Project Concept Paper

Project Number: 51117-003
November 2017

Proposed Loan
Philippines: Metro Manila Transport Project, Phase 1

Asian Development Bank

CURRENCY EQUIVALENTS
(as of 15 November 2017)

Currency unit	–	Philippine Peso (₱)
₱1.00	=	$0.0195
$1.00	=	₱51.13

ABBREVIATIONS

ADB	–	Asian Development Bank
DPWH	–	Department of Public Works and Highways
DOTr	–	Department of Transportation
EDSA	–	Epifanio de los Santos Avenue
LRT	–	light rail transit
MMDA	–	Metro Manila Development Authority
MRT	–	metro rail transit
TA	–	technical assistance

NOTES

(i) The fiscal year of the Government of the Republic of the Philippines and its agencies ends on 31 December.

(ii) In this report, "$" refers to United States dollars, unless otherwise stated.

Vice-President	Stephen Groff, Operations 2
Director General	Ramesh Subramaniam, Southeast Asia Department (SERD)
Directors	Hiroaki Yamaguchi, Transport and Communications Division, SERD Richard Bolt, Philippines Country Office, SERD
Team leader	James Leather, Principal Transport Specialist, SERD
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In preparing any country program or strategy, financing any project, or by making any designation of or reference to a particular territory or geographic area in this document, the Asian Development Bank does not intend to make any judgments as to the legal or other status of any territory or area.

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PROJECT AT A GLANCE

1. Basic Data

Project Number: 51117-003

Project Name	Metro Manila Transport Project, Phase 1	**Department /Division**	SERD/SETC
Country	PHI	**Executing Agency**	Department of Transportation
Borrower	Government of the Philippines		

2. Sector	Subsector(s)	ADB Financing ($ million)
✓ Transport	Urban public transport	400.00
	Urban roads and traffic management	100.00
	Total	**500.00**

3. Strategic Agenda	Subcomponents	Climate Change Information	
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive	Mitigation ($ million)	75.00
		CO_2 reduction (tons per annum)	75,000
Environmentally sustainable growth (ESG)	Global and regional transboundary environmental concerns	Climate Change impact on the Project	Medium
	Urban environmental improvement		

4. Drivers of Change	Components	Gender Equity and Mainstreaming	
Governance and capacity development (GCD)	Institutional development	Effective gender mainstreaming (EGM)	✓
Knowledge solutions (KNS)	Knowledge sharing activities		
Partnerships (PAR)	Civil society organizations Implementation		

5. Poverty and SDG Targeting		Location Impact	
Geographic Targeting	Yes	Urban	High
Household Targeting	No		
SDG Targeting	Yes		
SDG Goals	SDG9, SDG11		

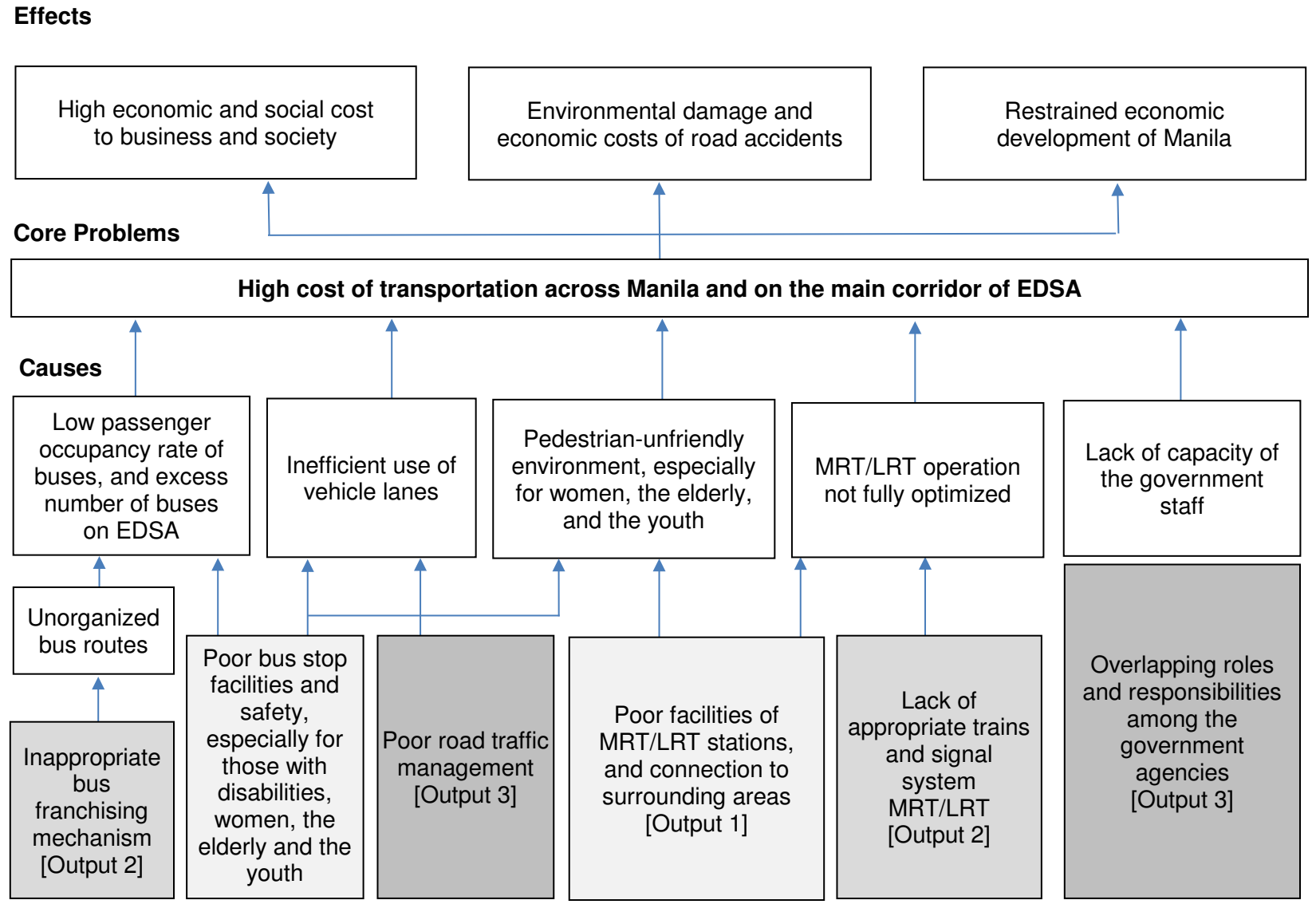
6. Risk Categorization: Complex

7. Safeguard Categorization **Environment:** B **Involuntary Resettlement:** A **Indigenous Peoples:** C

8. Financing

Modality and Sources	Amount ($ million)
ADB	**500.00**
Sovereign Sector (Regular Loan): Ordinary capital resources	500.00
Cofinancing	**0.00**
None	0.00
Counterpart	**25.00**
Government	25.00
Total	**525.00**

PROBLEM TREE



EDSA = Epifanio de los Santos Avenue.

I. THE PROJECT

A. Rationale

1. **Manila Traffic**. The traffic conditions in Manila are deteriorating resulting in economic loses and social costs to all. The government has developed an overarching plan to improve the transport situation through both large infrastructure projects and system operations improvements. NEDA is preparing the Roadmap for Transport Infrastructure Development for Greater Capital Region with the help of the Government of Japan, which build on the previous five transport plans for the city. Key to the plan is the development of large infrastructure such as the Mega Metro Subway, commuter rail service, expressway connections and additional bridges across the rivers. The proposed loan is directly aligned with the Manila transport plans and will augment the major infrastructure proposals through support for system management and operations improvement, notably along the main transport corridor in the city. The assistance can address many of the challenges facing the city transport system and the flexibility to adapt to the changing circumstances and priorities of the government.

