

Project Administration Manual

Project Number: **41076-048**
Loan Number: LXXXX
November 2017

Philippines: Improving Growth Corridors in Mindanao Road Sector Project

ABBREVIATIONS

ADB	=	Asian Development Bank
ADSDPP	=	Ancestral Domains Sustainable Development Protection Plan
AFS	=	audited financial statements
BIMP-EAGA	=	Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area
CFMS	=	Comptrollers and Financial Management Service
CQS	=	consultant qualification selection
CSC	=	construction supervision consultant
DBM	=	Department of Budget and Management
DED	=	Detailed engineering design
DMF	=	design and monitoring framework
DOF	=	Department of Finance
DOJ	=	Department of Justice
DPWH	=	Department of Public Works and Highways
EARF	=	environmental assessment and review framework
EIA	=	environmental impact assessment
EIS	=	environmental impact statement
EMP	=	environmental management plan
ESMS	=	environmental and social management system
ESSD	=	Environment and Social Safeguards Division
GDP	=	gross domestic product
HAPP/HTPP	=	HIV/AIDS prevention program/Human Trafficking prevention program
ICB	=	international competitive bidding
ICD	=	institutional capacity development
IEE	=	initial environmental examination
IPP	=	indigenous people plan
IPPF	=	indigenous people planning framework
JICA	=	Japan International Cooperation Agency
LAR	=	land acquisition and resettlement
LIBOR	=	London interbank offered rate
NEDA	=	National Economic Development Authority
NCB	=	national competitive bidding
NCIP	=	National Commission on Indigenous Peoples
NGOs	=	nongovernment organizations
PAI	=	project administration instructions
PAM	=	project administration manual
PPTA	=	project preparatory technical assistance
PS	=	Planning Service
QBS	=	quality based selection
QCBS	=	quality- and cost based selection
RIC	=	Resettlement Implementation Committee
RP	=	resettlement plan
RRP	=	report and recommendation of the President to the Board
SBD	=	standard bidding documents
SOE	=	statement of expenditure
SETC	=	Southeast Asia Department, Transport and Communications Division
SPS	=	Safeguard Policy Statement
SPRSS	=	summary poverty reduction and social strategy
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

A. Rationale

1. 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.

2. 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%.¹ 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.² 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.

3. The transport sector is governed by the National Transport Policy, which was approved in June 2017. The policy focuses on (i) resource generation and allocation; (ii) criteria for the preparation of agency plans, programs, and projects; (iii) cost recovery; (iv) regulation of passenger transport; (v) urban transport; (vi) transport logistics; and (vii) governance. The sector development plan is set forth in the *Philippine Development Plan, 2017–2022* (footnote 1). Institutional capacity of the DPWH has improved significantly over the last decade, with assistance provided by ADB and other development partners. However, capacity development is a long-term process, and additional improvement is needed, particularly in regional offices.

4. 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.³ 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–

¹ Government of the Philippines, National Economic and Development Authority. 2017. *Philippine Development Plan, 2017–2022*. <http://pdp.neda.gov.ph/wp-content/uploads/2017/01/PDP-2017-2022-07-20-2017.pdf>.

² Mindanao Development Authority. 2011. *Mindanao 2020 Peace and Development Framework Plan 2011-2030*. Davao City.

³ ADB. 2017. *BIMP-EAGA Investment Opportunities in Corridor Value Chains*. Manila.

2016.⁴ Improving roads in Mindanao will support the development of agribusiness, ecotourism, and logistics, contributing to the development of the Greater Sulu Sulawesi Corridor.

5. The project supports the Government of the Philippines' priorities for improvement of the country's road network and development of Mindanao (footnote 1). It also supports the key objective of ADB's strategy for the Philippines of helping the country achieve high, inclusive, and sustainable growth.⁵ 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.⁶ 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 Initiative⁷ by addressing climate change and road safety, and it is included in ADB's Philippines Transport Sector Assessment, Strategy, and Road Map.⁸

6. Use of the sector loan will enable the government to achieve inclusive economic development by concentrating road improvement subprojects in Mindanao and will provide flexibility in determining the most appropriate location for subprojects given changing political and security conditions in Mindanao. The project meets all the requirements for a sector loan:⁹ (i) the government has a sector development plan and the institutional capacity to implement it, (ii) its policies applicable to the sector are appropriate, and (iii) DPWH has demonstrated capacity.

B. Impact and Outcome

7. The project is aligned with the impact of strengthened economic and physical linkages in Mindanao. The project outcome will be efficiency and safety of selected sections of the road transport network in Mindanao improved.

C. Outputs

1. Selected sections of road transport network in Mindanao improved.

8. 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. Three core roads located in the Zamboanga peninsula in western Mindanao (Region IX), with a total length of 78 km, have been appraised for inclusion in the project.¹⁰ The detailed design for these roads has been completed. Additional roads will be proposed by the Government and should meet the following criteria to be included in the project: location in Mindanao; an EIRR meeting or exceeding the thresholds of the Government and ADB, an environmental impact

⁴ ADB. 2012. *BIMP-EAGA Implementation Blueprint, 2012–2016*. Manila.

⁵ ADB. 2011. *Country Partnership Strategy: Philippines, 2011–2016*. Manila.

⁶ ADB. 2008. *Strategy 2020: The Long-Term Strategic Framework of the Asian Development Bank, 2008–2020*. Manila.

⁷ ADB. 2010. *Sustainable Transport Initiative: Operational Plan*. Manila.

⁸ ADB. 2012. *Philippines Transport Sector Assessment, Strategy, and Road Map*. Manila. Available at: <https://www.adb.org/sites/default/files/institutional-document/33700/files/philippines-transport-assessment.pdf>

⁹ ADB. 1999. *Review of the Bank's Sector Lending Policies*. Manila.

¹⁰ The roads are Alicia-Malangas, Tampilisan-Sandayong, and Lutiman-Guicam-Olutanga.

categorization of B or C, an involuntary resettlement categorization of A, B or C, and an indigenous people's impact categorization of A, B, or C using the ADB safeguards categorization methodology.

2. Detailed engineering design for improvement of roads in other projects completed

9. The project will finance detailed design drawings and bills of quantities for improvement of 300 km of national highways in Mindanao, to be improved under other 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.

3. Institutional Capacity of DPWH in multi-year planning, fiscal accountability, and human resource management strengthened

10. 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. To ensure that the investment in the new systems is sustainable, the project will provide operational training to DPWH staff and generate corresponding training manuals for future reference of any additional staff.

II. IMPLEMENTATION PLANS

A. Project Readiness Activities

Table 1: Project Readiness Activities

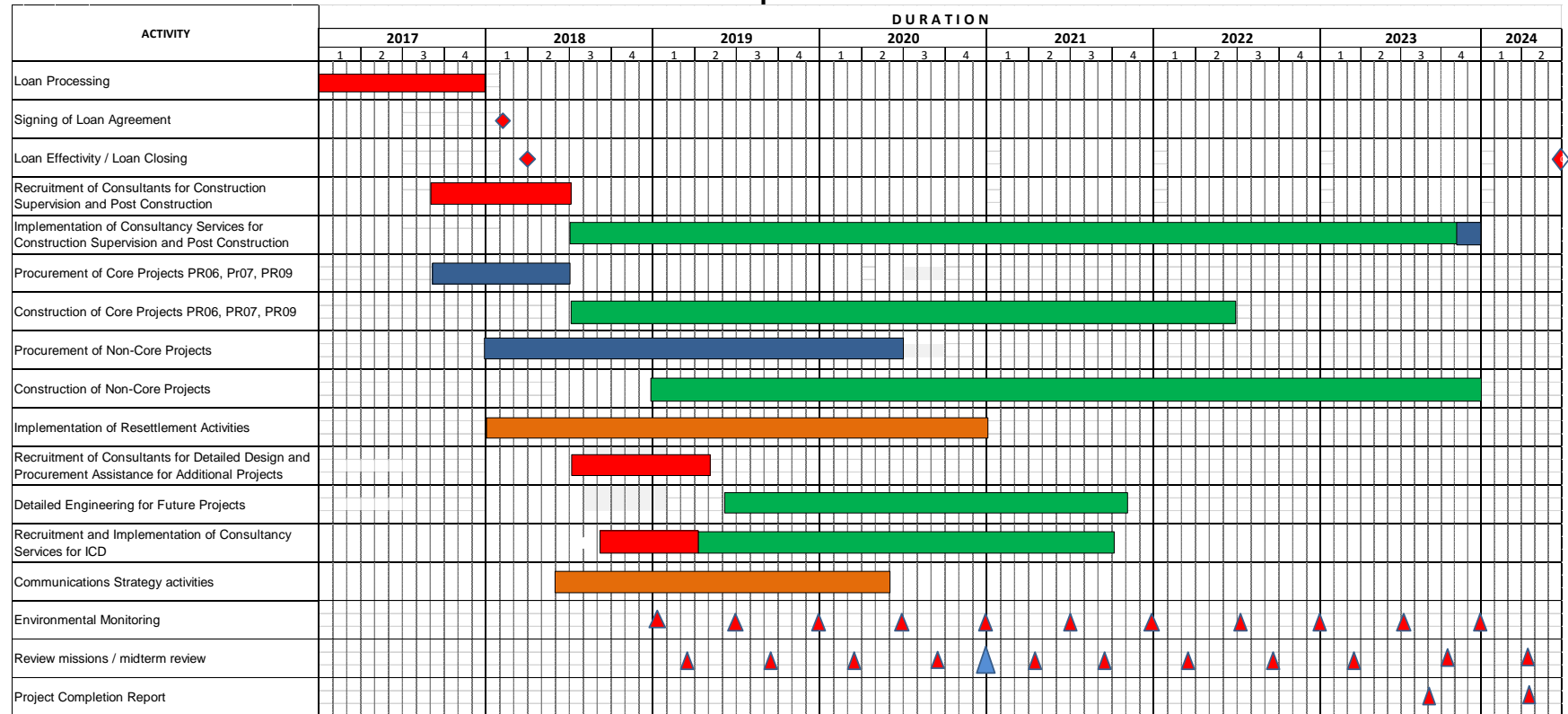
	Months											
Indicative Activities	J	J	A	S	O	N	D	J	F	M	Who responsible	
Advance contracting actions		X									DPWH	
Establish project implementation arrangements	X										DPWH, DBM	
ADB Board approval							X				ADB	
Loan signing								X			ADB, DPWH, DOF	
Government legal opinion provided									X		DOJ	
Government budget inclusion									X		DPWH, 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: Overall Implementation Schedule



III. PROJECT MANAGEMENT ARRANGEMENTS

A. Project Implementation Organizations: Roles and Responsibilities

Table 3: Organizations and Roles

Project Implementation Organizations	Management Roles and Responsibilities
Department of Finance	➤ Borrower
National Economic Development Authority (NEDA)	<ul style="list-style-type: none"> ➤ National and Regional Development Plan and Program Coordinator ➤ Public Investment Evaluator and Programmer ➤ Program and Project Monitor (by conducting program/project evaluation and on-site reviews and consultations)
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 ➤ 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
Roads Management, Cluster II (Multilateral), Unified Project Management Office (RMC II Multilateral, UPMO)	<ul style="list-style-type: none"> ➤ Project 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 cleared by ADB. ➤ Ensure that environmental protection and mitigation measures in the EMP are incorporated in the detailed design, included in bid documents, implemented and monitored. ➤ Submit disbursement projections, request budgetary allocations for counterpart funds. ➤ Ensure implementation of the Gender Action Plan (GAP) ➤ 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.

