B)	3.00	100	3.00
	% of Total Project Cost		100	

ADB = Asian Development Bank.

Note: Numbers may not sum precisely because of rounding.

Source: ADB.

E. Detailed Cost Estimates by Outputs and Components

Table 9: Detailed Cost Estimates by Output and Components (under Consultants)
(\$ million)

	Total Cost ^a	Component 1		Component 2		Component 3	
		Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category
A. Investment Costs							
Goods	1.37	0.00	0	0.86	63	0.50	37
Cash assistance	0.52	0.52	100	0.00	0	0.00	0
Works	0.08	0.00	0	0.00	0	0.08	100
Workshop and Training	0.36	0.05	14	0.15	42	0.16	44
Implementation Support	0.55	0.12	21	0.28	49	0.16	30
Subtotal (A) (Base Cost)	2.88	0.69	24	1.29	45	0.90	31
B. Contingencies^b							
Physical	0.06	0.00	0	0.04	70	0.02	30
Price	0.06	0.01	24	0.03	45	0.02	31
Subtotal (B)	0.12	0.01	12	0.07	57	0.04	31
Total Project Cost (A+B)	3.00	0.70	23	1.36	46	0.94	29

^a In end-2018 prices as of October 2018. Includes taxes and duties of \$0.35 million to be financed by the JFPR grant.

^b Physical contingencies are computed at 5% of the base cost for Goods (Equipment, Materials and Furniture). Price contingencies computed at average of 3.9% on local currency costs and 1.5% on foreign currency costs from 2019 onwards; includes provision for potential exchange rate fluctuation under the assumption of a purchasing power parity exchange rate.

Source: Asian Development Bank.

F. Detailed Cost Estimates by Year

Table 10: Detailed Cost Estimates by Year
(\$ million)

Item	Total Cost	2019	2020
A. Consultants	2.88	2.02	0.86
B. Contingencies	0.12	0.08	0.04
Total Project Cost (A+B)	3.00	2.10	0.90
% of Total Project Cost	100%	70%	30%

Notes: Numbers may not sum precisely because of rounding.

Sources: Asian Development Bank.

G. Detailed Cost Estimates by Expenditure Category

Table 11: Detailed Cost Estimates by Expenditure Category
(\$ million)

	Peso million			\$ million			% of Total Base Cost
	Foreign Exchange	Local Currency	Total Cost	Foreign Exchange	Local Currency	Total Cost	
A. Investment Costs							
Goods	42.10	83.11	125.21	0.78	1.54	1.39	48%
Works	0.00	47.49	47.49	0.00	0.88	0.53	18%
Workshop and Training	0.00	28.33	28.33	0.00	0.53	0.32	11%
Implementation Support	0.00	58.02	58.02	0.00	1.08	0.64	22%
Subtotal (A) (Base Cost)	42.10	216.96	259.06	0.78	4.02	2.88	100%
B. Contingencies							
Physical	5.40	0.00	5.40	0.10	0.00	0.10	1%
Price	1.08	4.32	5.40	0.02	0.08	0.10	1%
Subtotal (B)	6.48	4.32	10.79	0.06	0.04	0.12	2%
Total Project Cost (A+B)	48.57	221.28	269.85	0.54	2.46	3.00	102%

Notes: Numbers may not sum precisely because of rounding
Source: Asian Development Bank.

H. Contract and Disbursement S-Curve

20. Table 10 and Figure 2 below shows the contract awards and disbursement projections for the grant over the life of the project, until the grant completion date of January 2021.

Figure 2: Contract Award and Disbursement

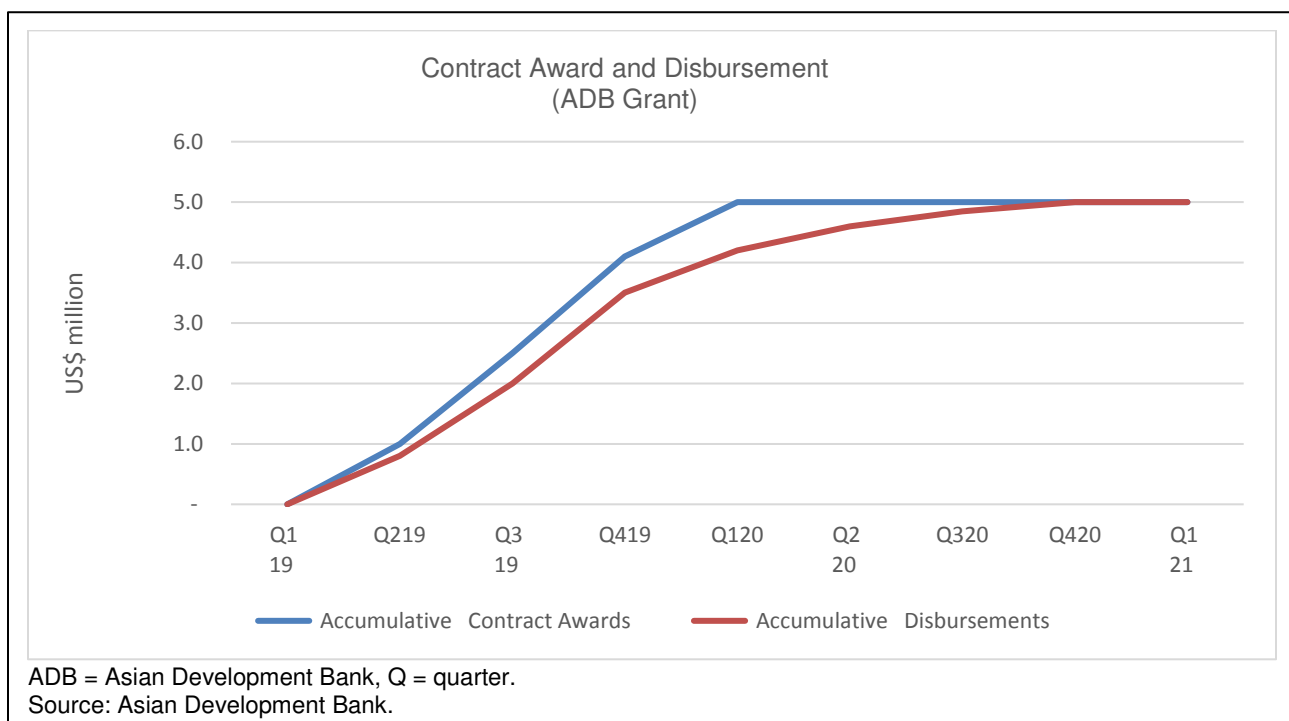


Table 12: Contract Awards and Disbursements for Grant

Period	Accumulative		Quarterly	
	Contract Awards	Disbursements	Contract Awards	Disbursements
Q1-2019	-	-	-	-
Q2-2019	0.60	0.48	0.60	0.48
Q3-2019	1.56	1.20	0.90	0.72
Q4-2019	2.46	1.80	0.96	0.90
Q1-2020	3.00	2.52	0.54	0.42
Q2-2020	3.00	2.76		0.24
Q3-2020	3.00	2.91		0.15
Q4-2020	3.00	3.00		0.09
Q1-2021	3.00	3.00		

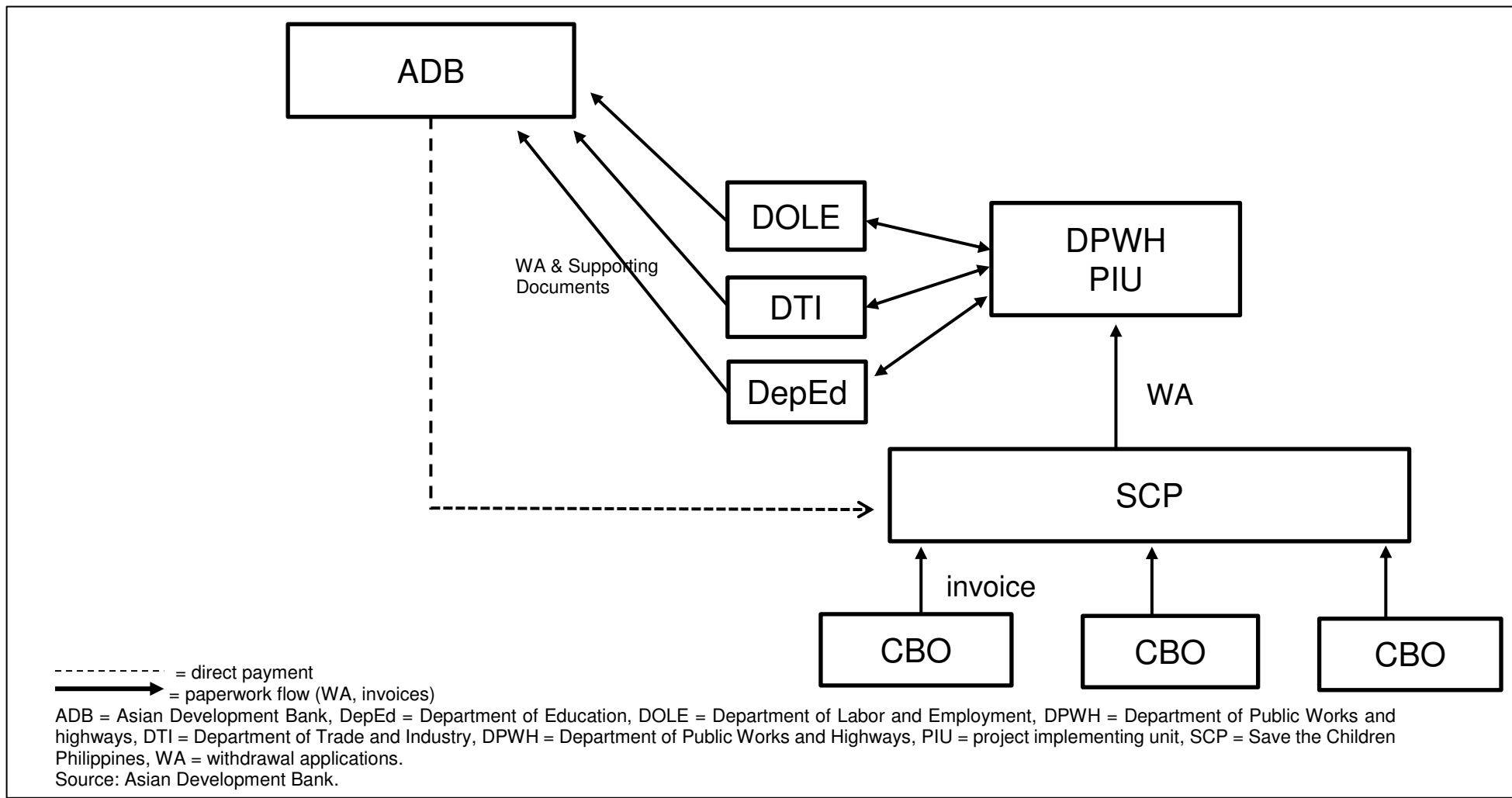
Q = quarter.