2. **The Epifanio de los Santos Avenue (EDSA) is the major transport corridor in the National Capital Region** (NCR). The corridor serves all main modes of transport and suffers severe congestion. The congestion is getting worse, resulting in economic loss, social and gender exclusion, and deteriorating air quality and road safety. Urgent action is required to improve EDSA and reduce the cost of transportation to allow continued and sustainable development of the city.

3. **The economic engine of the Philippines**. In 2016, NCR accounts for 36.6% of the country's gross domestic product (GDP).[1] Congestion on EDSA is estimated to cost ₱2.4 billion a day.[2]

4. **The primarily transport corridor**. EDSA serves as the main corridor for several sub-modes: Metro Manila Rail Transit System Line 3 (MRT-3), the highest volume transit line in the city;[3] provincial buses (main route in and out of the city); city buses (busiest bus corridor in the city); and private vehicles (highest traffic volume in the city). EDSA is evolving as an urban clearway to serve large demand for travel. In addition, this is currently the only high capacity road which links the expressway systems north and south of the city.

5. **Inefficient use of road space**. The current traffic volumes on EDSA at Guadalupe Bridge are 166,000 two-way passenger car unit per day. The growth in traffic on EDSA has been limited due to capacity restraint, it operates at or near to capacity for over 16 hours a day; traffic volume to capacity ratio is estimated to range from 0.8 to 1.1. There are 15,000 buses per day on EDSA (crossing Guadalupe Bridge) which currently operate at around 60%–70% of capacity, suggesting there are too many buses for the bus demand. MRT-3 currently carries 400,000 passengers per day, and is operating at about 80% of its' current capacity and about 40% of its ultimate capacity. MRT-3 has capacity to carry around one million passengers per day with additional rolling stock and signal system improvements to increase travel speed and train frequency.

6. **Poor public transport facilities.** EDSA has low standard transport facilities, especially for public transport users. The access and egress from MRT-3, Manila Light Rail Transit System 1

[1] Philippine Statistics Authority. Database 2017. Manila.
[2] NEDA. 2014. *Roadmap for Transport Infrastructure Development for Metro Manila and Its Surrounding Areas.* Manila.
[3] MRT-3 is a 19.6-kilometer (km) line with 13 stations, starting from North Avenue station in Quezon City and ending in Taft Avenue station in Pasay City.

(LRT-1),[4] and bus stops and/or stations are of very low-quality. Also, the public transport interchange locations between EDSA and key cross routes are very poorly served. These poor facilities result in unsafe, inconvenient, difficult, and more expensive trips for public transport users.

7. **Poor public transport integration.** EDSA has the main metro systems, with MRT-3 and northern parts of LRT-1 running along the road. In addition, there are interchanges with the southern sections of LRT-1 and LRT-2[5] crosses EDSA in Cubao. The proposed Mega Manila Subway project will run parallel to EDSA for about 2/3 of its length, and must be included as part of any holistic solution for improving the overall transport system in the EDSA corridor. Historically, many systems were planned in isolation, with limited dedicated interchange facilities provided, thus, reducing the overall benefits of the public transport system.

8. **Poor traffic management and road operations**. EDSA does not have a uniform number of lanes and the merging and diverging adds to the congestion. The U-turns, while banning left turns and thus removing the need for signalized junctions, add to travel distances and/or time and add to overall congestion. EDSA also suffers from encroachment by economic enterprises along much of its length, dramatically reducing the capacity and operational efficiencies of the road. In addition, many vehicles 'stand-by' on EDSA, notably buses, taxis, delivery vehicles, and courier service motorbikes. This is highly inefficient use of the limited road space. Such activities compound the congestion and creates a poor user experience for all road users.

9. **Dangerous road conditions**. The high traffic volumes and poor traffic management result in a high number of accidents, although these are normally classified as minor due to the slow speeds. Access/egress to and from EDSA is very poor for pedestrian and public transport users. Poor access/egress to and from EDSA causes unsafe and uncomfortable trips for pedestrian and public transport users. In addition, pedestrian environment is vulnerable to the intensified rainfalls, which is anticipated due to climate change. The congestion and inefficient transport systems are contributing to a very unhealthy environment with high levels of carbon dioxide, nitrogen oxide, and particulate matter resulting from vehicle emissions, the highest levels in the country.

10. **High cost of transportation**. A poor transport system is several impacting the economic development and growth of Metro Manila. Transportation costs for freight are very high due to increased travel times resulting from sever congestion and it is normal for users of EDSA to experience a 3–4 hour commute each day. The poorest in society are paying up to 30% of their disposable income on transport or transport related costs. The congestion is resulting in missed economic opportunities for business and people alike. Inefficient transport system is resulting in high levels of pollution with EDSA having the highest levels of hydrocarbons, nitrogen oxides, carbon monoxide, sulfur dioxide, and toxics in the country, as well as high contributions of greenhouse gases.

11. **Institutional issues and jurisdiction**. EDSA passes through six cities of Metro Manila and is under the control of the Department of Public Works and Highways (DPWH) for infrastructure and the Metro Manila Development Authority (MMDA) for traffic management, while the Department of Transportation (DOTr) is responsible for public transport planning and overseas operations. Each of the cities, together with MMDA, is responsible for traffic and land

[4] LRT-1 is a 19.65 km-line with 21 stations starting from North Avenue station and ending in Baclaran station in Pasay City.

[5] LRT-2 is a 13.8 km-line with 11 stations starting from Santolan Station in Pasig City and ending in Recto station in Manila.

use enforcement along EDSA. There is no consistent approach to the maintenance, operation, management, or enforcement of traffic rules or operation of road space. Traffic management and road safety on EDSA is almost non-existent. A clear institutional structure and well-defined roles and responsibilities are required to successfully implement the proposed loan.

12. **Previous experience and lessons learnt.** EDSA and the traffic conditions in Manila have been studied on numerous occasions over the last 50 years. The Japan International Cooperation Agency is currently preparing the next transport masterplan, the 6th since the mid-1990s. Each of these plans have similar and sensible solutions to address urban transport problems, but each study recommendations have failed to be implemented as envisaged. Strong government ownership and cross administration commitment is required. With worsening traffic conditions in Metro Manila, the current administration has made a strong commitment to address the problems and find workable solutions led by DOTr.

B. Proposed Solutions

13. **Integrated transport solutions**. To improve the economic activity and competitiveness of business in Metro Manila the proposed loan will address the congestion experienced on EDSA through an integrated solution — one that improves overall performance, while serving each of the transport sub-modes that run along, or connect to the transport corridor. The solution must ensure full integration with other proposed improvements in the wider corridor, notably the ongoing work on Mega Manila Subway, C5 improvements as well as the North Luzon Expressway (NLEX)–South Luzon Expressway connector projects. Any transport projects addressing Metro Manila transport problems will also be taken into account for integrated solutions.

14. **System and management improvements**. The overarching objective of the assistance is to improve economic competitiveness of business in Metro Manila and reduce the social burden of transportation costs and time loss. Easing the traffic flow and increase overall capacity throughput along EDSA, and improving connectivity between public transport modes and access to the surrounding areas will allow both goods and people to travel more efficiently. Well-aligned institutional structures with powers and mandate to deliver are required. The project is the first phase in a series of assistance that is being considered by ADB to provide continued and ongoing support to address the traffic conditions in Manila.