Sources: Government, ADB

B. Key Persons Involved in Implementation**Executing Agency**

Department of Public works and
Highways

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

Asian Development Bank

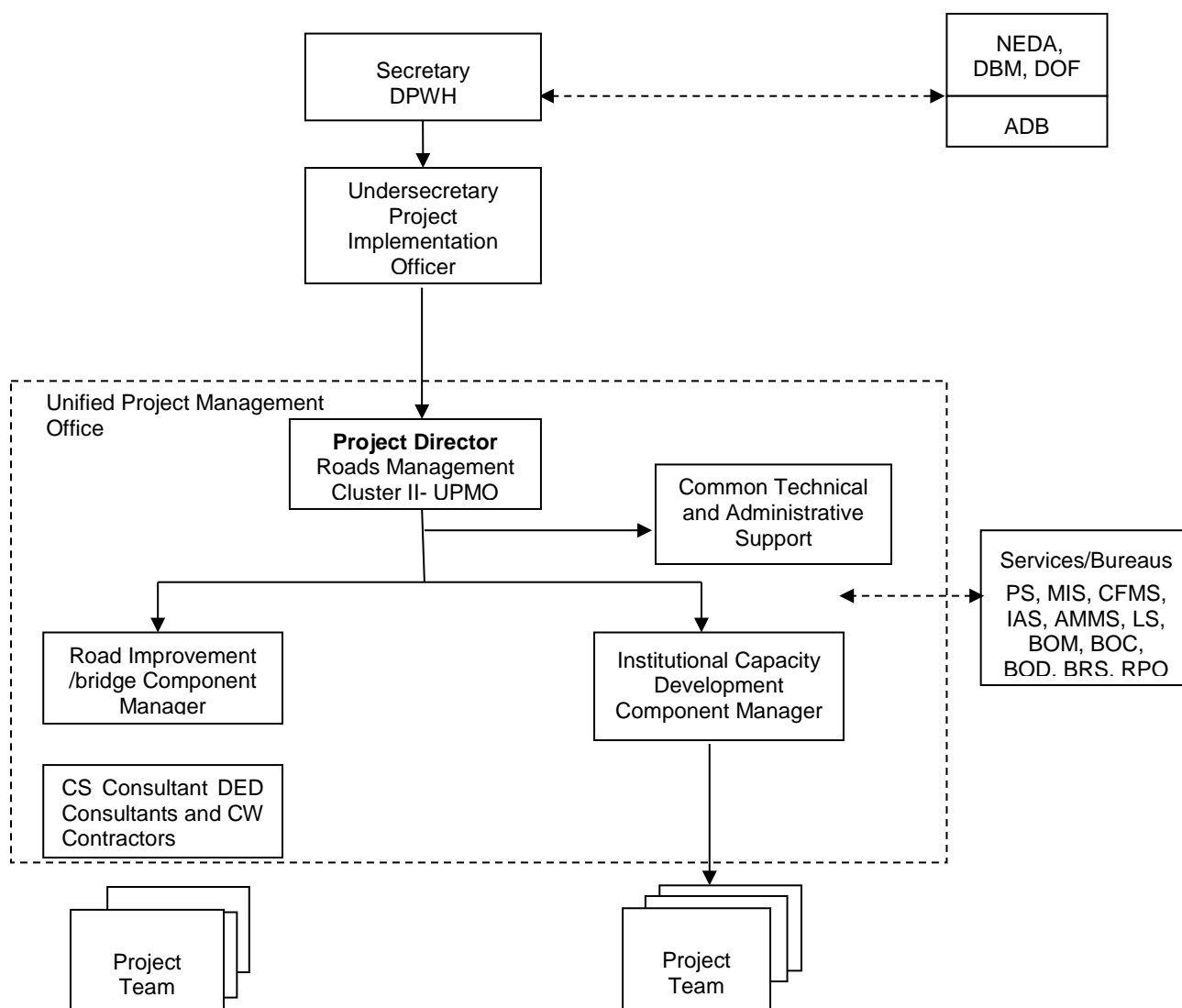
Southeast Asia Department
Transport and Communications
Division

Staff Name: Hiroaki Yamaguchi
Position: Director
Telephone No. 632-6745
Email address: hyamaguchi@adb.org

Mission Leader

Staff Name: Jeffrey M. Miller
Position: Principal Transport Specialist
Telephone No. 632-6826
Email address: jmiller@adb.org

C. Project Organization Structure



IV. COSTS AND FINANCING

11. The project is estimated to cost \$503 million. Detailed cost estimates by expenditure category and by financier are included in the project administration manual (PAM).¹¹ The government has requested a regular loan of \$380 million from ADB's ordinary capital resources to help finance the project. The loan will have a 30-year term, including a grace period of 7 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 (the interest and other charges during implementation to be capitalized in the loan); and such other terms and conditions

¹¹ Project Administration Manual (accessible from the list of linked documents in Appendix 2).

set forth in the draft loan agreement. Based on the straight-line method, the average maturity is 18.75 years, and the maturity premium payable to ADB is 0.20% per year.

12. Use of the sector loan will enable the government to achieve inclusive economic development by concentrating road improvement subprojects in Mindanao and will provide flexibility in determining the most appropriate location for subprojects given changing political and security conditions in Mindanao. The project meets all the requirements for a sector loan:¹² (i) the government has a sector development plan and the institutional capacity to implement it, (ii) its policies applicable to the sector are appropriate, and (iii) DPWH has demonstrated capacity.

13. The summary financing plan is in Table 4. ADB will finance the expenditures in relation to civil works, project implementation consultants, and capacity development.

Table 4: Summary Financing Plan

Source	Amount (\$ million)	Share of Total (%)
Asian Development Bank		
Ordinary capital resources	380.0	75.5
Government	123.0	24.5
Total	503.0	100.0

Source: Asian Development Bank.

A. Cost Estimates Preparation and Revisions

14. The preparation of costs estimates started during the implementation of PPTA 8574-PHI. The consultants prepared all possible costs that may be included in the investment. These include the preliminary cost estimates for the road sections which were initially requested by government to be included in the PPTA. Additional sections of road were added during the later stages of the PPTA. Construction costs were established from two sources: (i) DPWH 1st District Engineering Office (DEO), Zamboanga del Sur for cost estimates in 2015 for paving a gravel section of a road in the province; and (ii) DPWH Estimated Cost of Different Types of Road per Kilometer February 2015 Region IX. The latter base estimates have been increased for terrain, ground condition and safety aspects. A factor of 10% was applied for mountainous terrain sections (in accordance with Note #3 page 15 of Appendix 2). Indirect costs, including overhead, contingency and miscellaneous (OCM) and profit are from DPWH D.O. # 22, series 2015. The final cost estimates of the road sections identified in the PPTA are being updated done by the detailed design consultants currently engaged under Loan 2836-PHI and whose services are expected to last until mid-2018. Another firm will be engaged to continue the detailed design activities of additional subprojects that may be later included in this proposed sector loan.

B. Key Assumptions

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

- Exchange rate: Php50.21= \$1.00 (as of Sept 2017)
- Price contingencies based on expected cumulative inflation over the implementation period are as follows:

¹² ADB. 1999. *Review of the Bank's Sector Lending Policies*. Manila.

Table 5: Escalation Rates for Price Contingency Calculation

Item	2017	2018	2019	2020	2021	2022	2023
Foreign rate of price inflation	1.4%	1.5%	1.5%	1.5%	1.5%	1.5%	1.5%
Domestic rate of price inflation	2.8%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%

Source: Asian Development Bank estimates

C. Detailed Cost Estimates by Expenditure Category**Table 6: Cost Estimates by Expenditure Category**

ITEM	Total Cost ^a	% of Total Base Cost
A. Investment Costs^b		
1. Civil works	299.7	75.57
2. Consultants	29.1	7.34
a. Construction Supervision	15.9	4.02
b. Detailed Design	9.9	2.50
c. Safeguards External Monitor	3.3	
3. Institutional Capacity Development		
a. Business Process Development	13.8	3.47
4. Land Acquisition and Resettlement	40.0	10.09
Subtotal (A)	382.6	
B. Recurrent Costs		
1. Administration ^c	14.0	3.53
Subtotal (B)	14.0	
Total Base Cost	396.6	
C. Contingencies^d		
1. Physical	39.7	10.00
2. Price	38.6	9.72
Subtotal (C)	78.2	
D. Financial Charges During Implementation ^e		
1. Interest during construction ^e	28.2	7.11
Subtotal (D)	28.2	
Total Project Cost (A+B+C+D)	503.0	

^a Includes taxes and duties of \$19.83 million to be financed by the government.^b In mid-2017 prices.^c Includes cost of audit for the duration of the project.^d Physical contingencies computed as a percentage, 10% of base cost. Price contingencies computed based on ADB forecast international and domestic inflation rates applied to foreign exchange and local currency costs.^e The Loan will have a 30-year term including a grace period of 7 years, followed by straight-line principal repayment, an annual interest rate determined in accordance with ADB's London Interbank rate (LIBOR)-based lending facility, a commitment charge of 0.15% per year, and a maturity premium of 0.20% and such other terms and conditions set forth in the loan agreement. The interest charges will be capitalized.

Sources: PPTA consultants. Detailed design consultants, ADB staff estimates.

D. Allocation and Withdrawal of Loan Proceeds**Table 7: Allocation Table**

Item	Amount Allocated (\$ million)	ADB FINANCING	
		Percentage and Basis for Withdrawal from the Loan Account	
1 Civil works	305.60	85.2%	of total expenditure
2 Consulting Services	46.22	90%	of total expenditure
3 Interest During Construction	28.18	100%	of amount due
Total	380.0		

E. Detailed Cost Estimates by Financier

Table 8: Detailed Cost Estimate by Financier

Item	Amount	ADB Taxes	Total	% of Cost Category	Amount	Govt Taxes	Total	% of Cost Category	Total Cost
A. Base Costs									
1 Civil Works									
a. Road Improvement	255.26	0.00	255.26	85.2	27.04	17.41	44.45	14.8	299.71
2 Project Implementation Consultants									
a. Construction Supervision,	14.34	0.00	14.34	90.0	0.50	1.10	1.59	10.0	15.93
b. Detailed Engineering Design and Tendering,	8.91	0.00	8.91	90.0	0.60	0.39	0.99	10.0	9.90
c. Safeguards External Monitor	2.96	0.00	2.96	90.0	0.17	0.16	0.33	10.0	3.29
3 Institutional Capacity Development	12.40	0.00	12.40	90.0	0.60	0.78	1.38	10.0	13.78
4 Land Acquisition and Resettlement	0.00		0.00		40.00		40.00	100.0	40.00
5 Administration Cost	0.00		0.00	0.0	14.00		14.00	100.0	14.00
Subtotal (A)	293.87	0.00	293.87	74.0	82.92	19.83	102.74	26.0	396.61
B. Contingencies									
1 Physical Contingency	29.39		29.39	74.0	10.27		10.27	26.0	39.66
2 Price Contingency	28.56		28.56	74.0	9.99		9.99	26.0	38.55
Subtotal (B)	57.95		57.95	74.0	20.26	0.00	20.26	26.0	78.21
C. Financing Charges During Implementation	28.18		28.18	100.0	0.00	0.00	0.00		28.18
Total	380.00	0.00	380.00	76.0	103.18	19.83	123.00	24.0	503.00

Note: Numbers may not sum precisely because of rounding.

Source: ADB estimates

F. Detailed Cost Estimates by Outputs (Table 9)

Amounts in (\$million)								
		Output 1: Road Improvement			Output 2: Detailed Engineering		Output 3: Institutional Capacity Development	
Item		Total Cost	Amount	% of Cost Category	Amount	% of Cost Category	Amount	% of Cost Category
A.	Base Costs^a							
1.	Civil works	299.7	299.7	100.0				
2.	Consultants							
a.	Construction Supervision	15.9	15.9					
b.	Detailed Design	9.9			9.9	100.0		
c.	Safeguards External Monitor	3.3	3.3	100.0				
3.	Institutional Capacity Development							
a.	Business Process Development	13.8					13.8	
4.	Land Acquisition and Resettlement	40.0	40.0	100.0				
	Subtotal (A)	382.6	358.9	94.0	9.9	3.0	13.8	4.0
B.	Recurrent Costs							
1.	Administration	14.0	13.1	94.0	0.4	3.0	0.5	4.0
	Subtotal (B)	14.0	13.1	94.0	0.4	3.0	0.5	4.0
	Total Base Cost	396.6	372.1	94.0	10.3	3.0	14.3	4.0
C.	Contingencies							
1.	Physical ^b	39.7	37.2		1.0		1.4	
2.	Price ^c	38.6	36.2	94.0	1.0	3.0	1.4	4.0
	Subtotal (C)	78.2	73.4	94.0	2.0	3.0	2.8	4.0
D.	Financial Charges During Implementation^d							
1.	Interest during construction	28.2	26.4	94.0	0.7	3.0	1.0	4.0
	Subtotal (D)	28.2	26.4	94.0	0.7	3.0	1.0	4.0
	Total Project Cost (A+B+C+D)	503.0	471.9	94.0	13.0	3.0	18.1	4.0

^a In mid-2017 prices.

