



Philippines: Improving Growth Corridors in Mindanao Road Sector Project

Project Name	Improving Growth Corridors in Mindanao Road Sector Project
Project Number	41076-048
Country	Philippines
Project Status	Active
Project Type / Modality of Assistance	Loan
Source of Funding / Amount	Loan 3631-PHI: Improving Growth Corridors in Mindanao Road Sector Project Ordinary capital resources US\$ 380.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration
Drivers of Change	Governance and capacity development Knowledge solutions Partnerships Private sector development
Sector / Subsector	Transport - Road transport (non-urban)
Gender Equity and Mainstreaming	Effective gender mainstreaming
Description	<p>The project will improve an estimated 280 kilometers (km) of national primary, secondary, and tertiary roads in Mindanao. The improvements will include paving earth roads, replacing damaged road sections, widening existing roads, adding surface overlays, and replacing and strengthening bridges. The project roads will be designed with features to strengthen resilience to climate change. Among the structural and non-structural features included are elevated pavement levels, enhanced slope protection, and improved maintenance of drainage structures. Road safety on these roads will be improved through road safety community awareness campaigns. The project will finance detailed engineering for improvement of another 300 km of national highways in Mindanao, to be implemented under future projects. The Government will determine the roads for which the detailed design will be prepared. The design will incorporate features to strengthen resilience to climate change.</p> <p>The project will improve the institutional capacity of DPWH to make management of the transport sector more efficient and contribute to improved operations of the transport sector in Mindanao and nationwide. Strengthening of DPWH's institutional capacity will take place in regional offices and in headquarters. Training in multi-year planning carried out exclusively in DPWH regional offices, while the new human resource database system integrating all DPWH operations will be made operational in all DPWH offices. Making the new online system for budgeting and fiscal monitoring operational and the provision of support in supervising regional planning will take place in DPWH headquarters.</p>

Project Rationale and Linkage to Country/Regional Strategy	<p>The road subsector is the most important transport subsector in the Philippines. The national road network comprises 29,630 kilometers (km), or 14% of the total road network and includes the main trunk roads, the national primary arterial roads, and national secondary roads. An efficient road subsector is crucial for the Philippines' economic growth and poverty reduction. Despite its importance to the national economy, the road subsector has not received adequate funding. Expansion or improvement of the network has been limited in recent years, and many roads deteriorate prematurely due to inadequate maintenance. Government funding for the road network has been increasing in recent years; however, about 23% of the national road network is in poor condition and in need of rehabilitation. This contributes to the rising number of road accidents in the Philippines. The increasing impact of climate change, particularly flooding, is having a negative effect on the road network. The road network in Mindanao is less developed than the national network. While 82% of the national roads in Luzon and 89% in Visayas are paved, only 70% of the national roads in Mindanao are paved.</p> <p>Mindanao is the second largest island in the Philippines, with a population of more than 20 million people. Despite being rich in natural resources, Mindanao has the highest poverty incidence of the Philippines' three island groups (Luzon, Visayas, and Mindanao), with a rate of 36.2%. This is largely because of civil conflict and low economic growth. Despite significant development has occurred in recent years, a number of infrastructure targets in the government's Mindanao 2000 plan were not achieved, due to the lack of coherent plans, inadequate government financial resources, and underinvestment, especially by the private sector due to perceptions of the civil conflict. The government, Japan International Cooperation Agency, the World Bank, and the Australian Agency for International Development have completed or are now implementing national or provincial road improvement projects in Mindanao. However, a large part of the road network in Mindanao remains in need of improvement.</p> <p>Mindanao plays a key role in the Philippines' participation in regional cooperation initiatives. It comprises most of the Philippine territory in the Brunei Darussalam Indonesia Malaysia Philippines East ASEAN Growth Area (BIMP-EAGA) Greater Sulu Sulawesi Corridor. The project is aligned with Strategic Pillar I (Enhancing connectivity within BIMP-EAGA as well as with other regions outside of BIMP-EAGA) of the BIMP-EAGA Implementation Blueprint, 2012-2016. Improving roads in Mindanao will support the development of agribusiness, ecotourism, and logistics, contributing to the development of the Greater Sulu Sulawesi Corridor.</p> <p>The project supports the Government of the Philippines' priorities for improvement of the country's road network and development of Mindanao. It also supports the key objective of ADB's strategy for the Philippines of helping the country achieve high, inclusive, and sustainable growth. The project is consistent with ADB's Strategy 2020 through its focus on improving the delivery of infrastructure services as well as investing in physical assets. The project supports regional cooperation and integration by contributing to the implementation of the ASEAN Highway and BIMP-EAGA Priority Infrastructure Projects. It supports ADB's Sustainable Transport Initiative by addressing climate change and road safety, and it is included in ADB's Philippines Transport Sector Assessment, Strategy, and Road Map</p>
Impact	Economic and physical linkages in Mindanao strengthened (Mindanao Strategic Development Framework 2010-2020. National Economic and Development Authority)