15. **The assistance outputs.** To address the problems, an integrated suite of outputs is required. The project will include the following outputs:

16. **Output 1: Pedestrian access and interchange facilities improved**. Improved pedestrian and interchange facilities between public transport services, the surrounding catchment areas and new transport infrastructure will ensure the attractiveness of public transport and maintain a suitable mix of transport modes. Pedestrian access or greenways will be provided at key locations along EDSA to ensure smooth, safe, and efficient access between the major developments and the EDSA corridor. The pedestrian facilities will link each main mode of transport (buses, MRT-3, LRT-1, and Mega Manila Subway) with the surrounding areas via dedicated facilities to accommodate the pedestrian volumes. The output will include bus stop and station infrastructure program development linking to the pedestrian walkways. Access to the MRT-3 and LRT-1 stations will also be improved through additional entry/exit locations, direct and convenient (mechanized where necessary) links to surrounding areas, buildings, and shopping malls. Particular attention will be given to ensure suitable design features for the mobility impaired, women, elderly, and the youth. This output is likely to form one of the core projects for early delivery under the proposed loan.

17. **Output 2: Public transport operations improved.** EDSA, being the primary public transport corridor in Metro Manila, must increase its carrying capacity to meet the growing demand for travel and improve public transport services and operations. Operational improvements are required for all major public transport modes, LRT-1, MRT-3, city bus services and provincial bus services, as well as the proposed subway line. Bus reform will ensure that supply meets demand, and that competition between bus services is removed from the street through modern, performance-based franchising arrangement. A full reform and fleet renewal program for city buses will provide reliable, faster, more comfortable, convenient, more attractive, and affordable services. Provincial buses will connect to public transport services on EDSA at improved interchange facilities thus reducing congestion on EDSA by providing dedicated terminal facilities at suitable locations on the approaches to EDSA from both the north and south. MRT-3 capacity will be increased to meet its design capacity, additional rolling stock and improved signaling and power systems will ensure that MRT-3 maintains its role as the prime mass transit mode in the corridor carrying the highest number of passengers in increased comfort and reliability. Station enhancements, including sufficient ticket barriers, spacious concourses, and sufficient access/egress points will be provided to meet the increased passenger demand. Improvements to LRT-1 will mainly focus on improved access arrangements and interchange facilities. Design features catering for all users will be included to ensure suitable travel environment for those with disabilities, women, the elderly and the youth. Operation support may also be provided while preparing these facilities. Any related transport infrastructure and facilities may be identified and prepared as required for integrated solutions.

18. **Output 3: Traffic management and institutional oversight improved**. A traffic management system will be developed for EDSA. The system will provide real time system management for the reformed lane operations of EDSA. Traffic management and traffic engineering solutions will be provided to address the number of lanes, to keep merging and/or diverging traffic to a minimum, to cater for all major turning movement requirements, and eliminate encroachment along EDSA. The project will explore traffic restraint measures, either fiscal or physical to restrain vehicle use in the congested areas. The traffic flow along EDSA will be impacted by the range of other road infrastructure being implemented and these will be factored into the project. Diverted traffic and connections to a new road network system will allow EDSA to play its role in an expanded and broader road network. The project will support the establishment, training, and initial operations of a traffic control unit and system. Clear and well defined institutional structures will be prepared that will provide the necessary oversight and operational management of the traffic management system, this is likely to require the establishment of an overarching body with responsibility for traffic planning, management and operations of EDSA. The output will also include a communication and outreach program, which will outreach to those directly or indirectly affected by the project. Women's participation in both the traffic management system and the outreach activities will be promoted.

19. **Value Addition**. The ADB assistance will provide a holistic approach addressing the various transport modes currently in operations, the proposed improvements, and future systems that all serve the EDSA corridor. Such a broad and detailed approach has not been undertaken and will require substantive and far-reaching project ownership and reform from many parts of government and integration with many different modes of transport and surrounding areas.

20. These outputs will result in the following impact: economic competitiveness improved.[6] The project will be aligned with the following outcome: cost of transportation reduced.[7]

[6] The design and monitoring framework is in Appendix 1.
[7] NEDA. 2017. *Philippine Development Plan 2017–2022.* Manila.

C. Proposed Financing Plans and Modality

21. The total project cost is $525.0 million. The tentative financing plan for the project is provided in Table 1. ADB will provide financing in an amount equivalent to $500.0 million from an ordinary capital resources loan (including taxes and duties), to help finance civil works, goods and equipment, and consulting services for project implementation and capacity development. The government will provide $25.0 million to support the institutional reform and development of traffic management and institutional oversight. A sector loan or other suitable modality to support the broader needs of urban transport improvements for each of the outputs will be prepared to provide support that can be demonstrated on the EDSA corridor and replicated in other parts of Metro Manila and other highly urbanized areas across the Philippines. The government has prepared a plan for Metro Manila (footnote 2), which includes a range of solutions to address traffic congestion in Manila. The government has made a strong commitment to tackle the traffic issues within Metro Manila and strengthened the key agencies of DOTr, DPWH and MMDA to address the problems. The proposed core projects will focus on interchange facilities in key areas along EDSA such as Ortigas, Makati and Cubao.

22. Climate mitigation actions included in the proposed loan are estimated to cost $75.0 million of the overall loan amount, primarily through switching to less polluting traction of the major public transport modes along EDSA, both rail and buses. ADB will finance 100% of mitigation costs.

Table 1: Indicative Financing Plan

Source	Amount ($ million)	Share of Total (%)
Asian Development Bank		
Ordinary capital resources (Regular loan)	500.0	95.0
Government	25.0	5.0
Total	**525.0**	**100.0**

Source: Asian Development Bank.

D. Implementation Arrangements

Table 2: Indicative Implementation Arrangements

Aspects	Arrangements
Indicative implementation period	December 2018–December 2024
Indicative completion date	June 2025
Management	
(i) Executing agency	Department of Transportation
(ii) Key implementing agencies	Department of Transportation, Department of Public Works and Highways, Metro Manila Development Authority.

Source: Asian Development Bank.

23. DOTr will establish and lead a project management unit with the necessary inputs from other government agencies with roles and responsibilities for EDSA, including MMDA, DPWH and local government units.

II. PROJECT PREPARATION AND READINESS

24. A technical assistance (TA) grant of $1.5 million will support the project preparation

activities from the Technical Assistance Special Funds (TASF-Others).

25. A firm of consultants and specialist individual consultants will be recruited under the TA to prepare the required project information.[8] The TA will prepare: (i) core projects at the Ortigas, Makati, and North EDSA areas, including defining and agreeing the projects scope, cost estimates, outline bidding documents for construction and supervision and implementation schedule and arrangements; (ii) a public transport reform and investment program for buses, as well as operational upgrades and improved connections to MRT-3 and LRT-1; (iii) traffic management and control system specification, institutional requirements and procurement documents; and (iv) a project assessment in terms of economic and financial benefits to meet government and ADB approval requirements, also including environmental impact assessment, social safeguards, gender related issues and a communication and outreach program. These TA activities are required to prepare cost estimates, and the most efficient and effective procurement for the ensuing loan to ensure high project readiness; advance action on procurement will be undertaken as part of the TA for the core projects. Details of the TA are provided in Appendix 3.

26. The project is intended to be effective gender mainstreaming. Women account for over 50% of the travelling public transport users, but are open to harassment during peak periods due to the sheer passenger volumes, and also during off peak periods when safety issues become more apparent with fewer follow passengers around. Women require public transport systems that they feel safe to travel in both during busy and off-peak periods. The proposed project will incorporate design features that address the needs of women travelers as well as those of the elderly and the youth.

III. DELIBERATIVE AND DECISION-MAKING ITEMS

A. Risk Categorization

27. Given the loan amount, technical complexity, institutional issues, safeguards categorization, and track record of the implementing agency, the project is classified as complex. Transport staff from the Transport Sector Group are part of the ADB team.