^b Physical contingency computed at 10% of base costs.

^c Price contingency are equal to 9.7% of base cost and are computed based on ADB forecast international and domestic inflation rates applied to foreign exchange and local currency costs.

^d Includes interest and commitment charges.

Source: Asian Development Bank estimates

G. Detailed Cost Estimate by Year

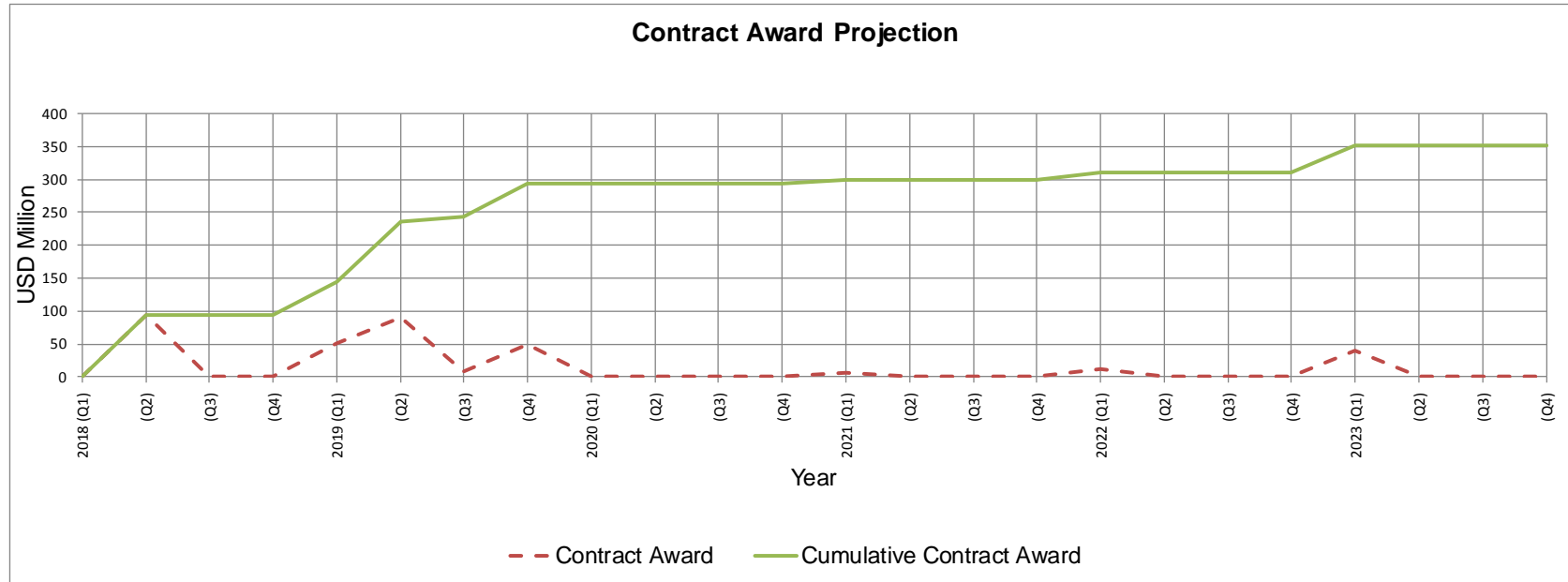
Table 10: Detailed Cost Estimate by Year
(\$ million)

Item	Total Cost (\$ million)	2018	2019	2020	Year 2021	2022	2023	2024
A. Base Costs								
1 Civil Works	299.7	12.53	39.04	60.22	105.13	65.20	17.59	0.00
2 Project Implementation Consultants								
a. Construction Supervision,	15.9	1.91	2.55	2.55	2.55	2.55	2.55	1.27
b. Detailed Engineering Design and Tendering	9.9	0.00	1.98	3.96	3.96	0.00	0.00	0.00
c. External Safeguards Monitor	3.3	0.43	0.57	0.57	0.57	0.57	0.57	0.00
3 Institutional Capacity Development	13.8	0.00	4.13	5.51	4.13	0.00	0.00	0.00
4 Land Acquisition and Resettlement	40.0	4.00	8.00	12.00	12.00	4.00	0.00	0.00
5 Administration Cost	14.0	2.33	2.33	2.33	2.33	2.33	2.33	0.00
Subtotal (A)	396.6	21.20	58.61	87.15	130.67	74.66	23.04	1.27
B. Contingencies								
1 Physical Contingency	39.7	0.00	0.00	0.00	3.97	7.93	27.76	0.00
2 Price Contingency	38.6	0.00	0.00	0.00	3.86	7.71	26.99	0.00
Subtotal (B)	78.2	0.00	0.00	0.00	7.82	15.64	54.75	0.00
C. Financing Charges During Implementation	28.2	0.78	1.61	3.13	5.45	7.77	9.45	0.00
Total	503.0	21.98	60.21	90.28	143.95	98.07	87.24	1.27
% Total Project Cost		4.37%	11.97%	17.95%	28.62%	19.50%	17.34%	0.25%

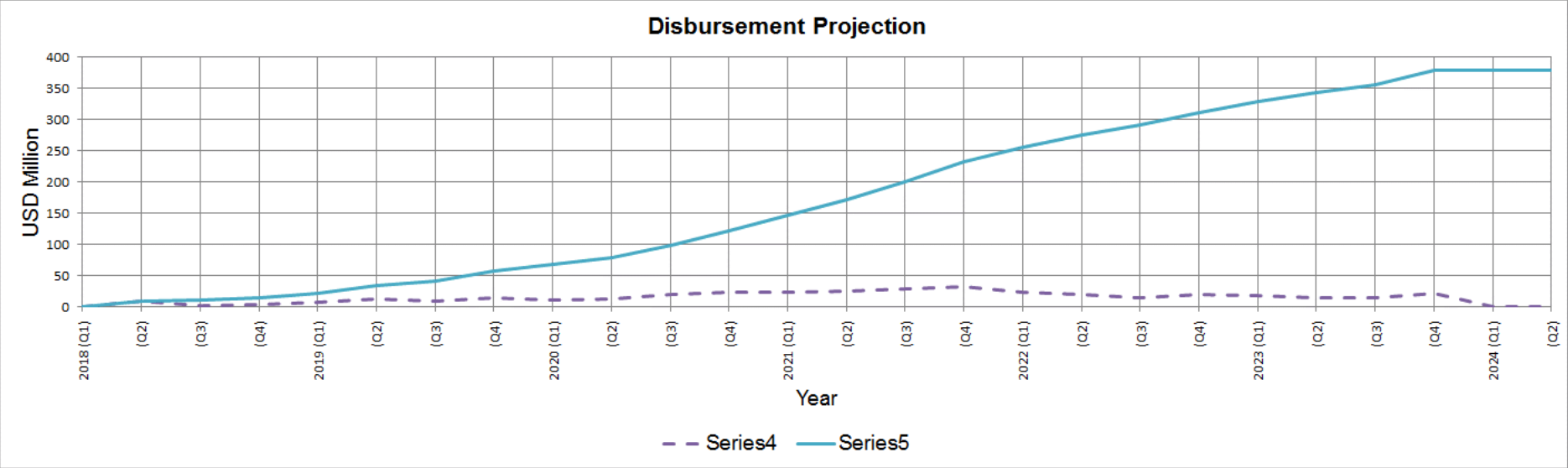
	ANNUAL COST PER FINANCIER							
ADB	379	13.55	43.16	65.76	110.88	77.70	67.81	1.15
Government	123	8.43	17.05	24.52	33.07	20.37	19.44	0.13
Total	502	21.98	60.21	90.28	143.95	98.07	87.24	1.27

Source: ADB estimates

H. Contract and Disbursement S-Curve



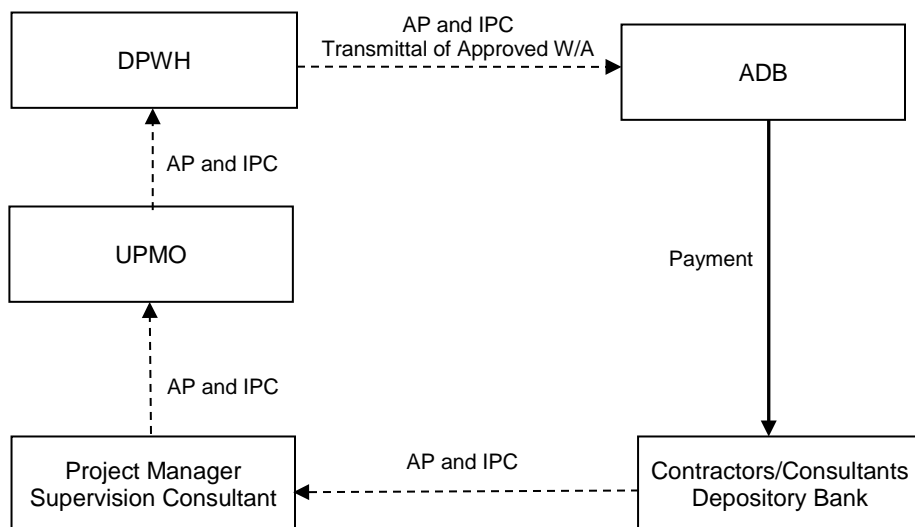
Year/Q	2018 (Q1)	(Q2)	(Q3)	(Q4)	2019 (Q1)	(Q2)	(Q3)	(Q4)	2020 (Q1)	(Q2)	(Q3)	(Q4)	2021 (Q1)	(Q2)	(Q3)	(Q4)	2022 (Q1)	(Q2)	(Q3)	(Q4)	2023 (Q1)	(Q2)	(Q3)	(Q4)
CA (M USD)	0	94	0	0	52	90	9	50	0	0	0	0	6	0	0	0	12	0	0	0	41	0	0	0
Cum CA	0	94	94	94	145	235	244	294	294	294	294	294	300	300	300	300	311	311	311	311	352	352	352	352