Source: Asian Development Bank.

I. Fund Flow Diagram

21. The flow for JFPR funds is shown below.

Figure 3: Implementation Arrangement and Funds Flow Chart



V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

22. The financial management assessment (FMA) of the executing agency and the SCP is conducted in accordance with ADB's Guidelines for the Financial Management and Analysis of Projects and the Financial Due Diligence: A Methodology Note. A Financial Management Assessment (FMA) of the DPWH which is the executing agency was undertaken from June 2015 to March 2016 by PADECO Co. Ltd. under the regional technical assistance for Promoting Sustainable Energy for All in Asia and the Pacific – Project Development and Investment Facilitation¹² for the purpose of the preparation of the Improving Growth Corridor in Mindanao Road Sector Project (IGCMRP).¹³ Preparation activities included: (i) interviews with staff of DPWH; (ii) submission to DPWH of an FMA Questionnaire, as per Appendix 2 of the Note; (iii) interviews with staff of the Project Management Office of the on-going Philippines Road Improvement and Institutional Development Project (RIIDP) ; (iv) a review of ADB, RIIDP and other related project documentation; and (v) a review of ADB's on-going experience. A follow-up assessment was undertaken by the ADB staff consultant in May 2016. The assessment included reviewing documents, ADB's on-going experience and interviews with the staff of the DPWH.

23. During the preparation of this emergency assistance loan, the FMA prepared for IGCMRP was updated to consider the 2016 Public Expenditure and Financial Accountability performance assessment report, the 2016-2017 audited project financial reports of another ADB-assisted project and the 2017 audited entity financial statement. The FMA will be continuously updated and monitored after grant approval and throughout the implementation of the project.

24. The FMA considered the capacity of DPWH and SCP, including funds-flow arrangements, staffing, accounting and financial reporting systems, financial information systems, and internal and external auditing arrangements. The FMA preparatory activities included reviewing documents, interviewing finance staff of Save the Children Philippines and other stakeholders and incorporating inputs from other references completed in October 2018. SCP has adequate capacity to support particularly on financial management, and procurement to properly implement this project in compliance with ADB process and procedures. Though they have no prior experience of working with Asian Development Bank, SCP has handled several projects funded by the development partners and other external donors. Their experiences include working with UNICEF and United States Agency for International Development (USAID) on education and livelihoods programs. They have adequate internal control systems and financial reporting arrangements, not only for their regular budget and expenditure management, but also for other external funded projects. The implementation consultant firm will have full time dedicated staff who will be hired before the start of the project who may have limited or no knowledge of implementing ADB projects. In addition, a financial management specialist in the PIU will help oversee the financial reporting and auditing of the project. For this reason, the financial management risk rating is assessed as "substantial". The JFPR grant arrangements are considered satisfactory since appropriate mitigation measures/management actions have been prepared to address the key issues.

Table 13: Financial Management Inherent and Control Risk Assessment of DPWH

¹² ADB. 2015. *Technical Assistance for Promoting Sustainable Energy for All in Asia and the Pacific – Project Development and Investment Facilitation (Subproject D) into Regional Cooperation*. Manila. (TA 8954-REG).

¹³ The financial management assessment can be retrieved at: <https://www.adb.org/sites/default/files/linked-documents/41076-048-sd-01.pdf>

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
Inherent Risk		
I. Country Specific		
Budget reliability, accounting and reporting and external scrutiny are weak.	Substantial	Continuation of PFM reforms by the Government of the Philippines through the following: (a) PFM Reform Roadmap; (b) Good Governance and Anticorruption Cluster Plan and (c) several stand-alone initiatives.
Overall Inherent Risk	Substantial	
Control Risk (DPWH)		
I. Executing Entity		
The experience of the DPWH with ADB projects is limited.	Moderate	One consultant will be recruited under the grant to undertake the financial monitoring and reporting requirements for the grant at the executing agency. In addition, ADB will provide training on ADB's disbursement guidelines and procedures to the relevant staff of the DPWH.
II. Funds Flow		
The ongoing project with ADB uses the direct payment procedure.	Low	The disbursements process will make use of the direct payment procedure to the consultants in PIU and SCP. Small expenditures shall be paid by DPWH first and reimbursed to ADB. In addition, a consultant will be based at the PIU in DPWH to provide guidance. ADB will provide training on ADB's disbursement guidelines and procedures to the relevant staff of the DPWH.
III. Staffing		
Existing staff members of the Accounting Division of the DPWH will be assigned to handle the financial management of the project in addition to their regular workload. There is a possibility that the preparation of the project financial statements may be delayed. Staff may not be well-versed in ADB policies and procedures, and reporting requirements.	Moderate	A financial management specialist will be engaged to assist in the financial monitoring and reporting requirements for the grant and will be based at the PIU and the DPWH. ADB will provide training on ADB's disbursement guidelines and procedures to the relevant staff of the DPWH.
IV. Accounting Policy and Procedures		
The expenditure categories under the DPWH chart of account are different from those used in ADB projects. The accounting staff of the DPWH will not prepare the project financial statements according to ADB's expenditure categories unless formally notified and oriented on the need to do so.	Moderate	ADB will inform DPWH on ADB's reporting requirements. A consultant will also be engaged to assist the PMUs in the financial monitoring and reporting function.
V. Internal Audit		

ADB assisted projects are not included in the audit plan.	Substantial	The EA will be required to include ADB-assisted projects in their audit plan.
VI. External Audit		
COA is the external auditor. COA conducts its audits in accordance with Philippine Public Sector Standards on Auditing. In May 2016, COA issued Resolution No. 2016007 adopting a revised framework of professional standards based on International Standards of Supreme Audit Institutions and which are in harmony with the International Organization of Supreme Audit Institutions framework of professional standards. COA has sufficient knowledge of ADB's guidelines and procedures, including disbursements guidelines and procedures such as the Loan Disbursement Handbook.	Low	
VII. Reporting and Monitoring		
<p>The COA issued adverse opinions on the fairness of the presentation of the consolidated financial statements of the DPWH for the years 2015, 2016, and 2017 due to accounting errors and deficiencies affecting cash and cash equivalents, receivables, inventory, other current assets, property, plant and equipment and liabilities. Therefore, the consolidated financial statements cannot be relied upon.</p> <p>There have been substantial delays in the APFS submission for existing ADB-funded projects in DPWH.</p> <p>The latest APFS (2017) presents the consolidated results of the project; it does not present the information on a per financier basis. The accounting system follows the chart of accounts mandated by the COA. Thus, expenditures categories used are different from those indicated in the ADB grant agreement. Therefore, the expenditures funded by the ADB grant cannot be determined from the APFS as required by the ADB.</p>	High	The disbursements process will make use of the direct payment procedure to the consultants in PIU and SCP. ADB will inform DPWH of the need to report/identify expenditures funded by the ADB grant in the APFS. A consultant will also assist the PIU in DPWH in ensuring timely and proper submissions of the APFS
VIII. Information Systems		
Not all financial reports can be generated from the system. The preparation of the statement of cash flows requires manual intervention and the use of Excel, which may result in errors.	Substantial	Under L3631-PHI: Improving Growth Corridor in Mindanao Road Sector Project, ADB will finance the installation of an Integrated Enterprise Financial Management System.
Overall Control Risk	Substantial	
Overall FM Risk	Substantial	The implementation of mitigation actions as proposed will reduce to risk to moderate.

ADB = Asian Development Bank, APFS = Audited Project Financial Statements, COA = Commission on Audit, DPWH = Department of Public Works and Highways, FM = financial management, PFM = Public Financial Management, PIU = project implementation unit, PMU = project management unit, SCP = Save the Children Philippines.
Source: Asian Development Bank.

Table 14: Financial Management Control Risk Assessment of SCP

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
Control Risk (SCP)		
I. Implementing Consultant		
The IC has no experience of ADB assisted projects but they have worked on several projects funded by the development partners (DPs) and other external donors.	Substantial	The IC needs to ensure timely set up of existing qualified project team members dedicated for this project along with the new finance staff before grant effectiveness.
II. Funds Flow		
The IC's finance staff are experienced and familiar with the Financial Management Procedure. However, they have not yet received any training on ADB's Loan Disbursement Handbook (2017, as amended from time to time).	Substantial	Provide training on ADB's Loan Disbursement Handbook (2017, as amended from time to time) for the finance and other relevant staff.
III. Staffing		
The IC has adequate capacity to support particularly on financial management, and procurement to properly implement this project in compliance with ADB process and procedures. However, delays can occur in day-to-day financial management and submission of periodical financial reports if dedicated finance staff was not hired before project implementation.	Substantial	New finance staff who has previously worked on ADB projects and who have complete knowledge of ADB guidelines and procedures will be hired to focus solely on this project before start of grant implementation. However, the finance team from the National Office will provide needed support and oversight similar to other projects implemented.
IV. Accounting Policy and Procedures		
Accounting Policies and procedures are well documented in Financial Management Manual. However, IC doesn't have sufficient knowledge of government accounting. IC will use International accounting standards for recording of all transactions and reporting.	Moderate	IC staff will undergo training on Philippines government and ADB accounting requirements, to be facilitated by ADB's SDCC-NGOC.
V. Internal Audit		
The IC's control and compliance function has been fully functional and working efficiently to report any compliance matters to Global Assurance in SCI.	Low	N/A
VI. External Audit		
External audit is conducted in accordance with the International Standards on Auditing (ISA). KPMG conducts the audits annually.	Low	N/A
VII. Reporting and Monitoring		
Regular reports are generated from the accounting system of AGRESSO and regular monitoring is carried out by management.	Low	N/A
VIII. Information Systems		

Risk Description	Risk Assessment	Mitigation Measures or Risk Management Plan
The IC uses computerized accounting software of AGRESSO and which has backup server in head office. The system is fully functional for all Financial Accounting and Reporting.	Low	N/A
Overall Control Risk	Substantial	
Overall FM Risk	Substantial	The implementation of mitigation actions as proposed will reduce the risk but remains substantial. Clear attention must be paid to systems and controls throughout the period of the project and IC will undergo relevant trainings.

ADB = Asian Development Bank, IC = Implementing Consultant, KPMG = Klynveld Peat Marwick Goerdeler, N/A = not applicable, SCI = Save the Children International, SDCC-NGOC = Sustainable Development and Climate Change Department – NGO and Civil Society Center,
Source: Asian Development Bank.