B. Project Procurement Classification

28. The project is category A (Appendix 2).

C. Scope of Due Diligence

Due Diligence Outputs	To be undertaken by
Development coordination	Staff
Transport planning and/or traffic engineering and simulation, Economic, financial, social and environmental benefit analysis	Staff and TA grant
Financial management assessment, financial evaluation, and financial analysis of proposed loan and government.	Staff and TA grant
Gender analysis, collection of baseline data and gender action plan	Staff and TA grant
Safeguard screening and categorization results	Staff
Initial poverty and social analysis	Staff
Project administration manual	Staff

[8] Procurement (including consulting services) to be financed by the proposed loan will follow ADB Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time).

Due Diligence Outputs	To be undertaken by
Risk assessment and management plan	Staff
Safeguard documents on environment, involuntary resettlement, and/or indigenous peoples	Staff and TA grant
Sector assessment	Staff
Summary poverty reduction and social strategy	Staff

TA = technical assistance.
Source: Asian Development Bank.

D. Processing Schedule and Sector Group's Participation

Table 3: Processing Schedule by Milestone

Milestones	Expected Completion Date
Concept Paper and TA approval	November 2017
Loan fact finding and MOU signing	April 2018
Loan negotiations	August 2018
Loan approval	October 2018
Loan signing	November 2018
Loan effectiveness	December 2018

ADB = Asian Development Bank; MOU = memorandum of understanding; TA = technical assistance.
Source: Asian Development Bank.

E. Key Processing Issues and Mitigation Measures

Table 4: Issues, Approaches and Mitigation Measures

Key Processing Issues	Proposed Approaches and/or Mitigation Measures
Government commitment for EDSA physical and operational improvements	As part of the Build Build Build program and the 'infracom group' established in the Cabinet, the government has shown very strong commitment to address the necessary improvements
Institutional reform and establishment of a single entity with responsibility for traffic management and operations along EDSA	Establishment of an oversight body with overall responsibility to address Metro Manila traffic and undertake traffic management along EDSA.
Legal status of MRT-3	Confirm with the Department of Transportation on legal case.
Bus reform, franchising arrangements and social impact on owners and operators	Detailed measures, including compensation for loss of earnings, financing of fleet scrappage programs, and vocational training programs will be incorporated in the proposed loan.
Traffic management	The TRTA will prepare detailed documentation and institutional structure for the establishment of a unified oversight body.
Safeguard	Right-of-way acquisition for pedestrian walkway structures on sidewalks, and impact on economic activity of those on the sidewalks will be assessed.

EDSA = Epifanio de los Santos Avenue; MRT = metro rail transit; TRTA = transaction technical assistance.

PRELIMINARY DESIGN AND MONITORING FRAMEWORK

Impact the Project is Aligned with: economic competitiveness improved (Philippine Development Plan, 2017–2022, NEDA)			
Results Chain	**Performance Indicators with Targets and Baselines**	**Data Sources and Reporting**	**Risks**
Outcome Cost of transportation reduced	a. Logistic costs of passenger travel in Metro Manila reduced to XXX in 2025 (baseline: XX in 2017). b. Average travel speeds for private vehicles improved to 15 km/h in 2025 (baseline: 10km/h in 2017).	a–b. project preparation reports	Traffic volume increases impact on capacity and travel speed.
Outputs 1. Pedestrian access and interchange facilities improved.	a. 15 km of pedestrian walkways, 5 station access points, and 8 bus stop and/or station improved by 2020 (baseline XXX). b. Gender responsive design and wheelchair accessibility features including gender specific safety measures such as lighting, security, emergency response provided by 2020. (baseline XXX)	1a-3a. Project monitoring and completion reports.	Interchange access provision of private operators. .
2. Public transport operations improved	a. MRT-3 operational capacity throughput on EDSA (Guadalupe Bridge) improved to 150,000 in 2024 (baseline: 126,000 in 2017) b. Bus reform, fleet renewal, and new franchising mechanisms introduced by 2024 (baseline: XXX).		Legal barriers prevent MRT-3 improvements. Political and social resistance delay bus reform

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting	Risks
	c. Women passenger volumes increased from XXX to XXX. (baseline XXX) with XXX of women's satisfaction with the improved services by 2024		
3. Traffic management and institutional oversight improved.	a. Traffic control center established and staffed by 2024 (baseline: XXX). b. XXX% of women officials trained in traffic management by 2024. (baseline XXX)		Institutional arrangement and collaboration delay implementation

Key Milestones and Activities

1. Pedestrian access and interchange facilities improved.

1.1 Core subprojects

1.1.1 Civil works contract awarded and supervision consultant recruited (April 2019).
1.1.2 Sub-projects completed (December 2020).

1.2 Non-core subprojects

1.2.1 Detailed Engineering Design and construction supervision consultants mobilized (April 2019).
1.2.2 Civil works contracts awarded (January 2021).
1.2.3 Sub-projects completed (December 2022).

2. Public transport operations improved.

2.1 MRT-3

2.1.1 Engineering design consultant recruited (January 2020).
2.1.2 Rolling stock, signals, and station improvement contract awarded (July 2022).
2.1.3 Rolling stock, signals, and station improvement completed (June 2024).

2.2 Bus

2.2.1 Bus reform planning consultants recruited (July 2019).
2.2.2 New bus franchising mechanism introduced (January 2022).
2.2.3 Fleet renewal delivered (June 2024).

3. Traffic management and institutional oversight improved.

3.1 Traffic management planning/designing/construction supervision consultants recruited (July 2019).
3.2 Traffic management improvement facilities (new lane markings, improvement of interchanges, sidewalks, and traffic management center) contract awarded (January 2022).
3.2 Traffic management improvement facilities completed (June 2024).
3.3 Traffic management unit under the government established (June 2024)
3.4 Drafting of an intuitional structure and body to manage EDSA traffic (June 2024)

Inputs

ADB: $500,000,000 ordinary capital resources (loan)
Government: $25,000,000

Assumptions for Partner Financing
Not Applicable

ADB = Asian Development Bank; EDSA = Epifanio de los Santos Avenue; km = kilometer; km/h = kilometer per hour; MRT = metro rail transit.
Source: Asian Development Bank.

PROJECT PROCUREMENT CLASSIFICATION

Characteristic	Assessor's Rating:
Is the procurement environment risk for this project assessed to be *high* based on the country and sector and/or agency risk assessments?	☒Yes ☐No
Are multiple (typically more than three) and/or diverse executing agencies and/or implementing agencies envisaged during project implementation? Do they lack prior experience in implementation under an ADB-financed project?	☒Yes ☐No ☐Unknown DOTr will be the executing agency and implementing agency; and lacks prior project experience with ADB. The project will require close coordination and inputs from other government agencies (DPWH, MMDA) and several local government units.
Are multiple contract packages and/or complex and high-value contracts (compared with recent externally financed projects in the DMC) expected?	☒Yes ☐No ☐Unknown Urban transport packages for bus reform, fleet renewal and metro improvements are large and complex.
Does the project plan to use innovative contracts (public–private partnership, performance-based, design and build, operation and maintenance, etc.)?	☐Yes ☒No ☐Unknown
Are contracts distributed in more than three geographical locations?	☐Yes ☒No ☐Unknown
Are there significant ongoing contractual and/or procurement issues under ADB (or other externally) financed projects? Has misprocurement been declared in the DMC?	☐Yes ☒No ☐Unknown
Does the DMC have prolonged procurement lead times, experience implementation delays, or otherwise consistently fail to meet procurement time frames?	☒Yes ☐No ☐Unknown Advance action is proposed on procurement activities to reduce lead times.
Do executing and/or implementing agencies lack capacity to manage new and ongoing procurement? Have executing and/or implementing agencies requested ADB for procurement support under previous projects?	☒Yes ☐No ☐Unknown ADB is currently undertaking procurement activities on behalf of the Philippine government for the Infrastructure Preparation and Innovation Facility TA loan.
Regional department's overall recommendation (Jamie Leather)	
Overall project categorization recommended	☒ Category A ☐ Category B
Advance action is proposed on procurement activities under the project preparation activities of the TA.	
OSFMD's recommendation (J. Pedersen)	
OSFMD confirms the classification during interdepartmental circulation of the project concept paper	