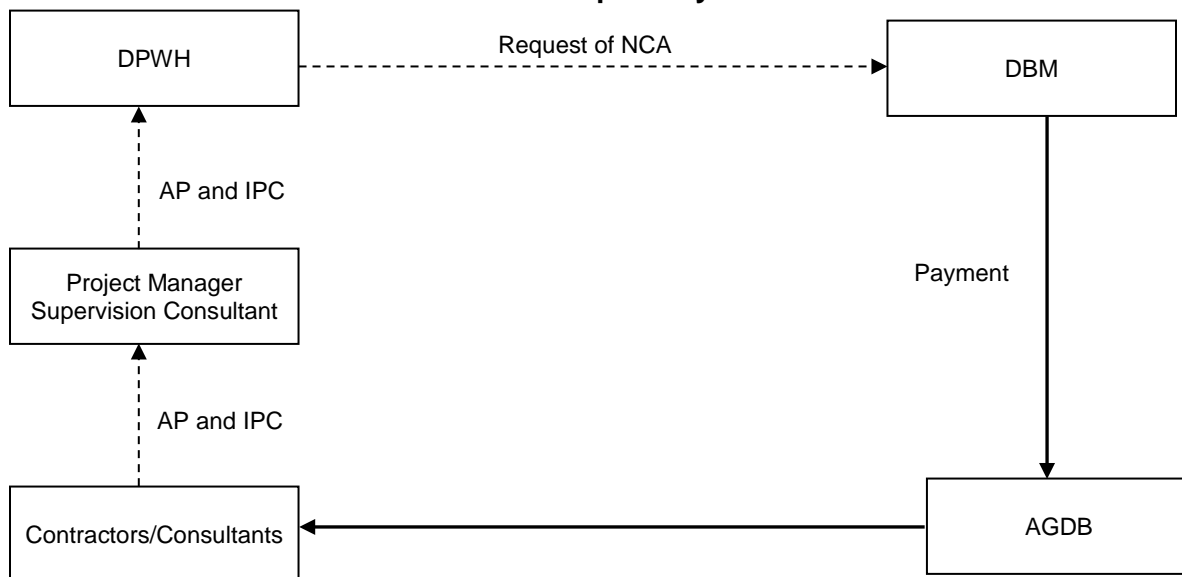
Year/Q	2018 (Q1)	(Q2)	(Q3)	(Q4)	2019 (Q1)	(Q2)	(Q3)	(Q4)	2020 (Q1)	(Q2)	(Q3)	(Q4)	2021 (Q1)	(Q2)	(Q3)	(Q4)	2022 (Q1)	(Q2)	(Q3)	(Q4)	2023 (Q1)	(Q2)	(Q3)	(Q4)	2024 (Q1)	(Q2)
Disb (M USD)	0	8	2	3	7	12	8	15	11	12	19	24	24	26	29	33	23	20	15	20	18	14	14	22	1	1
Cum Disb	0	8	11	14	21	33	42	57	68	80	99	122	146	172	200	233	256	276	291	311	329	343	357	379	379	380

I. Fund Flow Diagrams

Civil Works and Consultancy Contracts Loan Proceeds Direct Payment



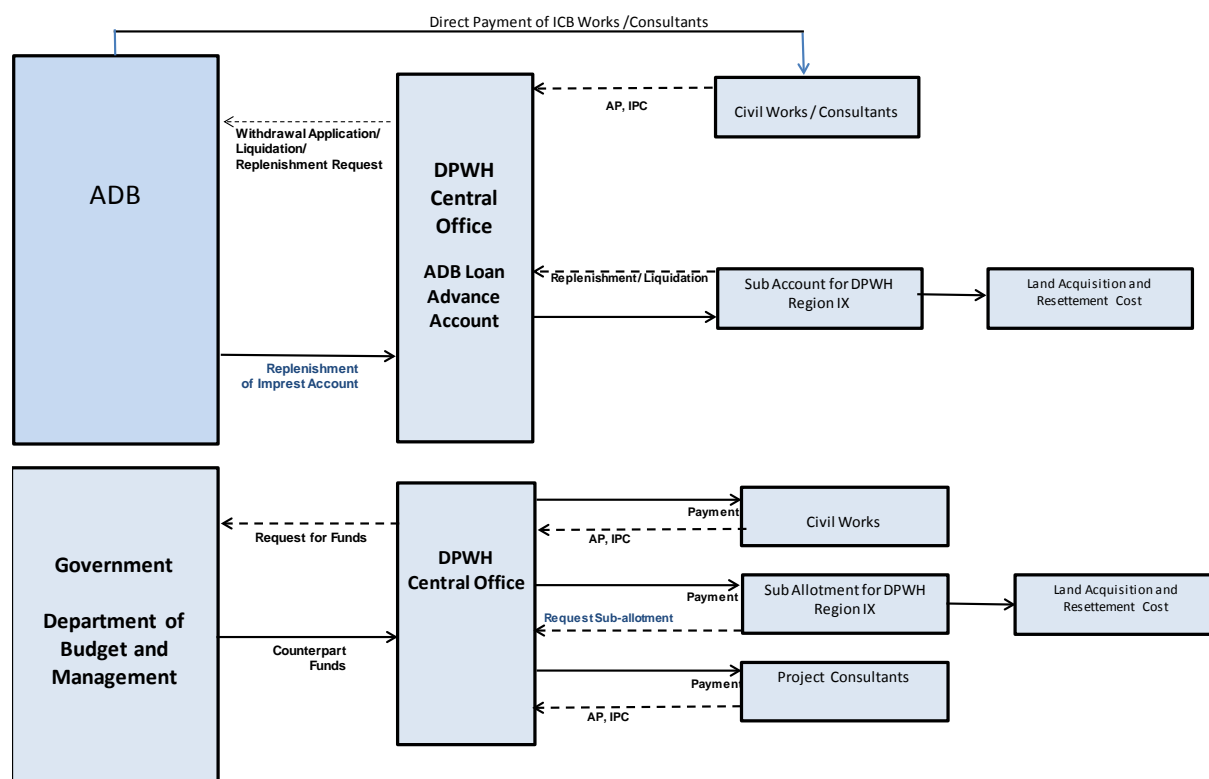
Civil Works and Consultancy Contracts GOP Counterpart Payment



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.

Fund Flow for Advance Fund Procedure



V. FINANCIAL MANAGEMENT

A. Financial Management Assessment

16. The financial management assessment (FMA) was prepared in accordance with ADB's Financial Management Technical Guidance Note: Financial Management Assessment May 2015 (the Note). The FMA of the Department of Public Works and Highways (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 Facilitation.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 (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 are related to the limited experience of the DPWH with the use of advance fund procedure under ADB-funded projects. Internal control within the DPWH is also relatively weak as evidenced by several audit findings reflected in the recent Commission on Audit opinions on the entity financial statements and project financial statements for ADB-financed projects involving accounting errors and deficiencies. These risks are considered manageable as the loan will finance the engagement of an individual consultant who will be mobilized prior to creating the advance account and requesting for the initial advance, and based in the DPWH to undertake the financial monitoring and reporting requirements for the loan at the executing agency.

18. The assessment indicates that with several risk mitigation measures in place, the executing agency and implementing agency's financial management system is acceptable for the proposed project. The disbursements will be carried out using the direct payment procedure for civil works and consultancy contracts and the advance fund procedure for small expenditures. 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 being assessed as substantial.

19. The DPWH and ADB have agreed to implement an action plan as key measures to address the deficiencies. The financial management action plan is provided in Table 12 below.

¹³ 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).

Table 12: Proposed Time-Bound Action Plan for Financial Management

Mitigation Actions	Responsible Parties	Timeframe
Given the limited experience of DPWH in the use of the advance fund procedure, a consultant will be recruited under the loan. The consultant will be based in the UPMO office and act as the project accountant providing support to the UPMO in undertaking the loan, including assisting with the financial monitoring and reporting requirements of the loan. In addition, ADB will provide training on ADB's disbursement guidelines and procedures to the relevant staff of the DPWH.	ADB, UPMO and DPWH and consultant	Prior to and during the project implementation phase
The risks of accounting errors, reporting deficiencies and late submission of the APFS will be mitigated by the fact that the disbursements process will use the direct payment procedure for civil works and consultancy contracts and the advance fund procedure for small expenditures. In addition, the loan will finance the engagement of a consultant in the UPMO and DPWH to provide guidance on ADB requirements and procedures to the relevant staff of the DPWH.	ADB, UPMO and DPWH and consultant	Upon loan effectiveness and throughout project implementation
Potential delays in the submission of the project financial statements will be addressed through the recruitment of a consultant to assist DPWH in making timely submissions of the audited project financial statements.	UPMO and DPWH consultant	Annually, on or before June 30 of the succeeding fiscal year

B. Disbursement

1. Disbursement Arrangements for ADB Funds

20. 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. Project staff will avail of the ADB's disbursement training to help ensure efficient disbursement and fiduciary control.

21. The DPWH will be the budget user and will be responsible for managing the payment for all works and consultant services procured under the loan, as well as the advance fund accounts.

22. The payments to the consultants can be made directly by ADB, based on the payment requests of the DPWH (in the form of withdrawal applications along with the necessary supporting documents) submitted to the ADB, or through the advance account, if set up for the project. The

Government will cover the tax share of the consultant contracts through payment to the consultants or through other allowed means in line with the Philippine taxation framework.

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 UPMO will be responsible for preparing the annual contract awards and disbursement projections; requesting budgetary allocations for counterpart funds, preparing of withdrawal applications, and sending the withdrawal applications to ADB. The UPMO is 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

25. **Advance fund procedure.** It is proposed to set up an advance account at the DPWH Central Office in Manila to be managed by the UPMO and Accounting Division of DPWH. The currency of the advance account and any subaccount will be Philippine Peso (PhP). The advance accounts are to be used exclusively for the loan's shares of eligible expenditures. DPWH-UPMO Central Office who established the advance account in its name is accountable and responsible for proper use of advances to the advance account including advances to the sub-accounts}.

26. The total outstanding advance to the advance account should not exceed the estimate of ADB's share of expenditures to be paid through the advance account for the forthcoming 6 months. DPWH may request for initial and additional advances to the advance account based on an Estimate of Expenditure Sheet¹⁴ 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 DPWH in accordance with ADB's *Loan Disbursement Handbook* (2017, as amended from time to time) when liquidating or replenishing the advance account.

27. **Statement of expenditure procedure.**¹⁵ The SOE procedure may be used for reimbursement of eligible expenditures or liquidation of advances to the advance account. The ceiling of the SOE procedure is the equivalent of \$100,000 per individual payment. 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. Reimbursement and liquidation of individual payments in excess of the SOE ceiling should be supported by full documentation when submitting the withdrawal application to ADB.

28. Before the submission of the first withdrawal application, the borrower should submit to ADB sufficient evidence of the authority of the person(s) 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 withdrawal application as stipulated in the *Loan Disbursement Handbook* (2017, as amended from time to time) is US\$100,000 equivalent. Individual payments below this amount should be paid (i) by the executing agency and/or implementing agency and subsequently claimed to ADB through reimbursement, or (ii) through

¹⁴ ADB. 2017. *Loan Disbursement Handbook*. Appendix 8A.

¹⁵ SOE forms are available in Appendix 7B and 7D of ADB's *Loan Disbursement Handbook* (2017, as amended from time to time).

the advance fund procedure unless otherwise accepted by ADB. The Borrower should ensure sufficient category and contract balances before requesting disbursements.

2. Disbursement Arrangements for Counterpart Fund

29. 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 which are deducted from every claim. Goods will be subject to taxes and duties. For consultants, only the national staff remuneration will be subject to 12% VAT.

30. 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

31. 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.

D. Auditing and Public Disclosure

32. 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.

33. 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.

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.

35. 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.¹⁶ 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.

36. 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 2011.¹⁷ 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.¹⁸

VI. PROCUREMENT AND CONSULTING SERVICES

A. Advance Contracting

37. 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 Guidelines (2015, as amended from time to time) and ADB's Guidelines on the Use of Consultants (2013, as amended from time to time). The issuance of invitations to bid under advance contracting and retroactive financing will be subject to ADB approval. The borrower and DPWH have been advised that approval of advance contracting and retroactive financing does not commit ADB to finance the project.

38. **Advance contracting.** It is expected that the civil works packages for the core projects whose design have been completed will be advertised, bid and evaluated. Likewise, the consultants for construction supervision will be recruited after ADB's Management Review Meeting.

¹⁶ 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 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.

¹⁷ Public Communications Policy: <http://www.adb.org/documents/pcp-2011?ref=site/disclosure/publications>

¹⁸ 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).

B. Procurement of Goods, Works, and Consulting Services

39. All procurement of goods and works will be undertaken in accordance with ADB's Procurement Guidelines (2015, as amended from time to time).¹⁹

40. The civil works contracts will be generally procured using international competitive bidding and will be subject to prior review by ADB. It is estimated that there will be about 12 contracts to be procured. Based on preliminary estimates and discussions with DPWH, all civil works contracts will be procured using ICB. These contracts are suitably packaged to attract both international and national contractors, with each contract selected mostly based on geographic location. Relevant sections of ADB's anticorruption policy (1998, as amended to date) will be included in all bidding documents and contracts

41. As the project is a sector loan, it is possible that additional contracts that meet the project criteria may be added and procured using ICB or NCB. Before the start of any procurement using NCB, ADB and the government will review the public procurement laws of the central and state governments to ensure consistency with ADB's Procurement Guidelines (2015, as amended from time to time).