Table 15: Time-Bound Action Plan

Weakness	Mitigation Action	Responsibility	Target Date
The IC's finance staff are experienced and familiar with the Financial Management Procedure. However, they have not yet received any training on ADB's Loan Disbursement Handbook (2017, as amended from time to time).	Provide training on ADB's Loan Disbursement Handbook (2017, as amended from time to time) for the finance and other relevant staff.	ADB, EA PIU, SCP	January 2019
The IC has adequate capacity to support particularly on financial management, and procurement to properly implement this project in compliance with ADB process and procedures. However, delays can occur in day-to-day financial management and submission of periodical financial reports if dedicated finance staff was not hired before grant implementation.	New finance staff who has previously worked on ADB projects and who has complete knowledge of ADB guidelines and procedures will be hired to focus solely on this project before start of grant implementation. However, the finance team from the National Office will provide needed support and oversight similar to other projects implemented.	ADB, SCP	Before Grant implementation

Weakness	Mitigation Action	Responsibility	Target Date
The IC has no experience of ADB assisted projects but they have worked on several projects funded by the development partners (DPs) and other external donors.	The IC needs to ensure timely set up of existing qualified project team members dedicated for this project along with the new finance staff before grant effectiveness.	ADB, SCP	Before Grant implementation
Accounting Policies and procedures are well documented in Financial Management Manual. However, IC doesn't have sufficient knowledge of government accounting. IC will use International accounting standards for recording of all transactions and reporting.	IC staff will undergo training on Philippines government and ADB accounting requirements, to be facilitated by ADB's SDCC-NGOC.	ADB, SCP, DPWH	Before Grant implementation
The COA issued adverse opinions on the fairness of the presentation of the consolidated financial statements of the DPWH for the years 2015, 2016, and 2017 due to accounting errors and deficiencies affecting cash and cash equivalents, receivables, inventory, other current assets, property, plant and equipment and liabilities.	A consultant (as part of the PIC) will be engaged to assist in the financial monitoring and reporting requirements for the grant and will be based at the PMU and the DPWH.	ADB, DPWH, Consultant	Before Grant implementation
Not all financial reports can be generated from the system. The preparation of the statement of cash flows requires manual intervention and the use of Excel, which may result in errors.	Under L3631-PHI: Improving Growth Corridor in Mindanao Road Sector Project, ADB will finance the installation of an Integrated Enterprise Financial Management System.	ADB	Procurement scheduled for 2019
The internal audit staff members do not audit the transactions of the ADB project.	The EA will be required to include ADB-assisted projects in their audit plan. This will be included in the legal agreement.	ADB, DPWH	2019 onwards

ADB = Asian Development Bank, COA = Commission on Audit; DPWH = Department of Public Works and Highways; EA = executing agency; IC = Implementing Consultant, PIU = project implementation unit; SCP = Save the Children Philippines.

Source: Asian Development Bank.

A. Disbursement

1. Disbursement Arrangements for ADB Funds

25. The grant proceeds will be disbursed in accordance with ADB's Loan Disbursement Handbook (2017, as amended from time to time),¹⁴ and detailed arrangements agreed upon between the government and ADB. Online training for project staff on disbursement policies and procedures is available.¹⁵ Project staff are encouraged to avail of this training to help ensure efficient disbursement and fiduciary control.

26. Once DPWH reviews and verifies the withdrawal applications prepared by DTI, DOLE and DepEd, they will submit their respective withdrawal applications to ADB for direct payment to the SCP. Direct payment to SCP will cover all costs for implementation of JFPR grant components 1, 2 and 3.

27. Before the submission of the first withdrawal application, the recipient should submit to ADB sufficient evidence of the authority of the persons who will sign the withdrawal applications on behalf of the government, together with the authenticated specimen signatures of each authorized person. Each line agency (DPWH, DOLE, DTI and DepEd) shall nominate signatories who will be authorized to sign the withdrawal application. The minimum value per withdrawal application is stipulated in the *Loan Disbursement Handbook* (2017, as amended from time to time).¹⁶ Individual payments below such amount should be paid by the DPWH and subsequently claimed to ADB through reimbursement, unless otherwise accepted by ADB. DPWH should ensure sufficient category and contract balances before requesting disbursements. Use of ADB's Client Portal for Disbursements¹⁷ system is encouraged for submission of withdrawal applications to ADB.

B. Accounting

28. DPWH will maintain, and cause to be maintained, separate books and records by funding source for all expenditures incurred on the project following accrual-based accounting in accordance with financial reporting standards acceptable to ADB and the Philippine Reporting Standards. DPWH, will prepare project financial statements in accordance with financial reporting standards acceptable to ADB and the government's accounting laws and regulations as prescribed by the Commission on Audit, which may issue updates and guidelines from time to time.

C. Auditing and Public Disclosure

29. DPWH will cause the detailed annual consolidated project financial statements to be audited in accordance with financial reporting standards acceptable to ADB and Philippine Public Sector Standards on Auditing which are consistent with the International Standards for Supreme Audit Institutions, by an independent auditor acceptable to ADB in accordance with auditing standards acceptable to ADB. As part of each such audit, DPWH will have the auditors prepare

¹⁴ The handbook is available electronically from the ADB website (<http://www.adb.org/documents/loan-disbursement-handbook>).

¹⁵ Disbursement eLearning. http://wpqr4.adb.org/disbursement_elearning

¹⁶ ADB. 2017. *Loan Disbursement Handbook*. Manila.

¹⁷ The Client Portal for Disbursements facilitates online submission of WA to ADB, resulting in faster disbursement. The forms to be completed by the Borrower are available online at <https://www.adb.org/documents/client-portal-disbursements-guide>.

a report, which includes the auditors' opinion(s) on the financial statements and the use of the JFPR grant proceeds, and a management letter (which sets out the deficiencies in the internal control of Output 4 that were identified in the course of the audit, if any), and furnish to ADB, no later than 6 months after the end of each related fiscal year, copies of such audited financial statements, audit report and management letter, all in the English language, and such other information concerning these documents and the audit thereof as ADB shall from time to time reasonably request.

30. The audit report for the project financial statements will include a management letter and auditor's opinions, which cover (i) whether the project financial statements present an accurate and fair view or are presented fairly, in all material respects, in accordance with the applicable financial reporting standards; (ii) whether the proceeds of the grant were used only for the purpose(s) of the project; and (iii) whether the executing agency was in compliance with the financial covenants contained in the legal agreements (where applicable).

31. A special audit focusing on governance, transparency, and financial accountability shall be conducted at the completion of the ERRM. The special audit will be conducted by an independent auditor acceptable to ADB.

32. Compliance with financial reporting and auditing requirements will be monitored by review missions and during normal program supervision, and followed up regularly with all concerned, including the external auditor.

33. DPWH have been made aware of ADB's approach to delayed submission, and the requirements for satisfactory and acceptable quality of the audited project financial statements.¹⁸ ADB reserves the right to require a change in the auditor (in a manner consistent with the constitution of the recipient), or for additional support to be provided to the auditor, if the audits required are not conducted in a manner satisfactory to ADB, or if the audits are substantially delayed. ADB reserves the right to verify the project's financial accounts to confirm that the share of ADB's financing is used in accordance with ADB's policies and procedures.

34. Public disclosure of the audited project financial statements, including the auditor's opinion on the project financial statements, will be guided by ADB's Public Communications Policy 2011.¹⁹ After the review, ADB will disclose the audited project financial statements and the opinion of the auditors on the project financial statements no later than 14 days of ADB's confirmation of their

¹⁸ ADB's approach and procedures regarding delayed submission of audited project financial statements:

- (i) When audited project financial statements are not received by the due date, ADB will write to the executing agency advising that (a) the audit documents are overdue; and (b) if they are not received within the next 6 months, requests for new contract awards and disbursement, processing of new reimbursement, and issuance of new commitment letters will not be processed.
- (ii) When audited project financial statements are not received within 6 months after the due date, ADB will withhold processing of requests for new contract awards and disbursement, processing of new reimbursement, and issuance of new commitment letters. ADB will (a) inform the executing agency of ADB's actions; and (b) advise that the loan may be suspended if the audit documents are not received within the next 6 months.
- (iii) When audited project financial statements are not received within 12 months after the due date, ADB may suspend the loan.

¹⁹ ADB. 2011. *Public Communications Policy*. Manila. <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

acceptability by posting them on ADB's website. The management letter and additional auditor's opinions will not be disclosed.²⁰

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting

35. Advance contracting may be considered in conformity with ADB Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017, as amended from time to time).²¹ DPWH has been advised that approval of advance contracting does not commit ADB to finance the project.

B. Procurement of Goods, Works, and Consulting Services

36. All procurement of goods, works and consulting services will be undertaken in accordance with the Procurement Regulations for ADB Borrowers (2017, as amended from time to time).

37. DPWH will recruit one consulting firm and four individual national consultants. The terms of reference for all consulting services are detailed in Appendix 2.

38. An 18-month procurement plan indicating threshold and review procedures for goods, works, and consulting service contract packages and open competitive bidding under national advertisement guidelines is in Appendix 1.

39. In accordance with the Procurement Regulations for ADB Borrowers (2017, as amended from time to time) the recruitment of the consulting firm SCP will be undertaken through direct contracting (DC). After careful consideration of various partners operating in Marawi, SCP was identified as the best suited to undertake the services. Contracting of SCP for all three components will ensure consistency, quality, and sustainability of the investments under the project compared to introducing three different consulting firms.

40. The Procurement Regulations for ADB Borrowers (2017, as amended from time to time) Clause 2.23 "Procurement in Fragile and Conflict-Affected Situations permits the use of appropriate procurement arrangements in accordance with the relevant provisions of the Regulations or other suitable procedures that facilitate responsive mobilization. Furthermore, Clause 2.17 (c) permits DC "... where only one firm is qualified or has experience of exceptional worth." Due diligence was conducted, and, in this case, SCP was identified as the strongest entity with experience of exceptional worth for this assignment.

41. SCP has experience of exceptional worth for this assignment that is located in a Fragile and Conflict Affected area for the following reasons:

- SCP is well established in the region, and the Philippines, and especially in the Autonomous Region of Muslim Mindanao, working in post-conflict and disaster situations;
- SCP brings international best practices and knowledge in education and livelihood support, as well as cash for work programs tailor made for post-conflict areas;

²⁰ This type of information would generally fall under public communications policy exceptions to disclosure. ADB. 2011. *Public Communications Policy*. Paragraph 97(iv) and/or 97(v). Manila.

²¹ ADB *Procurement Policy for Goods, Works, Nonconsulting and Consulting Services (2017, as amended from time to time)*; *Procurement Regulations for ADB Borrowers: Goods, Works, Nonconsulting and Consulting Services. (2017, as amended from time to time)*.

- SCP is the only institution that has substantive operational experience in all three project outputs;
- Contracting of SCP for all three outputs will ensure consistency, quality, and sustainability of the investments under the project;
- SCP has a proven track record for successfully implementing projects in Mindanao by actively collaborating with a wide range of partners including other international organizations, government agencies, nongovernment organizations, and private sectors; and
- The estimated cost is within market range for such services.

42. Due diligence was conducted in terms of SCP's eligibility according to Procurement Regulations for ADB Borrowers (2017, as amended from time to time). DPWH, DTI, DOLE and DepEd, shall enter into a service contract with SCP where SCP will undertake to implement Component 4, and where payments are based on the achievement of clear deliverables. In addition, an OAI Institutional Due Diligence was undertaken of SCP and it concluded the potential integrity and reputational risk arising from ADB's association with SCP and its related entities is low.