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Project Number: 51117-002
Transaction Technical Assistance (TRTA)
November 2017

The Republic of the Philippines: Preparing the Metro Manila Transport Project, Phase 1

CURRENCY EQUIVALENTS
(as of 15 November 2017)

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TRANSACTION TECHNICAL ASSISTANCE AT A GLANCE

1. Basic Data — **Project Number:** 51117-002

Project Name	Preparing the Metro Manila Transport Project, Phase 1	**Department /Division**	SERD/SETC
Nature of Activity	Project Preparation, Capacity Development, Policy Advice	**Executing Agency**	Department of Transportation
Modality	Regular		
Country	PHI		

2. Sector

	Sector	Subsector(s)	ADB Financing ($ million)
✓	Transport	Urban public transport	1.20
		Urban roads and traffic management	0.30
		Total	**1.50**

3. Strategic Agenda

Strategic Agenda	Subcomponents
Inclusive economic growth (IEG)	Pillar 2: Access to economic opportunities, including jobs, made more inclusive
Environmentally sustainable growth (ESG)	Urban environmental improvement

Climate Change Information

Climate Change impact on the Project	Medium

4. Drivers of Change

Drivers of Change	Components
Governance and capacity development (GCD)	Institutional development
Partnerships (PAR)	Civil society organizations Implementation

Gender Equity and Mainstreaming

Effective gender mainstreaming (EGM)	✓

5. Poverty and SDG Targeting

Geographic Targeting	Yes
Household Targeting	No
SDG Targeting	Yes
SDG Goals	SDG9, SDG11

Location Impact

Urban	High

6. Risk Categorization Low

7. Safeguard Categorization Safeguard Policy Statement does not apply

8. Financing

Modality and Sources	Amount ($ million)
ADB	**1.50**
Transaction technical assistance: Technical Assistance Special Fund	1.50
Cofinancing	**0.00**
None	0.00
Counterpart	**0.00**
None	0.00
Total	**1.50**

I. THE ENSUING PROJECT

A. Ensuing Project Rationale

1. The proposed loan will address the key issue of high cost of transport across Manila and more specifically on the major transport corridor of the Epifanio de los Santos Avenue (EDSA), by reducing travel time, increasing passenger throughput; improving connectivity between different transport modes and the surroundings areas; and improving the ability of government to manage and operate the various transport systems that run along EDSA in a more efficient and effective way. The indicative loan amount of $500 million will improve all major transport modes along EDSA, Metro Rail Transport Line 3 (MRT-3), buses, and private vehicles, as well as improve pedestrian facilities. The transaction technical assistance (TRTA) and proposed loan are included in the country operations and business plan.[1]

2. **Manila Traffic.** The traffic conditions in Manila are deteriorating, resulting in economic loses and social costs to all. The government has developed an overarching plan to improve the transport situation through both large infrastructure projects and system operations improvements. The National Economic and Development Authority (NEDA) is preparing the Roadmap for Transport Infrastructure Development for Greater Capital Region, with the help of the Government of Japan, which build on the previous five transport plans for the city. Key to the plan is the development of large infrastructure such as the Mega Metro Subway, commuter rail service, expressway connections, and additional bridges across the rivers. The proposed loan is directly aligned with the Manila transport plans and will augment the major infrastructure proposals through support for system management and operations improvement, notably along the main transport corridor in the city. The assistance can address many of the challenges facing the city transport system and the flexibility to adapt to the changing circumstances and priorities of the government.

3. **EDSA is the major transport corridor in the National Capital Region** (NCR). The corridor serves all main modes of transport and suffers severe congestion. The congestion is getting worse, resulting in economic loss, social and gender exclusion, and deteriorating air quality and road safety. Urgent action is required to improve EDSA and reduce the cost of transportation to allow continued and sustainable development of the city.

4. **The economic engine of the Philippines**. In 2016, NCR accounts for 36.6% of the country's gross domestic product (GDP).[2] Congestion on EDSA is estimated to cost ₱2.4 billion a day.[3]

5. **The primarily transport corridor**. EDSA serves as the main corridor for several sub-modes: MRT-3, the highest volume transit line in the city;[4] provincial buses (main route in and out of the city); city buses (busiest bus corridor in the city); and private vehicles (highest traffic volume in the city). EDSA is evolving as an urban clearway to serve large demand for travel. In addition, this is currently the only high capacity road which links the expressway systems north and south of the city.

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[1] ADB. 2016. *Country Operations Business Plan: Philippines, 2017–2019*. Manila.
[2] Philippine Statistics Authority. Database 2017. Manila.
[3] NEDA. 2014. *Roadmap for Transport Infrastructure Development for Metro Manila and Its Surrounding Areas.* Manila.
[4] MRT-3 is a 19.6 kilometer (km)-line with 13 stations, starting from North Avenue station in Quezon City and ending in Taft Avenue station in Pasay City.

6. **Inefficient use of road space**. The current traffic volumes on EDSA at Guadalupe Bridge are 166,000 two-way passenger car unit per day. Th growth in traffic on EDSA has been limited due to capacity restraint, it operates at or near to capacity for over 16 hours a day; traffic volume to capacity ratio is estimated to range from 0.8 to 1.1. There are 15,000 buses per day on EDSA (crossing Guadalupe Bridge) which currently operate at around 60%~70% of capacity, suggesting there are too many buses for the bus demand. MRT-3 currently carries 400,000 passengers per day, and is operating at about 80% of its' current capacity and about 40% of its ultimate capacity. MRT-3 has capacity to carry around one million passengers per day with additional rolling stock and signal system improvements to increase travel speed and train frequency.

7. **Poor public transport facilities**. EDSA has low standard transport facilitates, especially for public transport users. The access and egress from MRT-3, light rail transit (LRT) 1, and bus stops and/or stations are of very low-quality. Also, the public transport interchange locations between EDSA and key cross routes are very poorly served. These poor facilities result in unsafe, inconvenient, difficult, and more expensive trips for public transport users.

8. **Poor public transport integration.** EDSA has the main metro systems, with MRT-3 and northern parts of LRT-1 running along the road. In addition, there are interchanges with the southern sections of LRT-1 and LRT-2[5] crosses EDSA in Cubao. The proposed Mega Manila Subway project will run parallel to EDSA for about 2/3 of its length, and must be included as part of any holistic solution for improving the overall transport system in the EDSA corridor. Historically, many systems were planned in isolation, with limited dedicated interchange facilities provided, thus, reducing the overall benefits of the public transport system.

9. **Poor traffic management and road operations**. EDSA does not have a uniform number of lanes and the merging and diverging adds to the congestion. The U-turns, while banning left turns and thus removing the need for signalized junctions, add to travel distances and/or time and add to overall congestion. EDSA also suffers from encroachment by economic enterprises along much of its length, dramatically reducing the capacity and operational efficiencies of the road. In addition, many vehicles 'stand-by' on EDSA, notably buses, taxis, delivery vehicles, and courier service motorbikes. This is highly inefficient use of the limited road space. Such activities compound the congestion and creates a poor user experience for all road users.