42. A procurement plan for the first 18 months indicating threshold and review procedures, goods, works, and consulting service contract packages and national competitive bidding guidelines is in Section C of the Procurement and Consulting Services Section of this PAM. This plan will be updated every 18 months or when changes need to be reflected.

43. All consultants will be recruited following ADB's Guidelines on the Use of Consultants (2013, as amended from time to time).²⁰ The terms of reference for all consulting services are detailed or described in Section D of the Procurement and Consulting Services Section. Approximately 3900 person months will be required to (i) facilitate project management and implementation, (ii) strengthen institutional capacity of the executing agency, and (iii) to perform detailed design for future projects.

C. Procurement Plan

Basic Data

Project Name: Improving Growth Corridors in Mindanao Road Sector Project	
Project Number: 41076-048	Approval Number:
Country: PHILIPPINES	Executing Agency: Department of Public Works and Highways
Project Procurement Classification: B	Implementing Agency: Roads Management Cluster II Multilateral Unified Project Management Office (RMC II Multilateral – UPMO)
Procurement Risk: Low	
Project Financing Amount: \$ 380 million ADB Financing: \$380 million Non-ADB Financing: \$123 million	Project Closing Date: 30 June 2024
Date of First Procurement Plan	Date of this Procurement Plan

¹⁹ ADB.2016. Enhancing Operational Efficiency of the Asian Development Bank. Manila

²⁰ Checklists for actions required to contract consultants by method available in e-Handbook on Project Implementation at: <http://www.adb.org/documents/handbooks/project-implementation/>

D. 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
International Competitive Bidding (ICB) for Works	\$15,000,000	
International Competitive Bidding for Goods	(\$2,000,000 to \$5,000,000)	
National Competitive Bidding (NCB) for Works ³	Beneath that stated for ICB, Works	
National Competitive Bidding for Goods ³	Beneath that stated for ICB, Goods	
Shopping for Works	Below \$100,000	
Shopping for Goods	Below \$100,000	

Consulting Services	
Method	Comments
Quality and Cost Based Selection (QCBS)	
Quality Based Selection	
Consultants' Qualifications Selection	
Least-Cost Selection	
Fixed Budget Selection	

2. Goods and Works Contracts Estimated to Cost \$1 Million or More

The following table lists goods and works contracts for which the procurement activity is either ongoing or expected to commence within the next 18 months.

Package Number ²¹	General Description	Estimated Value	Procurement Method	Review [Prior / Post/Post (Sampling)]	Bidding Procedure	Advertisement Date (quarter/year)	Comments
PR06	Alicia – Malangas Road	\$31million	ICB	Prior	1S1E	4Q/2017	No PQ, no Dom Pref, Large Works
PR07	Tampisilan – Sindayong Road	\$29 million	ICB	Prior	1S1E	4Q/2017	No PQ, no Dom Pref, Large Works

²¹ PR06, PR07 and PR09 are core roads that have passed the criteria for inclusion in the project. The rest of the works packages are non-core subprojects that have to meet the screening criteria for inclusion in the project as described in para 6 of this PAM.

Package Number ²¹	General Description	Estimated Value	Procurement Method	Review [Prior / Post/Post (Sampling)]	Bidding Procedure	Advertisement Date (quarter/year)	Comments
PR09	Lutiman – Guicam Road	\$39million	ICB	Prior	1S1E	4Q/2017	No PQ, no Dom Pref, Large Works
TBD	9 Non-core Subprojects	\$209million	ICB	Prior	1S1E	TBD	No PQ, no Dom Pref, Large Works

3. 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	Comments
DED	Detailed Engineering Design	\$9.8 million	QCBS	Prior	3Q/2018	FTP	Intl/National
CS	Construction Supervision	\$16 million	QCBS	Prior	4Q/2017	FTP	Intl/National
EXTMON	Safeguards external Monitor	\$3.3 million	QCBS	Prior	4Q/2017	FTP	Intl/National
ICD-1	Multi-year Planning	\$5 million	QCBS	Prior	2Q/2018	FTP	Intl/National
ICD-2	Fiscal Accountability	\$6million	QCBS	Prior	2Q/2018	FTP	Intl/National
ICD-3	Human resources	\$3 million	QCBS	Prior	2Q/2018	FTP	Intl/National

E. Goods and Works Contracts Estimated to Cost Less than \$1 Million and Consulting Services Contracts Less than \$100,000 (Smaller Value Contracts)

The following table groups smaller-value goods, works and consulting services contracts for which the activity is either ongoing or expected to commence within the next 18 months.

Goods and Works								
Package Number	General Description	Estimated Value	Number of Contracts	Procurement Method	Review [Prior / Post/Post (Sampling)]	Bidding Procedure	Advertisement Date (quarter/year)	Comments
None								

Consulting Services								
Package Number	General Description	Estimated Value	Number of Contracts	Recruitment Method	Review (Prior / Post)	Advertisement Date (quarter/year)	Type of Proposal	Comments
None								

F. Indicative List of Packages Required Under the Project

The following table provides an indicative list of goods, works and consulting services contracts over the life of the project, other than those mentioned in previous sections (i.e., those expected beyond the current period).

Goods and Works							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Procurement Method	Review [Prior / Post/Post (Sampling)]	Bidding Procedure	Comments
None							

Consulting Services							
Package Number	General Description	Estimated Value (cumulative)	Estimated Number of Contracts	Recruitment Method	Review (Prior / Post)	Type of Proposal	Comments
None							

G. List of Awarded and On-going, and Completed Contracts

The following tables list the awarded and on-going contracts, and completed contracts.

1. Awarded and On-going Contracts

Goods and Works							
Package Number	General Description	Estimated Value	Awarded Contract Value	Procurement Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments

Consulting Services							
Package Number	General Description	Estimated Value	Awarded Contract Value	Recruitment Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Comments

2. Completed Contracts

Goods and Works								
Package Number	General Description	Estimated Value	Contract Value	Procurement Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Date of Completion	Comments

Consulting Services								
Package Number	General Description	Estimated Value	Contract Value	Recruitment Method	Advertisement Date (quarter/year)	Date of ADB Approval of Contract Award	Date of Completion	Comments

H. 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	Recruitment Method	Comments

I. National Competitive Bidding

1. General

The procedures to be followed for national competitive bidding shall be those provisions referring to open competitive bidding procedures set forth in Republic Act No. 9184, effective 26 January 2003, and its Revised Implementing Rules and Regulations, effective 2 September 2009, with the clarifications and modifications described in the following paragraphs required for compliance with the provisions of the ADB Procurement Guidelines, Section I and paras. 3.3 and 3.4 of Section III (March 2013, as amended from time to time).

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

Bidding of NCB contracts estimated at \$500,000 or more for goods and related services or \$1,000,000 or more for civil works shall be advertised concurrently with the general procurement notices on ADB's 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 80% of the estimated cost of the contract being procured; and (ii) an annual turnover from all works averaged over the last three years equal to 100% 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 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 postqualification 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 ADB Procurement Guidelines (March 2013, as amended from time to time).

12. Contract Amendment

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

13. Member Country Restrictions

Bidders must be nationals of member countries of ADB, and offered goods must be produced in member countries of ADB.

E. Consultant's Terms of Reference

1. Construction Supervision for the Road Improvement Component

44. It is envisaged that the consulting services for construction supervision of each of project roads will be provided by an international consulting firm. These construction supervision teams will be headed by a Team Leader of the international consultant. It is tentatively estimated that for carrying out the services the international consultant will field about 100 person-months of international key staff plus about 1560 person-months of national consulting input. All the above said staff shall be well experienced in the specific fields of competence for which they are proposed.

45. The services as described herein will, in general, be carried out in three phases; pre-construction phase will entail the review, if necessary, of the plans and bid documents as assistance to the DPWH. The construction phase will include supervising, inspecting, measuring and testing of all works and materials to ensure proper construction in conformity with the approved plans and specifications. The post-construction phase will include the submission of the "As-built Plans", prepared by the contractor, for the inspection for the Acceptance Certificate and the Final Report.

2. Pre-construction

- (i) Review all contract documents of each road package such as contract plans/drawings, technical specifications, construction contract and other documents to determine any conflicts in the provisions, details, and lack of or insufficient information that may hinder the smooth execution of the works.
- (ii) Review of network of "Bench Mark" and/or "Operation Stations" previously established by the "Design Consultant" and initiate necessary modification and/or improvements to allow easy execution of the projects.
- (iii) Conduct a pre-construction meeting with the Contractor and all project stakeholders to clarify issues such as environmental problem, construction methodology and initiate coordination with DPWH Field Offices, Environmental and Social Services Division (ESSD) and Local Government Units.
- (iv) Review the environmental plan, gender action plan and resettlement action plan, if any, and clarify to the Contractor of each contract package his responsibilities in the implementation of said plans.
- (v) Supervise the preparation of as-staked drawings, quantities and other documents, and recommend for approval the required modifications or changes in the design, drawings and quantities due to actual (as staked) field conditions.
- (vi) Incorporate road safety and accessibility related physical design features based on results of vulnerability mapping and other consultations with community members, including women

3. Project Accounting

46. The objective of the accounting assignment is to ensure that ADB, on an annual basis, is provided with reliable, comprehensive, and timely information in the form of audited annual project financial statements (APFS) in English.

47. Scope of Work - Annual Project Financial Statements to be submitted to the Commission on Audit in a timely manner.

48. The project accountant will be under the direct supervision of the team leader and will be responsible for the following:

(i) Budgeting – preparing the annual budget and maintaining the budget;

(ii) Accounting and Financial Reporting

- a. operating the financial accounting system of the project;
- b. ensuring that expenditures submitted to ADB are eligible for financing and all necessary supporting documents, records, and accounts in support of credit withdrawals have been adequately maintained with clear linkages between the books of accounts and reports presented to ADB;
- c. maintaining the advance account(s) in accordance with the provision of the relevant financing agreements and ensuring that funds disbursed out of the account were used only for the purpose intended in the financing agreement and other supporting documents;
- d. manage banking transactions related to the project and preparing monthly bank reconciliation statements and reporting;
- e. preparing project financial reports and project financial statements; and
- f. preparing inputs for the financial and performance audits e.g., providing the auditor with access to all available data, information, legal documents, correspondence and any other information considered necessary by the auditor.

(iii) Control

- a. monitoring and ensuring that ADB financing and all external financing where ADB is not the only financier is used in accordance with the conditions of the relevant financing agreement, with due attention to economy and efficiency, and only for the purposes for which the financing was provided, as detailed in the supporting documents;
- b. monitoring and ensuring that counterpart funds are provided and used in accordance with the relevant financing agreements, with due attention to economy and efficiency, and only for the purposes for which they were provided;
- c. monitoring and ensuring that goods, works, and services financed shall be procured in accordance with the relevant financing agreements including specific provisions of the ADB Procurement Policies and Procedures and relevant laws of the Borrower.
- d. ensuring that funds disbursed are utilized for the purpose defined in the relevant financing agreement.

49. The content of the project financial statements is expected to include, as a minimum:

- (i) A summary of all sources of funds, as well as expenditures against a classification system that is responsive to the project's objectives both for the current fiscal year and

cumulative to date, showing ADB funds and counterpart funds and funding from other sources separately;

- (ii) A summary of expenditures shown under the main project components and by main categories of expenditures, both for the current fiscal year and accumulated to date;
- (iii) A balance sheet showing accumulated funds of the project, bank balances, others assets of the project, and liabilities, if any;
- (iv) Supporting schedules to the financial statements which at least include: (i) a reconciliation of the amounts shown as “received by the project from the ADB” with those shown as being disbursed by ADB; and (ii) Statement of Expenditures (SOE) procedure listing individual SOE withdrawal applications by specific reference number and amount.
- (v) The accounting policies adopted and explanatory notes.
- (vi) An Advance Account Statement showing movement and reconciliation with the bank statements. The movement in the advance account will usually comprise of:
 - a. Deposits and replenishments received from ADB;
 - b. Payments substantiated by withdrawal applications;
 - c. Interest that may be earned from the balances and which belong to the Borrower;
 - d. The remaining balances at the end of each fiscal year.