43. All procurement of goods, works, nonconsulting and consulting services undertaken by SCP will be in accordance with ADB Procurement Policy (2017, as amended from time to time) and the Procurement Regulations for ADB Borrowers (2017, as amended from time to time). SCP will prepare a detailed procurement plan, indicating the goods, works, nonconsulting and consulting services that will be undertaken.

VII. SAFEGUARDS

44. The JFPR grant is categorized as C for environment and involuntary resettlement and B for indigenous peoples safeguards. The JFPR grant has no significant social and environmental impacts in accordance with ADB Safeguards Policy Statement 2009. The grant will support minor civil works and will not require any new land acquisition.

45. The interventions targeted by the project are in Marawi City and surrounding areas where majority of the people are Maranao ethnic minority group.²² Since the Maranao constitute an overwhelming majority of the project beneficiaries, the elements of an Indigenous Peoples /Ethnic Minority Plan (IP/EM) are in the Grant Assistance Report. Meaningful consultations were carried out with women, residents of the target areas, and other IDPs. The concerns, problems, and issues of ethnic minority communities are mainstreamed in the overall project design and implementation arrangements, and as such do not require a separate budget.

46. DPWH and the GSC will ensure that the IP/EM Plan is complied with during the implementation of the project as stated in the Grant Agreement. The SCP will implement this plan and ensure IP/EM access to emergency employment, livelihood programs, and education opportunities. Learning opportunities will be culturally, age-appropriate and conflict sensitive. The SCP will ensure that all beneficiaries participating in emergency employment activities will receive training to safely operate any necessary equipment, and will closely monitor minor works to ensure they remain within the environmental safeguards categorization C. If there is a change in

²² The Maranao people do not self-identify as minorities within Autonomous Region of Muslim Mindanao and are the dominant ethnic group in Marawi and surrounding areas.

scope of these activities that requires additional impact, an environmental management plan will be designed by the SCP.

47. Safeguards assurances for the projects will be incorporated into the grant agreement.

48. **Prohibited investment activities.** Pursuant to ADB's Safeguard Policy Statement (2009), ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the Safeguard Policy Statement (2009).²³

VIII. GENDER AND SOCIAL DIMENSIONS

49. **Gender.** Gender issues to be addressed by the ERRM. More than a year after the siege, there are around 369,196 remaining IDPs, 117,626 (54%) of them are women. IDP women and girls continue to be confronted by issues that exacerbate pre-conflict gender disadvantages, including: (i) gender-based violence (GBV) (such as sexual assault and child marriage); (ii) unhealthy living conditions in evacuation centers and resettlement areas (e.g., exposure to the elements, lack of water and sanitation) heighten vulnerability not only of women themselves, but of children and the elderly to disease, and in the latter case, increasing women's burden of care and domestic work; (iii) lack of adequate health services, including sexual and reproductive health services, which exposes women and adolescent girls to unplanned pregnancies, maternal, neonatal and children's morbidity and mortality; (iv) lack of information and consultation with women on their needs post-conflict leading to their inability to make decisions for their future and increasing insecurity; and (v) pre-siege lack of safety and accessibility features of urban roads and other infrastructure and further damage brought about by the siege and which need to be addressed by post-conflict rebuilding to minimize exposure to physical danger of pedestrian children, elderly, and persons living with disabilities.

50. Specific gender issues to be addressed by JFPR grant. Particularly relevant to this project's output 4 are the following: (A) of livelihood and income because of (i) lack of capital, stocks, and/or the place to sell their goods because of continuing displacement; (ii) fewer opportunities for women to gain from emergency or cash-for-work programs as the existing job menus mainly consist of traditional male jobs (i.e., civil works); (iii) current available livelihood programs, while dominated by women, are inadequate and not sustainable because of lack of funds, inadequate supplies of raw materials, absence of market for finished products. ; (B) the current school curriculum lacks a critical examination of the ways in which gender roles and other forms of inequality can contribute to a culture of violence (e.g., how gender roles lead to boy's susceptibility to being recruited to take part in violent extremist groups, and gender-based violence and other forms of discrimination against women and girls); (C) lack of gender-responsiveness of post-conflict psycho-social interventions to promote complete healing from the traumas of war.

51. The project is categorized as *effective gender mainstreaming* at entry. It will deliver tangible benefits to the internally displaced women and girls and address gender issues through pro-active gender actions that: (i) ensure equal opportunity for women and men in emergency employment and livelihood opportunities; (ii) provide meaningful and sustainable livelihood opportunities for women IDPs to support their long-term recovery; (iii) incorporate the gender perspective in peace education in school curriculum to foster new attitudes in gender and social relations and in dispute resolution, and empower women in the community, thereby preventing

²³ ADB. 2009. *Safeguard Policy Statement*. Manila

violence and promoting lasting peace; and (iv) ensure gender-responsiveness of psychosocial intervention to effectively address the role of gender as determinant of both trauma and healing.

52. **Implementation arrangements for the Gender Action Plan.** The implementation consultant firm, SCP, will be responsible for Gender Action Plan (GAP) implementation, monitoring and reporting. DPWH and the GSC will monitor regularly and report (at least on a semi-annual basis) on the progress of GAP implementation as part of the project progress reports to be submitted to the ADB. The GAP progress monitoring template included in ERRM's Gender Action Plan²⁴ will be used for this purpose. DPWH will ensure that adequate financial resources are allocated for GAP implementation. The SCP shall endeavor to accomplish all GAP targets and actions to achieve a successful rating from a gender perspective at project completion.²⁵

Table 16: Gender Action Plan for Marawi JFPR Grant

COMPONENTS	GAP ACTIONS & TARGETS
<p>4. Social services and livelihoods improved</p>	<p><u>Emergency employment and livelihoods components</u></p> <p>4.1. At least 3,600 persons receive income-generating social service support²⁶ (at least 50% female; 20% youth) (2018 baseline: 0)</p> <p>4.2. Ensure emergency employment program provides equal employment opportunities for men and women.</p> <p>4.3. At least 75% of livelihood program beneficiaries with enhanced business skills (at least 50% of them are women; 20% youth) (Baseline: 0 in 2019)</p> <p>4.4. Ensure female livelihood beneficiaries have access to micro-finance opportunities through ADB Fostering Women's Empowerment Through Financial Inclusion in Conflict-Impacted and Lagging Provinces Project.²⁷</p> <p><u>Education component:</u></p> <p>4.5. One (1) playground and landscaping rehabilitated at Marawi elementary school.</p> <p>4.6. 400 education staff have increased skills in delivering gender-responsive psycho-social support and quality conflict-sensitive education (2018 Baseline: 0)</p> <p>4.7. Kindergarten to Grade 12 teacher guides revised with culture- and gender-sensitive peace education mainstreamed</p> <p>4.8. Integrated sports and recreation activities for children and youth in peace education initiatives</p> <p>4.9. At least 50% of leadership positions in the multi-stakeholder network are women.</p>
<p><u>Common GAP actions across the outputs 2, 3 and 4:</u></p> <p>5.1. All civil works bidding documents and contracts require contractors to comply with RA 6685; apply core labor standards; strongly encourage to employ at least 20% women in skilled and unskilled positions in civil works in</p>	

²⁴ Gender Action Plan (accessible from the list of linked documents in Appendix 2 of the report and recommendation of the President).

²⁵ ADB considers a gender mainstreamed project to have delivered its intended gender equality results successfully if at least 75% of the quantitative gender targets and 70% of the gender actions are achieved/completed, and that the reporting includes sex-disaggregated data. See: <https://www.adb.org/sites/default/files/institutional-document/34135/files/tip-sheet-5-gender-inclusive-results-pcrs.pdf>

²⁶ Income generating social service support will include provision of livelihood starter kits, livelihood-related equipment, and emergency employment.

²⁷ ADB. 2018. *Report and Recommendation of the President to the Board of Directors: Fostering Women's Empowerment Through Financial Inclusion in Conflict-Impacted and Lagging Provinces Project*. Manila.

accordance with DPWH Department Order 130 series of 2016; and comply with Gender and Development-related legal mandates, including prevention and response to gender-based violence.

5.2. Develop/establish and implement a program and mechanism to adequately prevent and respond to incidents of sexual harassment and other forms of gender-based violence occurring in the context of civil works (at work and in surrounding communities), emergency employment, and livelihood initiatives.

Gender actions related to project management

- Gender specialist is engaged by the implementation consultant firm on an intermittent basis from project inception to completion for supporting GAP implementation, monitoring and reporting.
- Orientation and capacity building on GAP implementation and related requirements is conducted for the DPWH PIU, the SCP, contractors and other key implementing partners.
- Collection of sex-disaggregated data and gender-related information is integrated in the overall project performance and monitoring system.
- At midterm review and project completion, project assessed as gender-responsive using the Project Implementation, Management, Monitoring and Evaluation checklist of the Harmonized Gender and development Guidelines or another comparable tool.
- One (1) knowledge product covering outputs 2, 3 and 4 developed from project learnings on gender and post-conflict rebuilding.

ADB = Asian Development, DPWH = Department of Public Works and Highways, GAP = Gender Action Plan, PIU = project implementation unit, RA = Republic Act, SCP = Save the Children Philippines.

Source: Asian Development Bank.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. JFPR Results Framework

Country's Overarching Development Objective Social and economic recovery in Marawi achieved by 2023 (Bangon Marawi Comprehensive Reconstruction and Recovery Program, 2019-2023) ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
Effect of the Emergency Assistance Adverse social impact of the armed conflict on affected persons mitigated.	By 2024: a. Remaining IDPs (disaggregated by sex) reduced by 80% (August 2018 baseline of remaining IDPs: 369,196; 54% female) b. All-season road accessibility to, and within Marawi reestablished (2018 Baseline: road accessibility not ensured all-season) c. 1,392 households in 19 barangays under the Marawi City water District (estimated 4,500 women) ²⁸ have 24/7 potable water supply re-established. (2018 baseline: Intermittent water supply) d. At least 20% increase in people (50% women) ²⁹ in Marawi and surrounding areas with improved access to health services (2018 baseline: 250,000 catchment population) e. 75% of DepEd schools in Marawi and surrounding municipalities ³⁰ meeting DepEd minimum standards for quality (2017 baseline: 0%)	a. TFBM progress reports on implementation of BMCRRP and status of IDPs b. DPWH-ARMM's road database and consultant's surveys c. Marawi City Water District customer records d. Clinic patient records e. DepEd records	Possibility of Intermittent conflict in Lanao del Sur
Components contributing to Output 4 of the ERRM:			

²⁸ Based on average household size in ARRM of 6.1 (<http://www.psa.gov.ph/content/highlights-household-population-number-households-and-average-household-size-philippines>) and 54% of women among the population in Marawi.