Project Outcome

Description of Outcome	Efficiency and safety of selected sections of the road transport network in Mindanao improved
Progress Toward Outcome	Recruitment of construction supervision consultant (package CS) is ongoing. The request for proposal was issued on 3 September 2018. Procurement of 3 core roads civil works contracts (PR06, PR07, and PR09) is ongoing. IFBs were advertised in May 2018. Bids submission was closed on 23 July 2018.

Implementation Progress

Description of Project Outputs	<ol style="list-style-type: none"> 1. Selected sections of road transport network in Mindanao improved. 2. Detailed engineering design for improvement of roads in other projects completed 3. Institutional capacity of DPWH in multi-year planning, fiscal accountability, and human resource management strengthened
Status of Implementation Progress (Outputs, Activities, and Issues)	<ol style="list-style-type: none"> 1. Procurement of 3 core roads civil works contracts (PR06, PR07, and PR09) is ongoing. IFBs were advertised in May 2018. Bids submission deadline was on 23 July 2018. 2. Target advertisement of recruitment of consulting services for detailed engineering design of other projects is in Q4 2018. 3. Target advertisement of recruitment of 3 consulting services packages on institutional capacity building of DPWH is 2019.
Geographical Location	Province of Zamboanga Sibugay, Province of Zamboanga del Norte, Zamboanga Peninsula

Safeguard Categories

Environment	B
Involuntary Resettlement	A
Indigenous Peoples	A

Summary of Environmental and Social Aspects

Environmental Aspects	<p>The IEE conducted for the Project has not identified any major environmental concerns given that all the proposed civil works use existing road alignment and are located within the existing right-of-way (ROW). There will only be localized short-term impacts during construction activities due to implementation of civil works that will be addressed through application of subproject-specific environmental mitigation measures and monitoring program. These construction related impacts can be mitigated by (i) the contractors' work practices, especially those related to the storage of construction materials and cleanliness of the work sites; (ii) cooperation by the local authorities with the contractor in terms of traffic management and use of public space and utilities; (iii) the incorporation of the environmental mitigation and monitoring measures in the IEE into the bid documents and specifications; and (iv) project management's strict enforcement and monitoring of the correct construction practices, standards and environmental mitigation measures identified in the IEE. Extent of flooding in roadside villages will be reduced by the improvement of drains. Road safety will be improved by stabilizing unstable sections, installing road safety barriers including proper traffic engineering signs and display boards</p>
Involuntary Resettlement	<p>To ensure compliance with ADB SPS, DPWH will cause DPWH regional offices and contractors to guarantee social safeguard compliance under the sector investment program. DPWH endorsed the RIPF guiding the overall sector project, and the specific RIPF for PR07 Tampilisan-Sandayong (see Linked Documents 15 of the RRP). A total of 415 affected households (AH) were determined, amounting to 2,075 affected persons (AP). Of the 415 AHs, 24 are indigenous peoples belonging to the Subanen and Kolibugan ethnic groups. Loss of land amounts to 500,434 m² affecting 117 households (HH). Around 352 structures (12,901.15 m²) will be affected belonging or occupied by 303 AHs and 78 AHs considered for relocation. For croplands, a total area of 31,841 m² will be lost to 52 AHs. With respect to trees, impacts are as follows: 3,371 fruit trees owned by 92 AHs and 8,563 forest trees of 100 AHs. Thirty-eight business establishments belonging to 38 AHs will be affected in terms of business income and 31 community infrastructures will be affected. A total of 327 AHs will be severely affected in terms of productive land and structural assets. About 140 AHs are deemed vulnerable comprising of 95 poor HHs, 58 elderly-headed HHs, 5 disable-headed HHs, and 15 female-headed HHs. The project is categorized as A for involuntary resettlement and A for indigenous peoples in accordance with ADB's SPS.</p>
Indigenous Peoples	<p>Identification of Indigenous Peoples. DPWH shall utilize key procedures in the DPWH Updated Social and Environmental Management Systems (SEMS) Manual of Operations in (i) determining the presence of IPs or existence of ancestral domain in potential project areas; (ii) Obtaining Voluntary Solicitation or Initiation from Indigenous Peoples; (iii) the Field Based Investigation (FBI); (iv) Obtaining the Free, Prior and Informed Consent (FPIC); and (v) Preparing the social safeguards document/plan or using National Commission on Indigenous Peoples (NCIP) terminology, the Indigenous People's Action Plan (IPAP). Central to screening is the FBI to be conducted by NCIP to ascertain the presence of IPs/ICCs and ancestral domains.</p>