50. The annual project financial statements follow the format stated in PAI 5.07 (revised on June 2012) and should be submitted 30 days after the end of the fiscal year.

51. The project accountant is expected to have the following qualifications:

- (i) A graduate of a Bachelor of Science in Accountancy degree or related field.
- (ii) At least five years’ experience in project accounting.
- (iii) Proficiency in computer skills including use of spreadsheets, database management and word processing.
- (iv) Experience with accounting software.
- (v) Good written and oral communication skills are required. Fluent in English (listening, speaking, reading, writing)

4. Construction stage

52. The main civil works will be executed under the Conditions of Contract for Construction for Building and Engineering Works Designed by the Employer, Multilateral Development Bank Harmonized Edition June 2010, prepared by the Fédération Internationale des Ingénieurs-Conseil, or FIDIC (FIDIC MDB version 2010). The scope of the consulting services to be carried out together with the local supervisory teams to include but not necessarily limited to the following:

- (i) Organize the supervision of the works with proper allocation of responsibilities to the individual inspectors and supervise their work in order to ensure that it is effectively executed.
- (ii) Review and recommend for approval the Contractor's work schedule or revision and any such plans or programs that the contractors are obligated to furnish for the Engineers approval. Prepare and submit a disbursement schedule to the DPWH.
- (iii) Inspect and evaluate all Contractors' installations, such as housing, workshops, warehouses and other accommodations to ensure compliance with the terms and conditions of contract documents.
- (iv) Ensure compliance with core labor standards, including equal pay for work of equal value and non-use of child labor
- (v) Review the computations of quantities of approved and accepted works and materials and checks and certify the contractor's monthly payment certificate and final payment certification.
- (vi) Arrange for the execution of works related to the provisional sums (if any) in the contract, and determine the value of such work.
- (vii) Maintain a representative at the project sites during all times to supervise the contractor's work and to issue instruction as required. Give the notice to the Contractor's through the DPWH of any defects and deficiencies and recommend appropriate actions.
- (viii) Prepare and maintain inspection and engineering reports and records to adequately document the progress and performance of the works.
- (ix) Inspect the safety and environmental aspects of construction works methods to ensure that all reasonable measures have been taken to protect life, environment and property.
- (x) Supervise the preparation of efficient traffic management and safety schemes by the Contractors for approval of concerned government agency(ies) during the construction period. The Consultant shall review the traffic management plan prepared during the detailed engineering stage. In coordination with the Contractors, the Consultant shall see to it that an efficient traffic management and safety plan for the Project prepared, approved by concerned agency(ies), observed and implemented accordingly during construction period.
- (xi) The Consultant shall facilitate monthly (or as needed) public meetings in conjunction with DPWH and the relevant local government units to address public concerns.
- (xii) Inspects quarries and borrow pits and crushing plants to ensure adherence to specifications.

- (xiii) Conduct/perform jointly with the DPWH and the Contractors the stake-out surveys for the horizontal alignment, right-of-way limits, roadway structures and appurtenance location surveys, vertical control bench marks, cross sections surveys and other geometric layout surveys, setting of grade stake; and relocation of permanent monuments in the construction.
- (xiv) Supervise the operation by the Contractors of the materials testing laboratory, witness the performance by the Contractors of all sampling, laboratory testing of materials and products needed to ensure that the quality as required by the plants and specification is obtained and verify the accuracy of the testing results. Inspect works and check materials including testing of materials in accordance with DPWH requirements and maintain proper records of all test performed.
- (xv) Review and approved all Contractor's working drawings. Shop drawings, erection drawings, and drawings for temporary works.
- (xvi) Assess the adequacy of all inputs such as materials and labour provided by the Contractors and his methods of work in relation to the required rate of progress. When required, take appropriate action to expedite progress. Keep and regularly update a list of the Contractor's equipment and its condition to ensure compliance with the list of equipment, which the Contractor's provided in his bid.
- (xvii) Propose and present to the DPWH for approval any change in the plans, as result of any change in site condition due to weather and natural calamities, which may be deemed necessary for the completion of works including information or any effect the changes may have on the contract amount and the time of completion of the project, and prepare order including altering plans and specifications and other details. Inform DPWH of any problem or potential problems which may arise in connection with any construction contract and make recommendations to the DPWH for possible solutions.
- (xviii) Perform initial survey cross-section, periodic and final survey measurement of completed and accepted works or partial works to determine quantities and perform settlement control.
- (xix) Assure the receipts of, and maintain records of all warrant required under the terms and contract documents for materials incorporation in the Project. All materials incorporated in the project and their sources will also be approved.
- (xx) Monitor the compliance of the project with conditions stated in the Environmental Compliance Certificate (ECC)/Certificate of Non-Coverage (CNC) and make recommendation/s on environment mitigation measures to the DPWH and Contractor of the Project.
- (xxi) Ensure that the Environment Management Plan (EMP) and the Resettlement Action Plans (RAPs), if any, are implemented by the proponent office.
- (xxii) Ensure contractors maintain records and report on employment in civil works and on core labor standard compliance with employee data disaggregated by sex, age, minority status and residency.

- (xxiii) Ensure compliance with the Gender Action Plan (GAP), especially actions and targets that are related to construction and facilitate the work of the gender specialist including but not limited for regular monitoring and reporting on those specific actions and targets: HIV/AIDS and STDs prevention and anti-trafficking information for workers and communities; employment related gender targets for unskilled labor; collection of disaggregated data
- (xxiv) Undertake monthly monitoring of the contractor's environmental performance and implementation of the EMP included in the IEE prepared based on ADB SPS 2009. Consolidate the results of the monthly monitoring into semi-annual environmental monitoring reports for submission to ADB.
- (xxv) Prepare a Project Completion Environmental Monitoring Report after completion of construction, detailing the status of EMP implementation, outstanding environmental issues and time-bound corrective action plan.
- (xxvi) Provide timely assistance and direction to the Contractors in all matters related to the interpretation of contract documents, ground survey controls, plans, quality control testing and other matter relating to contract compliance and progress of the project.
- (xxvii) The Consultant shall initiate/inquire and ensure that the As-Built Drawings shall be prepared and submitted by the contractors
- (xxviii) Prepare punch list of defects and outstanding works and inspect and provide assistance to DPWH Staff during the assessment of the works at substantial completion as well as during the final acceptance of the completed works.
- (xxix) Upon 100% completion, the consultant shall inspect the rectified works and inform the contractor in writing the joint inspection by DPWH for the purpose of issuing the taking over Certificate of Completion. Upon completion, the consultant shall prepare for the approval of DPWH the Taking-Over Certificate of Completion stating the date from which the Defects Liability Period of the works shall commence.
- (xxx) The Consultant shall have copies of all contract cost changes, whether for civil works or consultancy and maintain accurate records of total project cost.
- (xxxi) Before the issuance of the Certificate of Completion, the Consultant shall carry out the necessary preparatory inspection, specify and supervise the remedial works to be carried out on any repair of defects or outstanding works.
- (xxxii) Review Contractor's request and recommend issuance of certificates for substantially completion (Taking-over Certificate).
- (xxxiii) Perform all other items of work not specifically mentioned above, but which are necessary and essential to supervise, control and complete the works in accordance with the plans, specifications and terms of contract.

5. Gender Action Plan (GAP) implementation

53. The Construction Supervision team will include a national GAP Implementation Consultant/Gender and Development (GAD) Specialist whose main responsibility is to support the IA in the Gender Action Plan (GAP) implementation, monitoring and reporting. The Gender Action Plan (GAP) is included in Section VIII in this PAM.

54. The Specialist will coordinate with responsible parties/other consultants to ensure timeliness of and success in GAP implementation. Nature of the work contract will be intermittent, for a total of 24 person-months across the whole duration of project implementation

55. The minimum qualifications of the GAP Implementation Consultant/Gender Specialist will include: a university degree in gender, social development, and/or related field; at least 5 years of progressive work experience as a gender specialist for a development program, preferably with experience in infrastructure projects; and with demonstrated knowledge of the geography and socio-cultural characteristics of the project sites.

General tasks of the Gender Specialist will include the following:

- Orient the IA and partner agencies on the GAP targets and activities, partners' roles and responsibilities, and expected deliverables. Refer to ADB Gender Tip Sheet no. 3 on implementing GAPs.
- Conduct regular field visits to support and monitor GAP implementation, collect data reflecting progress on GAP targets and indicators, prepare GAP progress reports (in table and narrative format), and maintain relevant records.
- Ensure inclusion of the GAP implementation status in periodic Project progress reports, for submission at least semi-annually to ADB. Use the GAP monitoring template (Social Appendix 3) to this effect. Refer to the ADB Gender Tip Sheet no. 4 on GAP monitoring and reporting.
- Initiate and consult with the IA and ADB on adjustments and/or amendments to the GAP, if necessary.
- Provide support for ADB review mission teams to ensure that GAP implementation is being adequately assessed and reported on.
- 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,
- Ensure that gender indicators of the GAP and those included in the DMF are incorporated into the project's performance monitoring system, and are duly reported on in the periodic and annual project progress reports.
- Collect qualitative information for project implementation reports and write human interest stories or feature articles in relation to the project's contribution to gender equality and women's empowerment.
- Assist the IA 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. Refer to the ADB Gender Tip Sheet no. 5 on gender reporting in PCRs.

Specific tasks related to GAP implementation include but are not limited to:

- Review all civil works bidding documents and contracts and monitor contractors' compliance on maintaining records and submission of reports on employment in civil works and on core labor standards compliance, and employee data disaggregated by sex, age, ethnicity and residency.
- Monitor gender targets in relation to construction activities, and participation of female staff in trainings.
- Work closely with other construction supervision(CS) consultants to ensure the awareness raising program on sexual harassment, STDs, HIV-AIDS, and human trafficking prevention as well as the road safety campaign are both gender sensitive (review communication materials and messages), and reach out to the intended beneficiaries, including through specific targeting of women beneficiaries and community members where relevant. Provide support and technical advice to the CS in this respect.
- Liaise with community women's groups and local government units to ensure employment (unskilled; road safety facilitator; climate change activities) and community consultations/meetings (e.g. for road physical and safety designs) related targets for women are met.
- Document and consolidate reports on women's participation in project activities and benefits.
- Coordinate and cooperate with the social safeguard team on introducing project strategies that facilitate women's equal access and benefits to the compensation payment and allowances paid for affected properties, particularly for common properties co-owned by male and female spouses or siblings.
- Prepare, facilitate and support the gender trainings and follow up mentoring (if needed) for IA staff and DPWH technical staff (on DPWH policies and Toolkit on Making Road Infrastructure Projects Gender Responsive), in collaboration with the DPWH GAD Committee

6. Post-Construction stage

- (i) Recommend and certify any liquidation damages to be imposed to the Contractors whenever appropriate due to his failure to complete the project at the approved contract time.
- (ii) Prepare and submit to ADB-UPMO fifteen (15) copies and electronic file of the Project Completion Report/Final Report after completion of each road improvement project (include but not limited to background description/scope, construction phase, disbursement, accomplishments, activities problems encountered during construction and actions taken, change orders/variations, time extension, photographs (before, during and after), GAP actions implementation and include qualitative and quantitative data, stories from beneficiaries including women, conclusion and recommendations, lessons learned and other substantive matters having an effect on the amount, cost and progress of the work. Beneficiary related data collected and reported on should be disaggregated by sex, age and minority status. The Report shall be prepared and submitted in a manner acceptable and satisfactory to DPWH and ADB.

- (iii) Assist ADB-UPMO in the final inventory and turn-over of facilities, equipment and other project items to appropriate DPWH Offices.
- (iv) Make available its services during the defects liability period of the project.