²⁹ Per 2015 population census, the combined population in the directly affected LGUs of Marawi, Piagapo, and Butig is 246,527 which represent catchment and a significant portion of the displaced populations.

³⁰ Municipalities include Marantao, Piagapo and Saguiran, covered in the BMCRRP as affected-areas.

	By 2020:		
4.1 Emergency employment provided	4.1.a. 2,400 individuals including IPs/EMs provided with at least 20 days of work created for (at least 50% female) (Baseline: 0 in 2019)	4.1.a. SCP Quarterly monitoring reports	Recruitment systems not transparent
4.2. Sustainable livelihoods support restored	4.2.a. At least 1,200 beneficiaries including IPs/EMs enrolled in a livelihood program (at least 50% female; 30% youth) (Baseline: 0 in 2019) 4.2.b. At least 75% of livelihood program beneficiaries including IPs/EMs with enhanced business skills (at least 50% women; 20% youth) (Baseline: 0 in 2019) 4.2.c. At least 50% of livelihood initiatives connected to and operating in provincial and national markets (Baseline: 0 in 2019)	4.2.a-c. SCP Quarterly monitoring reports	Slow local economy leading to unsustainable growth of livelihood projects Low capacity and commitment for adaptive education
4.3 Conflict-sensitive education initiatives supported	4.3.a. 300 classrooms in TLS and classrooms provided with school furniture (Baseline: 0 in 2018) 4.3.b. 3 classrooms, 1 playground and landscaping rehabilitated at Marawi elementary school 4.3.c. 400 education staff have enhanced skills in delivering culture- and gender-sensitive psycho-social support and quality education in emergency settings (Baseline: 0 in 2018) 4.3.d. Kindergarten to Grade 12 teacher guides revised with culture- and gender-sensitive psycho-social support peace education mainstreamed 4.3.e Youth multi-stakeholder network for peace action plan drafted	4.3.a-f. SCP quarterly monitoring reports & DepEd ARMM EMIS	

<p>Key Activities with Milestones</p> <p>4.1. Emergency employment provided</p> <p>4.1.1 Identify potential gender- and culturally-sensitive emergency employment projects from LGU and community plans (Q2-Q3 2019)</p> <p>4.1.2 Identify target beneficiaries for short-term emergency employment (Q2-Q3 2019)</p> <p>4Set up a M&E framework, which includes collection of sex-disaggregated for the EEP to track beneficiaries, income, project benefits (Q2-Q3 2019)</p> <p>4.1.2. Match beneficiaries with short-term emergency employment opportunities (Q2 2019-Q4 2020)</p> <p>4.1.3. Provide basic orientation on occupational safety and health and relevant skills training (Q2 2019-Q4 2020)</p> <p>4.1.4. Provide personal protective equipment and enrolment in group micro-insurance (Q2 2019-Q4 2020)</p> <p>4.2. Sustainable livelihoods restored</p> <p>4.2.1 Undertake local market assessments to identify potential gender- and culturally-sensitive livelihoods for support per DILP guidelines (Q2-Q3 2019)</p> <p>4.2.2 Identify target beneficiaries in coordination with TFBM's sub-committee on Business and Livelihoods and Department of Social Welfare and Development (Q2-Q3 2019)</p> <p>4.2.3 Deliver training on business planning, basic entrepreneurship, productivity and workers health and safety, and production skills (Q3 2019-Q4 2020)</p> <p>4.2.4 Procure and deliver materials, equipment, tools (Q3 2019-Q4 2020)</p> <p>4.2.5 Enroll beneficiaries in group micro insurance schemes (Q3 2019-Q4 2020)</p> <p>4.2.6 Deliver technical and business advisory services (Q3 2019-Q4 2020)</p> <p>4.3. Conflict-sensitive education initiatives supported</p> <p>4.3.1 Provide school furniture in affected schools and temporary learning spaces. The proposal will include a detailed procurement plan. (Q1 2019-Q4 2020)</p> <p>4.3.2 Rehabilitate selected catchment school in Marawi (Q3 2019-Q4 2019)</p> <p>4.3.3 Support DepEd to identify and integrate core competencies and messages on gender-sensitive peace education in the kindergarten to grade 12 curriculum through consultation workshops, revision of existing modules, pilot-testing, printing, and training of teachers. (Q2 2019-Q4 2020)</p> <p>4.3.4 Deliver training for teachers on protective learning spaces, conflict- and culture-sensitive education, planning and management of education in emergencies, and positive discipline (Q2 2019-Q4 2020)</p> <p>4.3.5 Deliver culture-sensitive and gender-responsive psycho-social support for children and short courses on life skills to youth (Q2 2019-Q4 2020)</p> <p>4.3.6 Support a multi-stakeholder network to maintain dialogue on peace and the education sector (continuous)</p>
<p>Inputs</p> <p>Trust Fund \$3 million grant</p>
<p>Assumptions for Partner Financing: not applicable</p>

ARMM = Autonomous Region of Muslim Mindanao, BMCRRP = *Bangon Marawi Comprehensive Rehabilitation and Recovery Program*, DepEd = Department of Education, DILP = DOLE Integrated Livelihood Program, EEP = emergency employment program, EM = ethnic minority, EMIS = education management information system, ERRM = Emergency Assistance for the Reconstruction and Recovery of Marawi, IDP = internally displaced persons, IP = indigenous peoples, LGU = local government unit, M&E = monitoring and evaluation, NEDA = National Economic Development Authority, Q = quarter, SCP = Save the Children Philippines, TFBM = Task Force Bangon Marawi, TLS = temporary learning spaces.

^a Government of the Philippines. National Economic and Development Authority. 2018. *Bangon Marawi Comprehensive Reconstruction and Recovery Program*. Manila.

Source: Asian Development Bank.

B. Monitoring

53. **Project performance monitoring.** DPWH, GSC and the implementation consultant firm, SCP, will be responsible for overall monitoring and evaluation, including: (i) performance monitoring against project milestones; (ii) safeguards monitoring; and (iii) financial commitments. Reports on project achievements will be provided quarterly, and summarized at the end of each year, by the SCP and submitted to DPWH, for validation and onward submission to ADB. Quarterly reports will contain updated contract awards and disbursements projections. The project

performance monitoring system to be developed for the ERRM will be used to monitor progress for all outputs, including the JFPR grant.

54. **Compliance monitoring.** The status of compliance with loan covenants will be reviewed as part of ADB's review missions. Any non-compliance issues will be specified in the quarterly progress reports together with remedial actions.

55. **Safeguards monitoring.** Status of the implementation of the safeguards plans will be discussed at each ADB review mission and integrated into semi-annual reports for the ERRM. These safeguards reports will be prepared with assistance from safeguards specialists recruited by the implementation consultant.

Table 17: Oversight functions

Position/Agency	Responsibility
Implementation consultant firm, SCP	Oversee and coordinate safeguards implementation throughout the grant. Submit semi-annual safeguard monitoring reports to EA. Communicate potential safeguards non-compliance to ADB promptly.
EA (Department of Public Works and Highways)	Validate semi-annual safeguards monitoring reports and submit to ADB. Communicate potential safeguards non-compliance to ADB promptly.
Project Director (Project Management Unit)	Oversee safeguard implementation for the Project, in coordination with the EA, consultants, contractors and local authorities.
Project Coordinator (Project Implementation Unit)	Assist the EA with overall safeguards implementation and monitoring.

ADB = Asian Development Bank, EA = Executing Agency; IA = Implementing Agency, SCP = Save the Children Philippines.

Source: ADB.

56. **Gender and social dimensions monitoring.** Regular monitoring of gender related indicators/targets included in the design and monitoring framework and the GAP will be done during implementation by the SCP, supported by a gender expert. The project performance management system will ensure that data disaggregated by sex is collected, analyzed, and reported on wherever relevant. GAP progress reports will be submitted to ADB at least on a semi-annual basis using the GAP progress monitoring template for the ERMM. Participatory monitoring of project impact will be implemented at the midterm of the project and this will include focus group discussion and interviews with women who are direct beneficiaries of activities supported by the project to obtain both quantitative and qualitative data.

C. Evaluation

57. Following grant approval, review missions are expected to be held every 3 to 6 months. Within 6 months of physical completion of the project, the implementing agency will submit to the executing agency, for validation and onward submission to ADB, a project completion report.³¹

D. Reporting

58. The implementation consultant firm, SCP, will submit to the GSC and subsequently DPWH, for validation and onward submission to ADB, the following reports: (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) semi-annual

³¹ Project completion report format is available at: <http://www.adb.org/Consulting/consultants-toolkits/PCR-Public-Sector-Landscape.rar>

safeguard monitoring reports; (iii) consolidated annual reports including (a) progress achieved by output as measured through the indicator's performance targets, (b) key implementation issues and solutions, (c) updated procurement plan, and (d) updated implementation plan for the next 12 months; and (iv) a project completion report within 6 months of physical completion of the project. To ensure that projects will continue to be both viable and sustainable, project accounts and the executing agency audited financial statement together with the associated auditor's report, should be adequately reviewed.

E. Stakeholder Communication Strategy

59. A stakeholder communications strategy covering the full scope of the ERRM is included as a linked document to the report and recommendation to the President. SCP will work with a community engagement consultant to involve local stakeholders specifically on emergency employment, livelihoods and education activities.

X. ANTICORRUPTION POLICY

60. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.³² All contracts financed by ADB shall include provisions specifying the right of ADB to audit and examine the records and accounts of the executing agency and all project contractors, suppliers, consultants, and other service providers. Individuals and/or entities on ADB's anticorruption debarment list are ineligible to participate in ADB-financed activity and may not be awarded any contracts under the project.³³

61. To support these efforts, relevant provisions are included in the grant agreement and the bidding documents for the project.

XI. ACCOUNTABILITY MECHANISM

62. People who are, or may in the future be, adversely affected by the project may submit complaints to ADB's Accountability Mechanism. The Accountability Mechanism provides an independent forum and process whereby people adversely affected by ADB-assisted projects can voice, and seek a resolution of their problems, as well as report alleged violations of ADB's operational policies and procedures. Before submitting a complaint to the Accountability Mechanism, affected people should make an effort in good faith to solve their problems by working with the concerned ADB operations department. Only after doing that, and if they are still dissatisfied, should they approach the Accountability Mechanism.³⁴

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

63. All revisions and/or updates during the course of implementation should be retained in this section to provide a chronological history of changes to implemented arrangements recorded in the project administration manual, including revision to contract awards and disbursement s-curves.

³² Anticorruption Policy: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

³³ ADB's Integrity Office web site: <http://www.adb.org/integrity/unit.asp>

³⁴ Accountability Mechanism. <http://www.adb.org/Accountability-Mechanism/default.asp>.