Stakeholder Communication, Participation, and Consultation

During Project Design	<p>The overarching objectives of the Stakeholder Communication Strategy include ensuring regular and proactive information sharing with affected communities, and developing community support for the project. Pursuant to the requirements of ADB's Public Communication Policy, this will be done by:</p> <ul style="list-style-type: none">(i) Identifying a primary focal point within DPWH for regular communication with affected people and other stakeholders, as well as broader communication responsibilities (i.e., media relations);(ii) Ensuring that relevant project information is delivered to stakeholders in a culturally appropriate, gender-sensitive, and timely manner to raise awareness of the project's scope, benefit and impacts, and to foster acceptance and understanding of the project;(iii) Ensuring that accurate and timely feedback from stakeholders is obtained;(iv) Enabling an efficient and regular two-way flow of information between project implementers and stakeholders, with information sharing and consultative mechanisms established;(v) Involving and working with local leaders to help foster understanding and acceptance of the project;(vi) Ensuring the timely full disclosure of all required documents;(vii) Monitoring the implementation of the Stakeholder Communication Strategy throughout the project, ensuring corrective actions are taken where needed.
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During Project Implementation Face-to-face, community-level discussions and meetings will be regularly conducted with project affected persons and other stakeholders along the road to ensure they are aware of project developments and have meaningful opportunities to share their perspectives and concerns. Multiple communication channels will be utilized to ensure project affected persons and other stakeholders receive adequate notice of discussions and meetings. Channels will include information sharing through local authorities, as well as a project Facebook and website.

For all communication, consultation and outreach activities, gender sensitive and culturally appropriate information, education and communication (IEC) materials will be developed (i.e., leaflets) to ensure all stakeholders, including the poor, vulnerable and low-literacy groups, clearly understand key project components, benefits and impacts. The Project Information Booklet (PIB) will indicate how stakeholders can get in touch with project implementers. Information in the PIB will also be shared through other culturally appropriate communication channels, including face-to-face meetings. A project FAQ will be developed and disseminated.

An agreed-upon system will be put in place by DPWH's communication focal point to ensure stakeholder feedback is shared with relevant project staff, and considered as the project is implemented. This will include the establishment of project phone hotline numbers to receive inquiries and concerns, as well as regularly (at least monthly) two-way communications between designated DPWH communication focal points and communities along the highway. Inquiries and concerns will be logged. Key stakeholders will subsequently be informed how their feedback was shared, and what actions were taken based on the feedback.

Information, education and outreach on key project components, including consultation and Grievance Redress Mechanism requirements, will also be conducted with community leaders and local officials to ensure they understand the project, its importance, and their responsibilities.

DPWH's communication focal point will be responsible for implementing and monitoring all communication activities, including information dissemination and disclosure, and ensuring regular contact with affected people and other interested stakeholders.

Business Opportunities

Consulting Services Recruitment will follow Guidelines on the Use of Consultants by ADB and its Borrowers (March 2013).

Procurement Procurement will follow ADB Procurement Guidelines (April 2015).

Responsible ADB Officer Veron-Okamoto, Adrien

Responsible ADB Department Southeast Asia Department

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Timetable

Concept Clearance	16 Dec 2013
Fact Finding	01 Feb 2016 to 30 Jun 2017
MRM	05 Sep 2017
Approval	14 Dec 2017
Last Review Mission	-
Last PDS Update	28 Sep 2018

Loan 3631-PHI

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
14 Dec 2017	10 Jan 2018	23 Mar 2018	30 Jun 2024	-	-

Financing Plan		Loan Utilization			
	Total (Amount in US\$ million)	Date	ADB	Others	Net Percentage
Project Cost	503.00	Cumulative Contract Awards			
ADB	380.00	14 Dec 2017	0.00	0.00	0%

Counterpart	123.00	Cumulative Disbursements			
Cofinancing	0.00	14 Dec 2017	0.10	0.00	0%

Status of Covenants						
Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	-	Satisfactory	-	-	-	-

Project Page <https://www.adb.org/projects/41076-048/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=41076-048>

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