10. **Dangerous road conditions**. The high traffic volumes and poor traffic management result in a high number of accidents, although these are normally classified as minor due to the slow speeds. Access/egress to and from EDSA is very poor for pedestrian and public transport users. Poor access/egress to and from EDSA causes unsafe and uncomfortable trips for pedestrian and public transport users. In addition, pedestrian environment is vulnerable to the intensified rainfalls, which is anticipated due to climate change. The congestion and inefficient transport systems are contributing to a very unhealthy environment with high levels of carbon dioxide, nitrogen oxide, and particulate matter resulting from vehicle emissions, the highest levels in the country.

11. **High cost of transportation**. A poor transport system is several impacting the economic development and growth of Metro Manila. Transportation costs for freight are very high due to increased travel times resulting from sever congestion and it is normal for users of EDSA to experience a 3–4 hour commute each day. The poorest in society are paying up to 30% of their disposable income on transport or transport related costs. The congestion is resulting in missed economic opportunities for business and people alike. Inefficient transport system is resulting in

[5] LRT-2 is a 13.8 km-line with 11 stations starting from Santolan Station in Pasig City and ending in Recto station in Manila.

high levels of pollution with EDSA having the highest levels of hydrocarbons, nitrogen oxides, carbon monoxide, sulfur dioxide, and toxics in the country, as well as high contributions of greenhouse gases.

12. **Institutional issues and jurisdiction**. EDSA passes through six cities of Metro Manila and is under the control of the Department of Public Works and Highways (DPWH) for infrastructure and the Metro Manila Development Authority (MMDA) for traffic management, while the Department of Transportation (DOTr) is responsible for public transport planning and overseas operations. Each of the cities, together with MMDA, is responsible for traffic and land use enforcement along EDSA. There is no consistent approach to the maintenance, operation, management, or enforcement of traffic rules or operation of road space. Traffic management and road safety on EDSA is almost non-existent. A clear institutional structure and well-defined roles and responsibilities are required to successfully implement the proposed loan.

B. Proposed Ensuing Project

13. **Integrated transport solutions.** To improve the economic activity and competitiveness of business in Metro Manila the proposed loan will address the congestion experienced on EDSA through, an integrated solution— one that improves overall performance, while serving each of the transport sub-modes that run along, or connect to the transport corridor. The solution must ensure full integration with other proposed improvements in the wider corridor, notably the ongoing work on Mega Manila Subway, C5 improvements as well as the North Luzon Expressway (NLEX)–South Luzon Expressway connector projects. Any transport project addressing Metro Manila transport problems will also be taken into account for integrated solutions.

14. **System and management improvements**. The overarching objective of the assistance is to improve economic competitiveness of business in Metro Manila and reduce the social burden of transportation costs and time loss. Easing the traffic flow and increase overall capacity throughput along EDSA, and improving connectivity between public transport modes and access to the surrounding areas will allow both goods and people to travel more efficiently. Well-aligned institutional structures with powers and mandate to deliver are required. The project is the first phase in a series of assistance that is being considered by ADB to provide continued and ongoing support to address the traffic conditions in Manila.

15. **The proposed project will** address each main mode of transport: public transport, private vehicles, and pedestrians. Integrated, cross agency solutions will be delivered that will ensure each transport mode is improved and that road space allocation is provided in accordance with need. The project will also improve connectivity to and from EDSA both to the local central business district areas along the corridor, as well as with connecting transport modes and services.

C. Indicative Impact, Outcome, and Outputs

16. **Ensuing project impact.** The project will be aligned with the following impact: economic competitiveness improved.[6]

17. **Ensuing project outcome**. The project will have the following outcome, cost of transportation reduced.[7]

[6] NEDA. 2017. *Philippine Development Plan 2017–2022.* Manila.
[7] The design and monitoring framework is in Appendix 1.

18. **Ensuing project outputs**. The project has three outputs, which will address the problems through an integrated suite of interlinked outputs. The project will include the following outputs:

19. **Output 1. Pedestrian access and interchange facilities improved**. Improved pedestrian and interchange facilities between public transport services, and the surrounding catchment areas and new transport infrastructure will ensure the attractiveness of public transport and maintain a suitable mix of transport modes. This output is likely to form one of the core projects for early delivery under the proposed loan.

20. **Output 2. Public transport operations improved**. EDSA, being the primary public transport corridor in Metro Manila, must increase its carrying capacity to meet the growing demand for travel and improve public transport services and operations. Operational improvements are required for all major public transport modes, LRT-1, MRT-3, city bus services and provincial bus services, as well as the proposed subway line. Bus reform will ensure that supply meets demand, and that competition between bus services is removed from the street through modern, performance-based franchising arrangement. Design features catering for all users will be included to ensure suitable travel environment for those with disabilities, women, the elderly and the youth. Operation support may also be provided while preparing these facilities. Any related transport infrastructure and facilities may be identified and prepared as required for integrated solutions.

21. **Output 3. Traffic management and institutional oversight improved**. A traffic management system will be developed for EDSA. The system will provide real time system management for the reformed lane operations of EDSA. Traffic management and traffic engineering solutions will be provided to address the number of lanes, to keep merging and/or diverging traffic to a minimum, to cater for all major turning movement requirements, and eliminate encroachment along EDSA. The output will also include a communication and outreach program, which will outreach to those directly or indirectly affected by the project. Women's participation in both the traffic management system and the outreach activities will be promoted.

D. Proposed Financing Plans and Modality

22. The total project cost is $525.0 million. The tentative financing plan for the project is provided in Table 1. ADB will provide financing in an amount equivalent to $500.0 million from an ordinary capital resources loan (including taxes and duties), to help finance civil works, goods and equipment, and consulting services for project implementation and capacity development. The government will provide $25.0 million. A sector loan is proposed as the lending modality as the assistance will support the broader needs of urban transport improvements for each of the outputs that can be demonstrated on the EDSA corridor and replicated in other parts of Metro Manila and other highly urbanized areas across the Philippines. Climate mitigation is estimated to cost $75.0 million. ADB will finance 100% of mitigation costs.

II. THE TECHNICAL ASSISTANCE

A. Justification

23. The TRTA will help the government to prepare the project and design the reform program, as well as help develop the capacity of key agencies to implement the ensuing project.[8]

[8] The TA first appeared in the business opportunities section of ADB's website on 26 November 2017.

B. Outputs and Activities

24. **Output 1. Core and non-core subprojects on pedestrian access and interchange improvements prepared.** To support the proposed sector loan the first output of the TRTA will prepare the core project, the pedestrian access and interchange facilities in the Ortigas area. A consultant firm will be hired to prepare all necessary documents for the core project, including: (i) project scope, (ii) cost estimates, (iii) project viability assessment, (iv) financial arrangements, (v) implementation structures, (vi) safeguard requirements for resettlement, environment and social aspects, (vii) approvals as required, and (viii) bidding documentation. For the pedestrian access projects that are not part of the core project a firm will be hired to prepare the necessary documentation. The same firm for output 1 would be required undertake this output. The initial stage of the work would be to agree suitable locations for pedestrian improvements along EDSA. Once a firm set of locations is agreed by government the work would entail project preparation activities including: (i) project scope, (ii) cost estimates, (iii) project viability assessment, (iv) financial arrangements, (v) implementation structures, (vi) safeguard requirements for resettlement, environment and social and gender aspects, (vii) approvals as required, and (viii) bidding documentation

25. **Output 2. Preparation of measurers and implementation arrangements to improve public transport operations improved.** The public transport subprojects for bus and MRT-3 improvements will include rolling stock, signals, and station improvement for MRT-3, bus reform for all PUVs on EDSA, including a new franchising mechanism and a fleet renewal program. For both MRT-3 and bus full feasibility studies, project evaluation, safeguard documentation, implementation and contracting arrangements will be prepared under the TRTA.