PROCUREMENT PLAN

Basic Data

Project Name: Emergency Assistance for Reconstruction and Recovery of Marawi	
Project Number: 52313-001	Approval Number: xxx
Country: PHILIPPINES	Executing Agency: DPWH
Project Procurement Classification: B	Implementing Agency: N/A
Procurement Risk: Low	
Project Financing Amount: \$ \$3,000,000 ADB Financing: \$3,000,000 Cofinancing (ADB Administered): Non-ADB Financing:	Project Closing Date: 31 January 2021
Date of First Procurement Plan: March 2019	Date of this Procurement Plan: 13 November

A. Methods, Thresholds, Review and 18-Month Procurement Plan

1. Procurement and Consulting Methods and Thresholds

Except as the Asian Development Bank (ADB) may otherwise agree, the following process thresholds shall apply to procurement of goods and works.

Procurement of Goods and Works		
Method	Threshold	Comments
Shopping for Works	Below \$100,000	
Shopping for Goods	Below \$100,000	

Consulting Services	
Method	Comments
Direct contracting	Implementation consultant firm (Save the Children Philippines)
Open competitive bidding	Project implementation unit (individual consultants)

2. Consulting Services Contracts Estimated to Cost \$100,000 or More

The following table lists consulting services contracts for which the recruitment activity is either ongoing or expected to commence within the next 18 months.

Package Number	General Description	Estimated Value	Recruitment Method	Review (Prior / Post)	Advertisement Date (quarter/year)	Type of Proposal ⁹	Comments ¹⁰
CS1	Implementation consultant firm	\$2,780,000	Direct contracting	Prior	N/A	Output-based	N/A

⁹ See PAI 2.02G: full, simplified or bio data technical proposal.

¹⁰ Indicate the type of assignment: International or National. Specify the Quality-Cost Ratio for QCBS method. Indicate the type of expertise for Individual Consultant Selection.

3. Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)

Package Number	General Description	Estimated Value	Number of Contracts	Recruitment Method	Review (Prior / Post)	Advertisement Date (quarter/year)	Type of Proposal ⁹	Comments ¹⁰
CS2	PIU	150,000	3	OCB	Prior	Q1 2019	Input PM	N/A

TERMS OF REFERENCE

1. Individual Consultants

Minimum required qualification	Outline Terms of Reference
Project financial and procurement management specialist (national, 12 person-months, intermittent)	
(i) The Project Finance and Procurement Manager will have a senior position requiring a bachelor's degree in financing or accounting. (ii) Working experience in financing and accounting should be 10 years. (iii) Working experience in ADB funded project financial and procurement management: 5 years. (iv) Ability to work either as part of a team effectively or independently with minimal supervision. (v) Language: fluency in English with proven record of well written English. (vi) Microsoft package: proficiency in office and financial management software applications.	(i) Ensure early production and dissemination of a Financial Management Operations Manual and Internal Audit Manual for the project (ii) Manage project funds according to the requirements of ADB and Government (iii) Reviews results-oriented annual budget plan for the project and monitor the expenditure using the required formats (iv) Facilitate the preparation and submission of withdrawal applications to ADB, follow up on payments, as well as follow up the subsequent replenishment from ADB (v) Ensure proper authorization and accounting of operating costs which will be classified by nature of expenses and sources of funding and by categories (vi) Ensure sound financial control, documentation and flow of information of project (vii) Provide training to all the project accounting staff and provide regular supervision (viii) Ensure overall good financial governance and abidance by the regulations, to keep the financial management of the project transparent and accountable (ix) Coordinate all responsible positions and with the relevant experts (i) Support the finalization of a procurement plan for the JFPR grant together with the implementation consultant firm and align it with procurement plan of the loan's Project Administration Manual; (ii) Support the preparation of procurement packages according to ADB's and government's procurement policies and procedures; (iii) Take lead in ensuring compliance of signed contracts and management for the project the grant (iv) Identify risks and provide recommendation to the EA and ADB (x) Work closely with the Project Coordinator/M&E Specialist in the implementation of the project
Gender specialist (national, 12 person-months, intermittent)	
The gender specialist should have a master's degree in gender studies, or equivalent and at least 8 years of relevant professional experience in social development, gender or	(i) In coordination with the ADB country gender specialist, orient the Executing Agency, Implementing Consultant, and partner agencies on the GAP and DMF gender-specific targets and activities, partners' roles and

Minimum required qualification	Outline Terms of Reference
<p>related areas. She/he should have formal training in gender analysis and gender planning, and demonstrated experience, skills, and expertise in gender mainstreaming. Experience in conducting primary gender research is needed, and she/he should be familiar with gender analysis tools and methodologies in the project implementation and monitoring.</p>	<p>responsibilities, and expected deliverables; and build the capacity of the IC to implement, monitor and report on GAP accomplishments – both at process and outcome levels.</p> <p>(ii) Ensure that sex-disaggregated data and gender specific indicators included in the GAP and DMF are incorporated in the project performance and monitoring system; and that GAP implementation is incorporated in the overall project workplans and budget.</p> <p>(iii) Conduct regular field visits to support and monitor GAP implementation; support ADB review missions; prepare progress reports using prescribed format for inclusion in regular project reports; and assist the IC in preparing the Project Completion Report (PCR) by drafting the Gender Appendix and by providing gender inputs to the main text and relevant appendices of the PCR.</p> <p>(iv) Act as the main focal point/contact for all gender-related activities between the project, implementing agency, the ADB country office, NGOs, and other consultants, and liase with women's groups to maximize women's involvement in and benefits from the project.</p>
<p>Project Coordinator and Monitoring and Evaluation specialist (national, 14 person-months, intermittent)</p>	
<p>Project Coordinator and PPMS Specialist: The Specialist will preferably have a bachelor's degree in management or Information and Technology or related field with a minimum of 10 years of demonstrated experience in project M&E. Having experience in developing project M&E system will be a plus. She/he will be responsible to develop project performance monitoring system. She/he will work closely with the Team Leader to ensure that the PPMS is in accordance with the project design and monitoring framework and that the system could identify issues quickly and brought to the attention of government and the ADB for prompt resolution. The specialist will have proven experience in project management, planning and budgeting in the Philippines (5 years' experience), preferable with experience in the implementation of ADB / World Bank funded projects and fluent English language skills (both written and spoken).</p>	<p>(i) Develop a PPMS to be used for the JFPR grant and train the implementation consultant and EA in the use of PPMS, including reporting, spot check information and overall quality assurance in relation to the grant</p> <p>(ii) Integrate collection of sex-disaggregated and gender-specific data relevant to the JFPR grant and other ERRM outputs in the PPMS.</p> <p>(iii) Work closely with the implementation consultant firm to ensure high quality reporting and timely submitted documentation in line with the design and monitoring framework for output 4 of the ERRM</p> <p>(iv) Contribute to the bi-annual meeting, especially in preparation of reports, forecasts and specific key results that may be consider for publication or other visibility</p> <p>(v) Align the PPMS reporting with other outputs under the ERRM and monitor quality of workplans under the JFPR grant to ensure successful implementation</p> <p>(vi) Coordinate and liase with TFBM and their monitoring and evaluation system to maximize on a harmonized reporting on results of the JFPR grant and other ERRM outputs</p>

Minimum required qualification	Outline Terms of Reference
	<p>(vii) Take the overall responsibility for JFPR grant within the EA PIU, supporting and coordinating with the consultant firm. The consultant will undertake the following tasks:</p> <ul style="list-style-type: none"> (a) Review progress reports, workplan, and budget of the implementation consultant firm and seek agreement from EA and ADB (b) Facilitate and arrange bi-annual review as well as midterm and project completion evaluations, workshops, meetings, and seminars (c) Ensure that the JFPR grant is implemented in accordance with the grant agreement with ADB and the service agreement with the implementation consultant firm (d) Overall in charge of GAP planning, implementation, monitoring and reporting to ensure GAP successful implementation. (e) Undertake consultation meetings with partners (multilateral and bilateral organizations, International and national non-government organizations) and other stakeholders as part of the policy development process and ensure that adequate technical inputs are provided (f) Participate in the TFBM meetings when required and share progress under the JFPR to a wider group (g) Provide ad-hoc information and updates to EA management and ADB.

ADB = Asian Development Bank, EA = executing agency, ERRM = Emergency Assistance for Reconstruction and Recovery of Marawi, JFPR = Japan Fund for Poverty Reduction, GAP = Gender Action Plan, M&E = monitoring and evaluation, PIU = project implementation unit, PPMS = Project Performance Monitoring System, TFBM = Task Force Bangon Marawi.

Source: Asian Development Bank.

2. Implementation Consultant Firm

1. **Objective of the contract:** These consulting services will support the implementation of (i) a short-term emergency employment program, (ii) longer-term livelihood development programs for working-age men and women, and (iii) support for culturally appropriate, conflict-sensitive learning opportunities for boys, girls, and youth. Beneficiaries are those affected by the Marawi conflict, both IDPs and members of the host communities in Marawi, predominantly outside the most-affected area, and neighboring municipalities of Saguiran, Marantao and Piagapo.

Estimated contract amount: US\$2,780,000

Executing Agency: Department of Public Works and Highways

Selection method: Direct contracting

Duration of the assignment: 2 years (January 2019 to January 2021)

A. Background

2. On request of the Government of the Philippines, the Asian Development Bank (ADB) is responding to Marawi crisis by providing Emergency Assistance for the Reconstruction and Recovery of Marawi (ERRM) composed of budget support and infrastructure investments. Complementing this loan are two grants: (i) a grant to be provided by the Urban Climate Change Resilience Trust Fund supporting water and health; and (ii) this proposed grant (the JFPR grant) to be provided by the Japan Fund for Poverty Reduction (JFPR). These terms of reference refers to activities of the JFPR grant components.

3. The JFPR grant will support implementation of Output 4 of the ERRM, “social services and livelihood improved” and complement the overall emergency loan by ensuring access to emergency income and livelihood support to the conflict-affected IDPs and host communities in Marawi and its neighboring municipalities. It also has a focus on the youth, who are especially vulnerable to being recruited by extremist groups, by providing peace education and restoring learning and livelihood opportunities. The JFPR grant activities are aligned with the government’s needs assessment and the Bangon Marawi Comprehensive Rehabilitation and Recovery Program (BMCRRP), managed by the Task Force Bangon Marawi (TFBM).³⁵

4. The grant will deliver social service programs modeled on existing government programs, targeting IDPs and persons from the host communities in Marawi, as well as neighboring municipalities Marantao, Piagapo and Saguiran. Specifically, the following components will be implemented:

5. **Component 1: Emergency employment provided.** This component will deliver a program patterned on the Department of Labor and Employment (DOLE) Emergency Employment Program, known as Tulong Panghanapbuhay sa ating Disadvantaged/Displaced Workers (TUPAD), in Marawi, as well as in neighboring municipalities Marantao, Piagapo, and Saguiran, reaching 2,400 beneficiaries.³⁶ This is a community-based (barangay or municipal level) package of cash-for-work assistance that provides emergency employment at 100% of the prevailing minimum wage for up to 30 days.³⁷ This immediate income will provide much-needed temporary relief to reduce household-level financial barriers to continued education and needed nutrition, while medium- and long-term livelihood activities are restarting. Key activities under this component include (i) appropriate selection of workers following the existing criteria set by DOLE (see Grant Assistance Report),³⁸ coordinating registration with TFBM and the Department of Social Welfare and Development, targeting an equal number of men and women, and focusing on IDPs and working-aged youth in the host communities; (ii) identification of employment activities with local government units on social community projects; (iii) provision of basic orientation on occupational safety and health, personal protective equipment, and skills training appropriate to the employment assignment; and (iv) enrolment and covering the premium of group micro-insurance for beneficiaries while engaged.