2. Detailed Engineering and Procurement Assistance for Additional Contracts and Future Projects

56. Prepare implementation plans and bidding documents, for various road upgrading projects in Mindanao. that will be subject to another ADB technical assistance scheduled in 2018.

57. The Consultant shall undertake detailed engineering design of the project road sections with a view to having the works implemented by suitably qualified contractors selected through International Competitive Bidding for Civil Works. The works shall also be undertaken in accordance with Department Order No. 50, series of 2002, to obtain uniformity and cohesiveness in the preparation of related documents consistent with the Design Guidelines, Criteria and Standards for Public Works and Highways and other applicable provisions of existing laws, codes and Department Orders.

58. During the design stage, the Consultant shall coordinate as early as possible with the ESSD, Planning Service, DPWH the environmental and social aspects of the road projects. For roads where the ESSD has completed the preparation of the necessary documents for the issuance of Environmental Compliance Certificate or its equivalent, the Consultant shall be responsible in coordinating and integrating the results of the environmental impact statement (EIS) for these road sections in the final design and bidding documents. An independent Environmental Auditor, reporting to ESSD, will also monitor the compliance of the EIS with the various requirements.

59. The Consultant shall carry out Road Safety Audit during the Detailed Design Stage to eliminate “black spots” along the entire alignment of each road section and ensure the safety of road users.

60. The Consultant shall perform Value Engineering Studies during Detailed Design Stage to reduce unnecessary project costs without sacrificing the integrity of the roadway facilities and structures.

61. The Consultant shall provide assistance during the tendering of the Civil Works for the road projects.

62. During the detailed engineering, the consultant shall coordinate and report to the Bureau of Design, DPWH for uniformity and cohesiveness in the preparation of related documents, consistent with the latest edition of the Design Guidelines, Criteria and Standards for Public Works and Highways, AASHTO Guidelines and other applicable provision of existing laws, codes and Departments Orders. The approval by the authorized government officials of detailed engineering surveys and designs undertaken by consultants neither diminishes the responsibility of the latter for the technical integrity of the surveys and design nor transfer any part of that responsibility to the approving officials.

63. The Consultant shall conduct preliminary studies to verify and validate the recommendations of the previous Feasibility Studies on the road projects. The Consultant shall

gather and review all the necessary pertinent data about the road particularly the physical topography, which often impose limitations on location and design, and also conduct site inspection on foot jointly with the DPWH.

64. For each subproject road to be prepared during project implementation, the Consultant shall undertake the following tasks consistent with ADB SPS 2009 and provisions of the Environmental Assessment and Review Framework (EARF) and Resettlement and Indigenous Peoples Framework (RIPF): (i) accomplishment of ADB environmental , involuntary resettlement and indigenous peoples categorization form and rapid environmental assessment checklist for review and approval by ADB, (ii) preparation of IEE and Resettlement and Indigenous Peoples Plan (RIPP) based on ADB SPS 2009 for ADB's review and clearance, and (iii) preparation of necessary documentation and studies to ensure compliance with environmental and social requirements of the Philippine government.

65. During preparation of the IEE, the Consultant will ensure that necessary primary environmental data (e.g., air quality, noise, water quality, flora and fauna, aquatic resources, etc.) are collected through field sampling. Based on the results of the preliminary climate risk screening using ADB's checklist, undertake a climate risk and vulnerability assessment (CRVA) for each subproject road that falls under medium or high risk category. The study, as well as formulation of adaptation measures for the project, will be undertaken in close consultation with DPWH and other stakeholders.

66. Assist the UPMO to ensure that relevant provisions of the EMP are included in the bid and contract documents for civil works and supervision.

67. In general, the Consultant shall conduct topographic surveys in accordance with the following requirements:

- (i) Road Alignment Survey – Shall be conducted along road segments, which have been proposed for improvements. Cross sections shall be taken at every 20 meters interval including intermediate breaks on the ground and at bridge approaches and extending at least 10 meters on both sides of the road centerline or wider along segments with side hill cut and fill extending up to top of slope and toe of embankment, respectively, as well as with more than two (2) lanes and along areas where drainage outfalls/cascades are to be provided to discharge runoff to existing rivers, creeks, ditches and toe of embankment.
- (ii) Continuity Alignment Survey – Shall be conducted along road segments where there is no improvement proposed or only re-blocking or replacement of pavement slab panels is required. The survey shall include establishment of the existing road horizontal and vertical alignments and taking cross sections at every 100 meters interval along straight sections and at closer intervals along curved segments to allow checking and correction (if required) of the existing pavement cross section and super elevation. Actual locations (stations) of areas where re-blocking or slab replacement is proposed shall be established during the survey.
- (iii) Bridge Sites Survey – shall be conducted along areas where bridge replacement, reconstruction or new bridge structures are proposed. The survey shall cover at least 250 meters from the bridge centerline of both the downstream and upstream sides of the waterway.

- (iv) Preliminary Road Alignment Survey including Bridge Sites – shall be conducted along road sections that will be subjected to feasibility studies and shall include establishment of the road horizontal and vertical alignments, road centerline profiling at every 100 meters interval or at closer intervals along segments with abrupt change in elevation, and taking representative cross sections at the beginning and end of every change in road topographical and cross sectional features, and pavement of surfacing type and along bridge sites to define the existing waterways to be spanned by the proposed structures.

The detailed survey works shall be undertaken in accordance with common surveying and mapping requirements stipulated in the DPWH Design Guidelines, Criteria and Standards (DGCS) Volume 1,

68. Carry out detailed soil investigations along the road alignment to identify the various soil types. It should not only be limited to the centerline and edge of the pavement but also include side cut sections affected by the widening.

69. Test pits shall be made/located at the centerline (in case of new alignment) and alternately at both edges of the road (for existing and paved road) at an average interval of 250 meters intervals if required in the judgment of the Consultant. For areas of light cut and fill where there are no special problems, the exploration shall extend to a maximum depth of 1.5 meters below the proposed sub-grade. Where deep cuts are to be made, such as large embankment across the marshland or subsurface information that indicate the presence of weak layers, the depth shall depend on the topography and nature of the subsoil.

70. The Consultant shall conduct geological survey and investigation along the entire alignment of each road section, specifically at locations with observed slope failures, tension cracks, landslide scars, and areas with settlement and subsidence and at sinking areas.

71. The Consultant should be able to identify areas with geological problems and difficulties, and water bearing stratum causing subsurface discharge, which could affect the stability of the roadway.

72. Conduct complete and comprehensive studies and evaluation of the existing pavement structure. In the preliminary assessment of the existing pavements, the Consultant shall refer to the method of Classification of Road Works in the Road Planning Service as specified in the HDM-4 model. In close coordination with the DPWH, the Consultant shall assess the condition of the existing roads and classify whether the sections/segments fall under the category of Asset Preservation (Preventive Maintenance) or Improvement/Rehabilitation or New Construction. The Consultant shall submit his assessment and recommendations as part of the Inception Report for the Project for review and approval by the DPWH, prior to proceeding with the detailed engineering design activities.

73. Determine whether flexible (ACP) or rigid (PCCP) pavement type is appropriate to meet the performance targets and to provide the maximum Net Present Value (NPV) of life cycle user benefits and road costs within the project cost estimates. The Consultant shall conduct updating of the economic analysis of the project roads based on the results of the detailed engineering design adopting the HDM-4 project analysis modules.

74. A proper assessment of the existing drainage facilities i.e. pipe and box culverts and ditches will be made based on an adequacy rating which includes functional adequacy

(serviceability) and structural adequacy (safety). Functional adequacy relates to the roadway width on the structure as well as to the adequacy of the waterway clearance. The check on the structural adequacy will consist of the rating of the superstructure (decking) and the substructure and foundation. A complete inventory of all the existing cross drainage structures together with remarks with respect to their current condition will be prepared on a format acceptable to the DPWH-BOD.

75. With respect to hydraulic design, carry out hydrological studies on both the proposed and existing drainage facilities with careful analysis of meteorological data and other data such as rainfall, atmospheric temperature, flood records, environmental condition and monthly number of dry weather days, supplemented with preparation of rainfall intensity, duration, and frequency (RIDF) curves for relevant locations/areas and detailed inspection. Catchment areas shall be determined by study of Topographic maps at a scale of 1:50,000m and doubtful or problem areas that can be observed should be noted for investigation or survey in the field. When the survey is intended for the design of slope or subsurface drainage, special attention should be given to landslides, slope failure/erosion, and underground water seepage. The Consultant shall prepare maps indicating locations of all landslides and flooding hazards along the road sections as observed during the surveys. The Consultant shall perform stability analysis and if required, recommend improvement measures for the existing slopes located at cut and embankment sections of the Projects Roads to ensure that these slopes would be protected from erosions, slips, landslides and other failures.

76. Carry out thorough examination of all existing bridges and determine the degree to which rehabilitation is necessary including major preventive maintenance works and retrofitting works to improve the seismic resistance of the structure. The Consultant shall thoroughly investigate the seismic resistance of the existing bridge to conform to the new code and recommend appropriate retrofitting measures.

77. The Consultant shall undertake an inspection of the full length of the roadway from a traffic safety perspective, identify appropriate accident mitigation measures for specific locations and incorporate these into the designs. The Road Safety Audit should be carried out in accordance with the process set out in the Philippines Road Safety Audit Manual, February 2004 Edition. The Consultant could also refer to various guidelines and manuals applicable in the Philippines.

78. The DPWH intends to develop a policy to utilize "value engineering studies" whenever applicable and appropriate, to minimize and/or reduce nonessential procurement and project costs and to reduce the life cycle cost of the Department's construction and acquisition programs and projects without sacrificing quality and integrity of the facilities and structures while attaining their essential functions consistent with the required performance, reliability and safety. In line with this policy, the Consultant shall perform Value Engineering Studies as part of the Detailed Engineering Design scope under this Project. The Consultant shall include social and environmental concerns or impacts as among the factors for consideration in the value engineering studies as well as considering environmental risk assessment.

79. The Consultant shall study packaging schemes appropriate for the road sections considering length, scope of work, time frame and the normal periodic project accomplishment of contractors with experience on projects similar in nature.

80. The Consultant shall prepare the Resettlement and Indigenous Peoples Plan (RIPP) for each road section in accordance with the Resettlement and Indigenous Peoples Framework and Policy Framework for Land Acquisition, Resettlement and Rehabilitation and in close coordination

with the ESSD. No civil works can commence before compensation has been paid to the affected people.

81. The assignment is estimated to require about 48 international and 1344 national person-months. It is expected that the Consultant shall provide technical and administrative support staff. However, the Consultant may have some flexibility in the constitution of his engineering team and could propose a team based on his assessment of the project requirements and his experience in executing similar projects.

3. External Monitoring

Objectives

82. The Project requires the services of an external monitoring and evaluation expert²²/qualified non-government organization (NGOs) to conduct an external assessment of the extent to which involuntary resettlement (IR) and indigenous peoples (IP) safeguards objectives are being met. Specifically, the objectives for external monitoring are:

- (i) To verify ongoing internal monitoring information;
- (ii) To verify whether the overall project and social safeguards objectives are being met in accordance with the RIPF and other social safeguards planning documents²³, and if not to suggest corrective measures;
- (iii) To assess the extent to which implementation of social safeguards planning documents complies with ADB's Safeguard Policy Statement (SPS);²⁴
- (iv) To identify problems or potential problems;
- (v) To identify methods of responding immediately to mitigate problems and advise the DPWH accordingly; and
- (vi) To verify if the livelihoods and the standard of living of affected persons (APs) and IPs are restored or improved.

Tasks

83. The external experts will address specific issues such as the following

- (i) Verify the detailed measurement survey (DMS) database generated by the Unified Project Management Office (UPMO), identify differences in inventory of loss (IOL) and/or DMS recorded in the social safeguards planning documents, and record changes to the database;
- (ii) Confirm that all APs are eligible for compensation, resettlement and rehabilitation assistance, irrespective of tenure status, social or economic standing, and any such factors that may discriminate against achieving the project objectives; Payment of compensation, allowances and other assistance are as per approved social safeguards planning documents;

²² External expert is not involved in day-to-day project implementation or supervision.