26. **Output 3. Capacity development assessment, traffic management and institutional oversight requirements assessed and actions for improvement prepared.** A frim will be recruited to prepare the traffic management program for EDSA, including (i) traffic management planning and design concept for EDSA, (ii) traffic management improvement facilities such as new lane markings, improvement of interchanges, sidewalks, and traffic management center, (iii) traffic management and monitoring facilities and (iv) a program for the development and training of a traffic management unit.

27. The project will require close collaboration and joint working of several government agencies and local government units. A project management unit (PMU) will be established during the project preparation activities that will ensure timely agreements are reached. The PMU will also be used for project implementation to allow for capacity development of urban transport system improvements and management.

28. The major outputs and activities are summarized in Table 2.

Table 2: Summary of Major Outputs and Activities

Major Outputs	Delivery Dates	Key Activities with Milestones	
1a Core pedestrian access subprojects	End of month 1	1.1	Project Scope
	End of month 4	1.2	Cost Estimates
	End of month 4	1.3	Project Viability Assessment
	End of month 4	1.4	Financial Arrangements
	End of month 5	1.5	Implementation Structures

Major Outputs	Delivery Dates	Key Activities with Milestones	
	End of month 5	1.6	Safeguard Requirements
	End of month 6	1.7	Approvals as Required
	End of month 6	1.8	Bidding Documentation
1b Non-core pedestrian access subprojects	End of month 5	1.9	Define Non-Core Locations
	End of month 9	1.10	Cost Estimates
	End of month 9	1.11	Implementation Structures
	End of month 12	1.12	Safeguard Requirements
	End of month 13	1.13	Approvals as Required
2 Public transport operations	End of month 10	2.1	MRT-3 system improvements
	End of month 10	2.2	Bus reform program
	End of month 12	2.3	Bus franchising mechanism prepared
	End of month 12	2.4	Fleet renewal program defined
3 Traffic management	End of month 5	3.1	Traffic Management Concept For EDSA
	End of month 8	3.2	Traffic Management Facilities
	End of month 9	3.2.1	New Lane Markings
	End of month 9	3.2.2	Improvement of Interchanges
	End of month 9	3.2.3	Sidewalks
	End of month 11	3.2.4	Traffic Management Center
	End of month 12	3.3	Traffic Management and Monitoring Facilities
	End of month 12	3.4	Development and Training of a Traffic Management Unit

EDSA = Epifanio de los Santos Avenue; MRT = metro rail transit.
Source: Asian Development Bank.

C. Cost and Financing

29. The TA is estimated to cost $1,600,000 equivalent, of which $1,500,000 will be financed on a grant basis by ADB's Technical Assistance Special Fund (TASF-other sources) The key expenditure items are listed in Appendix 1.

30. The government will provide counterpart support in the form of counterpart staff, office accommodation, office supplies, secretarial assistance, project management counterparts under the PMU, and other in-kind contributions. The government was informed that approval of the TA does not commit ADB to finance any ensuing project.

D. Implementation Arrangements

31. The DOTr will be the executing and implementing agency. ADB will administer the TA through the Transport and Communications Division of the Southeast Asia Department, who will select, supervise and evaluate consultants.

Table 2: Implementation Arrangements

Aspects	Arrangements		
Indicative implementation period	December 2017–December 2018.		
Executing agency	Department of Transportation		
Implementing agency	Department of Transportation		
Consultants	To be selected and engaged by ADB		
	Quality- and cost-based selection (90:10)	27 person-months international 144 person-months national	$667,000 $333,000
Procurement[a]	To be procured by consultants		

Aspects	Arrangements		
	Shopping for goods and services (training, seminars, and conferences)	5 contracts	$100,000
Disbursement	The TA resources will be disbursed following ADB's *Technical Assistance Disbursement Handbook* (2017, as amended from time to time).		

ADB = Asian Development Bank; TA = technical assistance.
[a] Procurement Plan (accessible from the list of linked documents in Appendix 2).
Source: Asian Development Bank

32. **Consulting services.** A team of transport planners, engineers, and associated skills will be required through individuals and several firms, one for each output, under quality-cost based selection criteria. The consultant packages will be around $1,000,000 in fees and $300,000 in associated expenses to undertake the work. The initial consultant inputs will be a scoping exercise to determine the exact requirements and phasing of the proposed loan and TRTA activities. The work will be undertaken on an output-based contract, lump-sum approach, with provisions for fixed out-of-pocket expenditures. ADB will engage consulting firms and individual consultants in accordance with ADB's Procurement Policy (2017, as amended from time to time) and the associated Project Administration Instructions and Technical Assistance Staff Instructions.[9]

33. **Social media and websites.** A project website and social media will be developed and used under the TA to ensure broader engagement with all stakeholders, especially the public transport and private vehicle users of EDSA. The site will be established by the consultant and content reviewed by government and ADB prior to uploading. At the end of the TA, the website and social media will be handed over the government PMU for the proposed ensuring project. Given the need for detailed stakeholder consultation, the printed external publications will be prepared in compliance with ADB's Administrative Order 4.13.[10]

E. Governance

34. As ADB will administer the TA, there are no governance issues envisaged relating to financial management, procurement, risk assessment and management, and/or integrity due diligence.

35. As the proposed project is envisaged to be effective gender mainstreaming, a Gender Action Plan will be prepared during the project preparation activities. Stakeholder consultations will be undertaken with women, the elderly and the youth, based on the findings gender sensitive design features will be factored in to the project implementation and operations. Special outreach to passengers, government counterparts and other stakeholders will be undertaken to address all relevant gender issues. Specific communication activities will be carried for women during the project preparation activities and factored into the project implementation to ensure continued feedback and monitoring of women transport users.

[9] Terms of Reference for Consultants (accessible from the list of linked documents in Appendix 2).
[10] https://lnadbg1.adb.org/bpm0001p.nsf/4459ec9d49c00c0648256887002b8b45/b5e44caeb72fb40648256276002e6c57!OpenDocument.

COST ESTIMATES AND FINANCING PLAN
($'000)

Item			ADB[a]
1.	Consultants		
	a. Remuneration and per diem		
	i.	International consultants	667.0
	ii.	National consultants	333.0
	b. Out-of-pocket expenditures		
	i.	International and local travel	120.0
	ii.	Surveys	150.0
	iii.	Training, seminars, and conferences	35.0
	iv.	Reports and communications	25.0
	v.	Printed external publications[c]	25.0
	vi.	Miscellaneous administration and support costs	25.0
2.	Training, seminars, and conferences		
	a.	Facilitators	20.0
	b.	Travel cost of ADB staff acting as resource person	10.0
	c.	Venue rental and related facilities	45.0
	d.	Participants	25.0
3.	Contingencies		20.0
	Total		**1,500.0**

ADB = Asian Development Bank
Note: The technical assistance (TA) is estimated to cost $1,600,000, of which contributions from the Asian Development Bank are presented in the table above. The government will provide counterpart support in the form of counterpart staff, office and housing accommodation, office supplies, secretarial assistance, and other in-kind contributions. The value of government contribution is estimated to account for 6% of the total TA cost.
[a] Financed by the Asian Development Bank's Technical Assistance Special Fund (TASF-other sources).
[b] Printed external publications need to be in compliance with AO 4.13
Source: Asian Development Bank estimates.