³⁵ The BMCRRP reflects the government’s coordinated efforts to reconstruct and restore Marawi. TFBM is the appointed coordination mechanism to lead these efforts in close collaboration with the international community and other actors.

³⁶ In early 2018, TUPAD was implemented on a small scale in Lanao del Sur, supported by the governor’s office. These activities stopped due to limited funding.

³⁷ Current minimum wage for the Autonomous Region of Muslim Mindanao is ₱285 per day for non-agricultural labor and ₱270 per day for agricultural labor.

³⁸ Grant Assistance Report (accessible from the list of linked documents in Appendix 2 of the Report and Recommendation to the President).

6. **Component 2: Sustainable livelihoods restored.** This component will support 1,200 beneficiaries in accessing livelihood programs, patterned on the DOLE Integrated Livelihood Program (DILP) and Department of Trade and Industry's (DTI) Shared Services Facility Program (SSFP) (see Grant Assistance Report).³⁹ DILP will be implemented to develop individual and small group-based livelihood opportunities. Key activities under this component include (i) training on business planning, basic entrepreneurship development, productivity and workers safety and health, and production skills; (ii) providing livelihood starter kits comprised of raw materials, equipment, and tools; (iii) enrolment of beneficiaries in group micro-insurance and covering the premium; and (iv) providing technical and business advisory services specific to the livelihood.⁴⁰ Delivery of the SSFP will support micro- and small enterprises by providing energy-efficient equipment for increasing productivity and sustainability of beneficiary livelihoods. The activities will also include business advisory training and link beneficiaries closely with local business associations and external markets. The combination of the DILP and SSFP will generate sustainable income on an individual and community level during and beyond this protracted period of displacement. Female beneficiaries looking to further scale up their livelihood business will have access to micro-finance through ADB's Fostering Women's Empowerment Through Financial Inclusion in Conflict-Impacted and Lagging Provinces Project.⁴¹

7. **Component 3: Quality education opportunities restored.** This component will increase access to culturally and age appropriate, inclusive, gender- and conflict-sensitive learning opportunities in safe and protective learning spaces,⁴² minimizing disruption of quality education. Key activities under this component include (i) providing needed school furniture in affected schools and temporary learning spaces; (ii) rehabilitating a catchment school;⁴³ (iii) providing capacity development for teachers to offer gender-responsive psycho-social support for children, youth, and their families; (iv) providing capacity development to the Lanao del Sur education management staff to adhere to minimum standards of education in emergencies and planning for the recovery process; (v) creating a multi-stakeholder network for peace in Marawi City;⁴⁴ and (vi) support to the Department of Education (DepEd) to identify and integrate core competencies and

³⁹ Beneficiaries will be targeted based on TFBM Subcommittee on Business and Livelihood monitoring and registration. Grant Assistance Report (accessible from the list of linked documents in Appendix 2 of the report and recommendation to the President).

⁴⁰ Examples of livelihoods could be tailoring where fabric and a sewing machine would be procured, or running a convenient store where bulk grocery goods would be procured.

⁴¹ ADB. [Republic of the Philippines: Fostering Women's Empowerment Through Financial Inclusion in Conflict-Impacted and Lagging Provinces Project.](#)

⁴² "Safe and protective learning spaces" is a term used in the context of education in emergencies. It refers to the provision of quality education opportunities that meet the physical protection, psychosocial, developmental, and cognitive needs of people affected by emergencies, which can be both life-sustaining and life-saving. "Conflict-sensitive education" means "understanding the context in which the education policy/programme takes place, analyzing the two-way interaction between the context and the education policy/programme, and acting to minimize negative impacts and maximize positive impacts of education policies and programming on conflict. (INEE)

⁴³ A catchment school is a school that serves students from barangays that no longer have open schools. This school, targeted for support under the grant, is serving many students from schools that closed after the conflict, is in Marawi division near ground zero, and is staffed by IDP teachers. It was identified by DepEd as a school that has low environmental safeguard risk and will serve as a model school for others. Other schools will receive support through teacher trainings, furniture, and teaching and learning materials. "Ground zero" or the "most affected area" comprises the 24 barangays of Marawi that were heavily bombed during the siege.

⁴⁴ The network will strengthen commitment for the declaration of schools as Zones of Peace and deepen understanding of the role of education in building and sustaining a culture of peace. Members will include DepEd, local government, local civil society organizations and nongovernment organizations, including women, youth, and persons with disabilities organizations, as well as religious leaders, private sector, academe, peace advocates to maintain dialogue on peace and the role of education.

messages on peace education in the kindergarten to grade 12 curriculum and provide related teacher trainings.

B. Scope of Services

8. The scope of work will include; task (a) for component 1, delivery of emergency employment; tasks (b) and (c) for the implementation of component 2, sustainable livelihoods programs; tasks (d) to (i) for component 3, the restoration of quality education opportunities; and tasks (j) to (p) for monitoring, evaluation and reporting.

Component 1

- (a) Deliver services patterned on the DOLE emergency employment program (TUPAD). This cash-for-work assistance will provide community-based employment at 100% of the prevailing minimum wage for 20 to 30 days. The firm will select employment activities that integrate the supported livelihood and education programs under this project. These activities will target an equal number of men and women, providing basic orientation on occupational safety and health; personal protective equipment, enrolment in group micro-insurance, covering the premium; and minor skills training.

Component 2

- (b) Deliver services patterned on the DOLE Integrated Livelihood program for individual beneficiaries through:
- (i) Reviewing existing recent market assessments and community development plans to determine most sustainable livelihood activities
 - (ii) Identifying beneficiaries in coordination with the Task Force Bangon Marawi's sub-committee on Business and Livelihoods;
 - (iii) Providing training on business planning, basic entrepreneurship development, productivity and workers safety and health, and production skills;
 - (iv) Procuring working capital in the form of raw materials, equipment, and tools;
 - (v) Enrolling beneficiaries in group micro insurance schemes; and
 - (vi) Providing regular technical and business advisory services.
- Procurement will conform to ADB's Procurement Guidelines of 2017 (as amended from time to time) and ADB Guidelines on the Use of Consultants (2013 as amended from time to time).
- (c) Deliver services patterned on the DTI Shared Services Facility livelihood program for micro-enterprises through:
- (i) Supporting micro-enterprises with trainings to develop business proposals;
 - (ii) Procuring tools and equipment for increased productivity and sustainability of beneficiary livelihoods; and
 - (iii) Providing regular technical and business advisory services.

Component 3

- (d) Deliver school furniture in affected schools and temporary learning spaces. The workplan will include a detailed procurement plan.
- (e) Rehabilitate a selected catchment school in Marawi with reconstruction of three classrooms, landscaping and construction of a playground. The proposal should comply

with Department of Education standards and environment and social safeguard requirements of ADB and the Government of the Philippines.

- (f) Provide capacity development for teachers to establish protective and safe learning environments by offering cultural and gender-sensitive peace education and psycho-social support trainings.
- (g) Create a multi-stakeholder network for youth for peace in Marawi City to strengthen commitment for the declaration of Learners and Schools as Zones of Peace and deepen understanding of the role of education in building and sustaining a culture of peace. The network will include DepEd, local government, local civil society organizations and nongovernment organizations, as well as religious leaders, academe, peace advocates, and local government unit officials to maintain dialogue on peace and the role of education.
- (h) Support DepEd to identify and integrate core competencies and messages on peace education in the kindergarten to grade 12 curriculum through consultation workshops, revision of existing modules, pilot-testing, printing, and training of teachers.
- (i) Coordinate with TFBM, local governance structures in Autonomous Region of Muslim Mindanao, and active development partners in the area on implementation of tasks (a) to (i), particularly in regard to beneficiary registration, IDP profiling, and connecting business networks for livelihood program beneficiaries. Coordination and consultation should also take place with the network of ulamas, the Bureau of Madaris Education, and local women's organizations.
- (j) In consultation with the TFBM, review and strengthen the existing monitoring, evaluation and reporting mechanism for the project.
- (k) Prepare monitoring and evaluation reports as part of the overall monitoring and evaluation of the project. The reports will include a summary, describing actual achievement, remaining activities to be done and recommendation for the project's biannual progress reports.
- (l) Prepare biannual progress reports covering progress and updates on the grant components, safeguards, financial management, and gender.
- (m) Implement tasks related to the Gender Action Plan (GAP) including to:
 - (i) Provide technical inputs and guidance to ensure effective implementation and achievement of process and empowerment results of the key GAP actions.
 - (ii) Provide technical inputs and guidance for mainstreaming gender and social inclusion considerations in activities related to project implementation, management and monitoring, including in assessing the gender-responsiveness of the project at mid-term and completion.
 - (iii) Prepare GAP implementation update reports in the required format, as part of the regular biannual grant reporting.
- (n) Oversee and coordinate the implementation of the Indigenous People's Plan (IPP)/ Ethnic Minority Development Plan (EMDP).

- (o) Conduct field-based validation to ensure timely and accurate reporting. This mechanism will meet technical and financial reporting requirements of ADB and DPWH.
- (p) Participate, as needed, in technical and steering committee meetings, seminars and conferences.

C. Detailed Deliverables of the Assignment with Milestone Payments

Table 13: Detailed Deliverables of the Assignment with Milestone Payments

No.	Deliverable	Tentative Timeline	Contract Percentage	Description
1	Inception report	Feb 2019	10%	<ul style="list-style-type: none"> - Outline team member work plans with defined roles and responsibilities - Detail the implementation schedule and budget estimates. - Outline tentative procurement packages procurement methods, cost estimates, and specific locations for service delivery
2	1 st Biannual progress report	Jun 2019	35%	<ul style="list-style-type: none"> - Updates on component 1, 2 and 3 progress in line with the DMF - A list of 1st batch of potential emergency employment and livelihood beneficiaries derived from consultation with DOLE, DTI, TFBM, DSWD, LGU, and community leaders. - A menu of viable livelihood and enterprise options for beneficiaries, based on a detailed market analysis - An operational monitoring system - At least 70% of all school furniture procured and delivered to DepEd - Rehabilitation of catchment school completed - Reporting on finances, safeguards and GAP
3	2 nd Biannual progress report/ Annual report	Dec 2019	Not linked to payment	<ul style="list-style-type: none"> - Updates on component 1, 2 and 3 progress - 1st batch of emergency employment and livelihood beneficiaries served and 2nd batch identified - Reporting on finances, safeguards and GAP
4	3 rd biannual progress report	Jun 2020	25%	<ul style="list-style-type: none"> - Updates on component 1, 2 and 3 progress - 2nd batch of emergency employment and livelihood beneficiaries served and 3rd batch identified - Reporting on finances, safeguards and GAP
5	Final report	Dec 2020	15%	<ul style="list-style-type: none"> - Final summary of achievements for components 1, 2 and 3 - Reporting on finances, safeguards and GAP

DepEd = Department of Education, DMF = design and monitoring framework, DOLE = Department of Labor and Employment, DSWD = Department of Social Welfare and Development, GAP = gender action plan, LGU = local government unit, TFBM = Task Force Bangon Marawi.