LIST OF LINKED DOCUMENTS

http://www.adb.org/Documents/LinkedDocs/?id=51117-002-TAReport

1. Terms of Reference for Consultants
2. Indicative Design and Monitoring Framework for the Ensuing Project

INITIAL POVERTY AND SOCIAL ANALYSIS

Country:	Philippines	Project Title:	Metro Manila Transport Project, Phase 1
Lending/Financing Modality:	Sector loan (or other suitable modality	Department/ Division:	Southeast Asia Department/ Transport and Communications Division

I. POVERTY IMPACT AND SOCIAL DIMENSIONS

A. Links to the National Poverty Reduction Strategy and Country Partnership Strategy

The project is aligned with the Country Partnership Strategy 2011–2016[1] and will support inclusive growth by providing improved access through the provision of an affordable modern public transport system along the Epifanio de los Santos Avenue (EDSA) in Metro Manila. The government aims to improve travel conditions along EDSA and cater for all road users through an integrated bus, metro, private vehicles and pedestrian improvement program.

B. Poverty Targeting

☐ General Intervention ☐ Individual or Household (TI-H)
☒ Geographic (TI-G) ☐ Non-Income MDGs (TI-M1, M2, etc.)

The project is pro-poor in that it will improve and enhance the capacity of the public transport, the transport mode of the urban poor. The poor often have no access to private modes of transport such as motorcycles or cars, and are thus captive public transport users. If these services do not provide the necessary access, be it through cost, coverage area, or time of operations, they become excluded from active participation in economic, social, and educational activities.

C. Poverty and Social Analysis

1. Key issues and potential beneficiaries.

The public transport users and pedestrians are expected to be the majority beneficiaries. The project will provide highly-prioritized bus public transport (bus & metro rail transit [MRT]) systems that cover the full urban area, operate throughout the day and nights where required, are safe, convenient and affordable, and would provide seamless connectivity through pedestrian greenways in a timely way for commuters and travelers. Access for all will be targeted, with special consideration for marinized groups with suitable access, security and safety features for the elderly, youth and women.

2. Impact channels and expected systemic changes.

The project will provide improved access to better public transport services along EDSA and connectivity improvements to the surrounding areas.

3. Focus of (and resources allocated in) the TRTA or due diligence.

The social assessment of the current public transport owners, operators, drivers, and associated personnel will be addressed in the project transaction technical assistance (TRTA) and, where required, mitigation measures will be included in the ensuing loan.

II. GENDER AND DEVELOPMENT

1. What are the key gender issues in the sector/subsector that are likely to be relevant to this project or program?

Women feel unsafe to travel on public transport, especially during off peak periods when the public transport systems are less busy. Women are also harassed during peak periods when close proximity means that women suffer abuse from other passengers.

Sex-disaggregated data for surveys will be collected during project preparation activities.

Female users of public transport feel safe, particularly with seamless connectivity of public transport through pedestrian greenways. The proposed loan will ensure secure, well-lit, and well managed walkways

[1] ADB. 2011. *Country Partnership Strategy: Philippines, 2011–2016*. Manila.

with continues monitoring and security to ensure safety for all users, including women, the elderly and the youth and also to deter informal economic activities.

2. Does the proposed project or program have the potential to make a contribution to the promotion of gender equity and/or empowerment of women by providing women's access to and use of opportunities, services, resources, assets, and participation in decision making?
☒ Yes ☐ No
The passenger charter will make provisions for women passengers.

3. Could the proposed project have an adverse impact on women and/or girls or widen gender inequality?
☐ Yes ☒ No

4. **Indicate the intended gender mainstreaming category:**
☐ GEN (gender equity) ☒ EGM (effective gender mainstreaming)
☐ SGE (some gender elements) ☐ NGE (no gender elements)

III. PARTICIPATION AND EMPOWERMENT

1. Who are the main stakeholders of the project, including beneficiaries and negatively affected people? Identify how they will participate in the project design.

The main stakeholders' groups are the Department of Transportation, public transport owners and/or operators, public transport passengers, pedestrians, and private vehicle users. The users of EDSA will directly benefit from improved management and public transport services safe pedestrian environment and traffic management. Significant economic benefits would accrue through capital expenditure-enhanced MRT. The owners and/or operators could benefit through enhanced services and revenue streams, but could also be negatively impacted by the transition to a modern public transport system. To address the potential negative impact on owners and/or operators, the TRTA will assess needs and prepare livelihood components for inclusion in the loan, if so required.

2. How can the project contribute (in a systemic way) to engaging and empowering stakeholders and beneficiaries, particularly the poor, vulnerable, and excluded groups? What issues in the project design require participation of the poor and excluded?

The project will introduce new forms of performance-based contracts for public transport service operations. Such contracts will include a passenger feedback and measurement system ensuring that the passengers are fully involved in the process and have an active and direct involvement in the project outcomes.

3. What are the key, active, and relevant civil society organizations in the project area? What is the level of civil society organization participation in the project design?
☒ (**M**) Information generation and sharing ☒ (**M**) Consultation
☒ (**M**) Collaboration ☒ (**L**) Partnership

4. Are there issues during project design for which participation of the poor and excluded is important? What are they and how shall they be addressed? ☐ Yes ☒ No

IV. SOCIAL SAFEGUARDS

A. Involuntary Resettlement Category ☒ A ☐ B ☐ C ☐ FI

1. Does the project have the potential to involve involuntary land acquisition resulting in physical and economic displacement? ☐ Yes ☒ No
The intention is to undertake all works within the existing right of way.

2. What action plan is required to address involuntary resettlement as part of the TRTA or due diligence process?
☒ Resettlement plan ☒ Resettlement framework ☐ Social impact matrix
☐ Environmental and social management system arrangement ☐ None

B. Indigenous Peoples Category ☐ A ☐ B ☒ C* ☐ FI

1. Does the proposed project have the potential to directly or indirectly affect the dignity, human rights, livelihood systems, or culture of indigenous peoples? ☐ Yes ☒ No

2. Does it affect the territories or natural and cultural resources indigenous peoples own, use, occupy, or claim, as their ancestral domain? ☐ Yes ☒ No

3. Will the project require broad community support of affected indigenous communities?
☐ Yes ☒ No

4. What action plan is required to address risks to indigenous peoples as part of the TRTA or due diligence process?

☐ Indigenous peoples plan
☐ Indigenous peoples planning framework
☐ Social Impact matrix
☐ Environmental and social management system arrangement
☒ None

V. OTHER SOCIAL ISSUES AND RISKS

1. What other social issues and risks should be considered in the project design?
☒ (**M**) Creating decent jobs and employment
☒ (**L**) Labor retrenchment
☐ Increase in human trafficking
☐ Affordability
☐ Increase in vulnerability to natural disasters
☐ Creating internal social conflicts
☐ Adhering to core labor standards
☐ Spread of communicable diseases, including HIV/AIDS
☐ Increase in unplanned migration
☐ Creating political instability
☐ Others, please specify _____

2. How are these additional social issues and risks going to be addressed in the project design?
Through a social assessment and livelihood support, if required.

VI. TRTA OR DUE DILIGENCE RESOURCE REQUIREMENT

1. Do the terms of reference for the TRTA (or other due diligence) contain key information needed to be gathered during TRTA or due diligence process to better analyze (i) poverty and social impact; (ii) gender impact, (iii) participation dimensions; (iv) social safeguards; and (v) other social risks. Are the relevant specialists identified? ☒ Yes ☐ No

2. What resources (e.g., consultants, survey budget, and workshop) are allocated for conducting poverty, social and/or gender analysis, and participation plan during the TRTA or due diligence?
Aside from general work required for these types of projects which have an inherent social dimension, specific tasks are allocated under the social specialists in the TA team.

* IP category to be confirmed during project preparation.