Note: 15% of the contract will be disbursed upon signing.

Source: Asian Development Bank.

D. Reporting Requirements

9. The firm shall prepare and submit quality semiannual progress reports covering progress, achievements and updates on the grant components, safeguards, financial management, and gender to the GSC.

10. The firm shall maintain separate books and records by funding source for all expenditures incurred in relation to the activities financed by JFPR and prepare project financial statements in

accordance with a financial reporting framework acceptable to ADB. The firm will submit to DPWH the annual financial statements within 2 months from the end of each fiscal year together with all supporting documents. The firm shall likewise submit quarterly financial reports to DPWH as part of the quarterly progress report.

11. DPWH will engage a consultant to prepare the project financial statements for the whole \$3 million grant. The firm shall coordinate with the consultant, provide information and documents and respond to queries for the purpose of preparing the financial statements for the project.

12. DPWH shall likewise engage an independent auditor to conduct audits for the project. The firm shall coordinate with the auditor and allow them to examine the books and records pertaining to the project, respond to queries and provide information and documents when required.

E. Personnel

12. The firm will determine the number and the nature of experts required to complete the consultancy tasks and deliverables. The consulting firm should include in their technical proposal, in the personnel work plan and in the financial proposal all experts required in accordance with their proposed approach and methodology. At a minimum, the team should include:

Table 14: Key Expert Qualifications

Position	Indicative Person Months	Preferred experience & qualifications
Team leader/ Project manager	24	(i) Master's Degree in Social Development, Economics, Management, or relevant area (ii) Proven experience in project management of social service programs, planning and budgeting in the Philippines (10 years' experience) (iii) Strong in results-oriented management, performance set up, planning, management and assessment (3 years' experience) (iv) Experience in the implementation of ADB / World Bank funded projects (v) Ability to work independently at national, provincial and district levels (vi) Strong interpersonal skills and experience in capacity building of counterpart staff at different levels (vii) Ability to lead a team effectively (viii) Fluent English language skills (both written and spoken)
Financial management Specialist	12	(i) A bachelor's degree in financing or accounting (ii) 10 years working experience in financing or accounting (iii) 5 years working experience in ADB funded project financial management (iv) Ability to work either as part of a team effectively or independently with minimal supervision.
Procurement specialist	12	(i) Graduate qualifications in civil engineering, finance, law, or related field. (ii) Knowledge in procurement rules and guidelines of Philippines and experience in procurement of civil works, goods and services including past working experience on ADB-financed projects.
Monitoring and evaluation specialist	18	(i) a bachelor's degree in management or Information and Technology or related field (ii) 7 years of demonstrated experience in project M&E.

ADB = Asian Development Bank, M&E = monitoring and evaluation.

Source: ADB.

13. **Non-Key Experts.** In addition to the above mandatory key experts, the firm is required to provide non-key experts to ensure all aspects of the work can be undertaken and all deliverables and reports prepared. All non-key experts will have adequate qualifications and experience in a relevant field with 5 years of experience.

14. **Team Leader** (24-person months). The team leader shall provide technical guidance and oversight for the consulting services and ensure that activities under the contract are implemented in timely manner. They will undertake tasks including:

- (i) Developing a work plan for consultant team and implementation schedule;
- (ii) Producing the agreed upon deliverables covering the scope of work detailed above including the inception report, biannual reports and the final report;
- (iii) Ensuring project operations and procurement are conducted effectively;
- (iv) Ensuring financial management and procurement and coordinated, including submission of financial reports and timely deployment of personnel;
- (v) Working closely with the DPWH project management unit (PMU) consultants, and specifically the project coordinator, to ensure timely submitted documentation.

15. **Finance management specialist** (12-person months, intermittent). The finance management consultant will ensure compliance with financial reporting and auditing requirements in accordance with ADB's procedures. They will undertake tasks including:

- (i) Preparation and validation of the firm proposed budget;
- (ii) Ensuring compliance with ADB's Procurement Guidelines (2013, as amended from time to time);
- (iii) Maintaining separate books and records by funding source for all expenditures; (v) Prepare the project financial statements in accordance with a financial reporting framework acceptable to ADB;
- (iv) Overseeing the timely submission of audited financial statements within six months from the end of the fiscal year;
- (v) Providing accurate and timely financial reporting to ADB;
- (vi) Advising on any other financial matters to the team handling the ADB account; and
- (vii) Working closely with the DPWH PMU project coordinator and financial management specialist to ensure timely submitted documentation.

16. **Procurement specialist** (12-person months, intermittent). The procurement consultant will ensure compliance with procurement requirements in accordance with DPWH and ADB's procedures. They will undertake tasks including:

- (i) Prepare the equipment requirements including specifications and cost estimates as required by ADB in coordination with other specialists;
- (ii) Lead the procurement of equipment and software in consonance with ADB competitive bidding procedures;
- (iii) Ensure the efficient and timely awards of procurement contracts, delivery, installation and acceptance by end-users;
- (iv) Organize the mechanisms for the training on the use and maintenance of equipment and the turnover of assets at the end of the project;
- (v) Prepare the necessary procurement status reports for review by the team leader; and
- (vi) Working closely with the DPWH PMU project coordinator and procurement specialist to ensure timely submitted documentation.

17. **Monitoring and Evaluation Specialist** (18 person-months, intermittent). The monitoring and evaluation (M&E) consultant will undertake tasks including:

- (i) Review of provided DMF and design a corresponding M&E; framework and system leveraging blockchain powered platforms
- (ii) Identifying and formulating appropriate evaluation strategies and approaches with corresponding evaluation instruments and surveys;
- (iii) Relevant data gathering, collation and analysis;
- (iv) M&E report preparation; and
- (v) Working closely with the DPWH PMU project coordinator and M&E specialist to ensure timely submitted documentation.

F. Duration and Location of the Assignment

18. The assignment will be based in Lanao del Sur, the Philippines across the municipalities of Marawi, Marantao, Piagapo, and Saguiran. ADB and DPWH expect that the successful team will begin work in January 2019 and complete implementation by December 2020. The firm will be responsible for their own logistic arrangement, office space and any other operational cost and shall specify them in the financial proposal.

G. Proposal Preparation

19. The outputs and reporting requirements for the consulting firm are described in Sections I to IV. The consulting firm must have demonstrated, within the Philippines, and preferably within Mindanao, significant implementation and management experience in the following areas: (i) emergency employment or cash-for-work programs; (ii) livelihoods programs; and (iii) post-conflict education.

20. The candidate firm is requested to prepare a detailed description of how they propose to deliver the outputs of the contract in the section of their proposal called "Approach and Methodology." In this narrative, the firm should clearly explain how they will achieve the outputs and defined deliverables, and include detailed information on key and non-key experts.

21. The firm will determine the number and nature of experts they will require to achieve the objectives of the contract, and the duration (in person months) of their inputs, in accordance with their proposed approach and methodology.

JAPANESE VISIBILITY

1. The project will closely follow the detailed guidance in the Guidance Note on Visibility for JFPR. The visibility of the Government of Japan and JFPR will be further ensured through a high-profile ceremony to launch the activities, which will be covered by media and where a news release will be issued. The logos of JFPR and Japanese Official Development Assistance will be displayed in publications and event materials produced under the grant. The JFPR logo will also be featured in signage on the rehabilitated classrooms and common facilities supported under the grant. An end-of-grant dissemination meeting will be conducted with all partners and key stakeholders represented. Throughout the course of the grant, the Embassy of Japan and JICA will be updated on the grant's progress, and representatives will be invited to participate in review missions and milestone events such as the inauguration, or the opening of training workshops.

COORDINATION WITH EMBASSY OF JAPAN AND JICA

1. During the project preparation, consultations were held with the Embassy of Japan (EOJ) in the Philippines (19 July 2018) and the Japan International Cooperation Agency (JICA) (20 July 2018). ADB informed them of the three grant components (emergency employment, livelihoods, and education) and key proposed activities.
2. Yojiro Konno, Second Secretary, Economic Section from EOJ shared with ADB the other work that Japan is supporting in Marawi and confirmed that the scope of these activities would complement and not duplicate the others. He shared Japan's assistance to Marawi in humanitarian work through the World Food Programme, UNICEF and UNHABITAT, as well as in large support to road infrastructure, which ADB is collaborating on through this larger ERRM. The possibility of aligning and coordinating the emergency employment activities and livelihoods with these other projects will be explored during implementation.
3. Yukiko Sano, Project Formulation Advisor, Mindanao Section of JICA expressed the continued need for these interventions in Marawi and supported the scope of work in principle. Coordination on JICA livelihoods activities will be facilitated through continued consultation and the Task Force Bangon Marawi. ADB learned from JICA's and other development partner's common challenges in implementation of projects in Marawi and integrated those lessons on beneficiary registration and complex land issues into the project design.
4. The ADB team has maintained close contact with the JICA team in Manila. The meetings with JICA focused on coordination of the of the grant and links between the JICA and ADB investments in the transport sector. The ADB team will closely cooperate and continuously find areas of potential collaboration while ensuring there is no duplication of efforts. The ADB team will reach out to JICA during implementation to share key results and challenges. A copy of the concept paper and the grant assistance report was shared with EOJ and JICA.
5. Once the grant proposal is approved by the Asian Development Bank and Government of Japan, the ADB team will inform EOJ and JICA about the approval. The ADB team will organize a signing ceremony or launching ceremony for the JFPR grant, with the attendance of EOJ officials.
6. From time to time, EOJ and JICA will be informed about the grant progress and milestones especially if major changes in scope and objectives are required. Throughout all phases of the project, from concept to completion, the ADB team will be available to answer inquiries from EOJ and JICA regarding the project and discuss where necessary. EOJ and JICA officials will be invited to join progress and completion review missions to see project results and to interact first-hand with project recipients. The ADB team will share information on the outcomes and lessons from the grant with EOJ and JICA in the field to enable both sides to explore and seek potential collaboration.
7. Communications with EOJ and JICA will continue to be done with copy to PHCO and OCO. PHCO's assistance will be sought to arrange the meeting with EOJ and JICA, when needed. PHCO will also play a key role in arranging the grant agreement signing event and in overall coordination/relationship management with EOJ and JICA.