²³ There are four possible social safeguards planning documents that may be required during project implementation: (i) a Resettlement and Indigenous Peoples Plan (RIPP), (ii) Resettlement Plan (RP), (iii) Indigenous Peoples Plan (IPP), and/or (iv) Due diligence or audit report (DDR).

²⁴ Including updating of the social safeguards planning documents.

- (iii) Confirm timing of disbursement of payment and assess that the level of compensation is sufficient to replace their losses;
- (iv) Public consultation and awareness of key information in the social safeguards planning documents;²⁵
- (v) Coordination of resettlement activities with construction schedule;
- (vi) Land acquisition and transfer procedures;
- (vii) Construction/rebuilding of replacement houses and structures on residual land, relocation sites (outside the residual land), and self-selected land;
- (viii) Implementation of gender and/or Indigenous Peoples measures as indicated in the social safeguards planning documents;
- (ix) Level of satisfaction of APs with the provisions and implementation of the social safeguards planning documents;
- (x) Effectiveness of grievance redress mechanism (accessibility, documentation, process, resolution);
- (xi) Effectiveness, sufficiency, impact, and sustainability of entitlements and income restoration programs and the need for further improvement and corrective measures, if any;
- (xii) Relocation site development (civic infrastructure and community services as required), identification and selection of sites in consultation with APs and host communities, equivalent or enhanced access to livelihood opportunities, process and timeliness of providing land titles/certificates;
- (xiii) Capacity of APs to restore/re-establish livelihoods and living standards. Special attention will be given to severely affected APs and vulnerable APs;
- (xiv) Involuntary resettlement impacts caused during construction activities;
- (xv) Participation of APs in social safeguards planning documents implementation; and
- (xvi) Adequacy of budget and human resources at executing agency/implementing agency level for resettlement activities, including internal monitoring.²⁶

Methodology

84. The methods for external monitoring activities include, but not limited to:

- (i) Review of DMS process to be able to establish a baseline for monitoring and evaluating project benefits. The external monitor to check on a random basis²⁷ the DMS process with APs, from identification to agreement on DMS results. The external monitor will also evaluate the DMS process to determine and assess if DMS activities are being carried out/was carried out in a participatory and transparent manner.
- (ii) Resettlement audit conducted during monitoring. The external monitor will carry out random checks of payments²⁸ disbursed to APs during monitoring. The external monitor will submit a resettlement audit report upon completion of compensation payment to APs.
- (iii) Review of socioeconomic data²⁹ prepared during the Project Preparatory Technical Assistance (PPTA). With this review, the DMS data, and additional data compiled, the external monitor will provide the baseline data to be used in comparison to the

²⁵ Scope of Land Acquisition and Resettlement Impacts, Entitlement Matrix, Grievance Redress Mechanism.

²⁶ Assessment of human resources is in terms of both number of staff assigned, as well as capacity.

²⁷ Depending on number of affected households (AHs).

²⁸ Depending on number of AHs.

²⁹ Possible data sources include: census, IOL, socioeconomic survey, village records/documents.

post-resettlement survey. A post-resettlement survey will be carried out one year following completion of all resettlement activities, including livelihood restoration activities. Sampling will include at least 20% of severely affected and vulnerable households, as well as at least 10% of all other APs. Special attention will be paid to the inclusion of women, ethnic groups, the very poor, the landless and other vulnerable groups, with set questions for women and other target groups. The database will disaggregate information by gender, vulnerability, and ethnicity.

- (iv) Participatory Rapid Appraisal (PRA), which will involve obtaining information, identifying existing or potential problems, and finding specific time-bound solutions through participatory means including: (a) key informant interviews including representatives of civil society, community groups, and NGOs; (b) focus group discussions (FGDs) on specific topics such as compensation payment, income restoration and relocation;³⁰ (c) community public meetings to discuss community losses, integration of resettled households in host communities or construction work employment; (d) direct field observations, for example, of resettlement site development; (e) formal and informal interviews with affected households, women, ethnic minorities, and other vulnerable groups to monitor and assess the progress the APs are making to restore their living standards, APs' perceived need for additional assistance (and type of assistance), and their individual satisfaction with current economic activities; and (f) in-depth case studies of problems identified by internal or external monitoring that required special efforts to resolve. The PRA will also focus on good practices in land acquisition and involuntary resettlement objectives, approaches, and implementation strategies.

- (v) Review the results of internal monitoring.

Timing and team composition

85. External monitoring activities will be carried out for a period of 3 year(s) on a semi-annual basis starting from the conduct of DMS until the completion of livelihood/income restoration activities. For project components where payment of compensation/allowances has been substantially completed, the external expert will also conduct a resettlement audit to verify completion of payment of compensation/allowances and hand-over of plots.

86. The external monitor as expert/qualified NGO shall have extensive experience in monitoring and evaluation of resettlement activities in the country with strong ability in preparing resettlement reports. He/she should demonstrate good communication skills and have at least a bachelor degree in a relevant field. Experience on land acquisition/resettlement and social development, monitoring and application of social research methodology, and assets valuation. All reports will be submitted in English (and in local language, if required) to the government and ADB simultaneous

³⁰ Groups that may be targeted for involvement in FGDs include AHs in general, and vulnerable AHs such as women-headed households, the poor, and ethnic minorities.

Deliverables

87. Deliverables are as follows:

- Inception report, including findings of review of baseline data, monitoring methodology and detailed work plan (in terms of sampling, timing, budget, other required resources).
- Semi-annual monitoring report, including (i) methods used by the external monitor during the monitoring period; (ii) progress of social safeguards planning document implementation, including any deviations from any provisions; (iii) identification of problem issues and recommended corrective actions to inform implementing agencies and resolve issues in a timely manner; (iv) identification of specific gender and IP issues, as relevant; (v) report on progress of the follow-up of issues and problems identified in the previous reports; (vi) lessons learned that might be useful for future activities; and (vii) resettlement audit report.

4. Multi-year Planning Process

88. Currently, regions do their own multi-year planning where for one, high impact road projects (in terms of reduced travel time, reduced roughness, and improved road safety) are identified, prioritized and programmed for implementation. It has been observed that the regional/district offices do not yet have a full grasp of the multi-year planning requirements nor the full capacity to determine road transport needs. A consultancy service is proposed to integrate this planning process whereby training and mentoring will be done in the regional offices while support is provided to the central office to properly direct/supervise the regions.

89. There is currently a consultancy contract under Loan 2836 for the Multi-year Planning Process. The services is scheduled to be completed by late 2018. Before completion of this current assignment, a new set of TOR will be developed for the continuation part of the program. Preparation of the TOR should be mindful of the gender targets included in the GAP in relation to participation by female technical staff at the trainings on supervising regional planning for central office personnel and on multi-year planning for DPWH regional offices

5. Financial Management System

90. DPWH has a need to strengthen fiscal accountability within the Department. The Department has made progress with its efforts to improve basic financial management; however further assistance is needed to finalize the implementation and institutionalization, and more importantly, expand functionality and capacity for fiscal accountability.

91. DPWH has had a significant increase in capital outlay (projects) budget of 59% from 2011 to 2013. In 2014, capital outlay (projects) jumped another 32% (from PhP 144.3 B to PhP 190.9 B) and another 43% in 2015 (from PhP 190.9 B to PhP 273.9 B). For 2016, the Capital Outlay Budget is PhP 364 B, or a 33% increase from 2015, bringing the total increase since 2011 to 152%. It should be noted that these figures do not include Motor Vehicle Users Charge (MVUC) or infrastructure projects of other Agencies (school buildings, hospitals, farm to market roads, local roads, etc.) being assigned to the Department for implementation, which is also significantly increasing. With this increase in capital outlay comes a significant increase in the number of financial transactions and the need to improve overall fiscal accountability within the Department.

92. DPWH has been implementing Commission on Audit's (COA) eNGAS and eBudget applications to enable its financial processes. Now in Version 2, these stand-alone applications

have become a challenge to maintain. With no mechanism to migrate data directly between versions of the application, both the Finance Service (FS) and Information Management Service (IMS) must extract the data, reformat it, check data quality, and load into the new version. Every new version requires a new database to support the application. To date, there are now 910 production databases to support the eNGAS and eBudget implementation. This has resulted to more challenging ways of integrating financial data with other enterprise data of the Department. As a workaround, the Department developed the Electronic Project Life Cycle (ePLC) application that merges the financial data from eNGAS and eBudget nationwide into a data warehouse. However, as new applications are developed and new versions of eNGAS and eBudget are rolled out, the efficiency of the ePLC suffers.

93. DPWH has a great need for a comprehensive integrated web based Enterprise Financial Management System (FiMS) that provides for decision making and management information for project accounting and that facilitates the online financial budget and accounting processes to improve fiscal accountability and transparency. This would achieve numerous improvements including reducing disbursement processing time, improving the efficiency and effectiveness of FMS staff nationwide, significantly improve financial internal controls and validation of information in the financial system, the ability for senior management of the Department to get real-time financial information nationwide, provide analytical tools to access and utilize financial information nationwide, and ability to integrate financial data directly with other systems of the Department (MYPS, PCMA, etc.).

94. The FiMS Specifications shall be defined in the Terms of Reference which will be developed prior to the completion of the Road Improvement and Institutional Development Project (Loan No. 2836). The Integrated Enterprise FiMS shall be a turnkey project which the awarded supplier is responsible for providing:

- (i) Software
- (ii) Hardware
- (iii) Business Process Reengineering for all Financial Process
- (iv) Configuration and Customization of Software (as needed)
- (v) Data Migration and Conversion of Existing Financial Data
- (vi) System Testing and Acceptance
- (vii) DPWH User and IMS training to operate and maintain the System
- (viii) Contractors and Suppliers Training (to submit invoices, etc.)
- (ix) Implementation of the System in all Offices of the Department
- (x) Integration of Financial Data in the Departments Existing Systems (PCMA, MYPS, etc.)
- (xi) Software maintenance of the system (for 5 years), etc.

95. In addition, DPWH will also need technical assistance to assist the FMS with oversight and management of the turnkey project. The technical assistance will need to ensure that the requirements of the system are met and the benefits of the system are achieved.

6. Human Resource Information System (HRIS)

96. DPWH has begun critical process improvement efforts in its Human Resource (HR) processes to move the agency from “personnel administration” to “human resource management”; however further assistance is needed to progress the key HR process improvements, based on the Human Resource Management (HRM) recommendations under HRM Phase I.

97. DPWH has a Central Office Human Resource and Administrative Service (HRAS) and each of the Regional Offices and District Engineering Offices has an Administrative Office and Human Resource Officers to carry out the HRM processes using four (4) standalone computerized applications, namely: 1) Personnel Information System (PIS); 2) Regular Payroll System (RPS); 3) Time and Attendance System (TAS); and 4) Training Management System (TMS). These applications were developed at different times and retrofitting was done to achieve some level of integration.

98. DPWH has a great need for a comprehensive integrated web-based Enterprise Human Resource Information System (HRIS) that provides for decision making and management information for HRM, which is integrated with the Financial Management System (FiMS) that is also proposed in the new ADB loan. An integrated enterprise HRIS will facilitate the Department's ability to streamline the management of human resources, in key areas such as Training, Recruitment, Payroll, and Attendance.

99. The HRIS Specifications shall be defined in the Terms of Reference which will be developed prior to the completion of the Road Improvement and Institutional Development Project (Loan No. 2836). Among others, the scope of work of the Consultant includes:

- (i) Development of a solution to integrate human resource management operations into a single real-time system across all Offices instead of having the data distributed throughout a number of separate databases;
- (ii) Assistance in the procurement of an Enterprise Human Resource Management System, including hardware;
- (iii) Configuration and Customization of Software (as needed);
- (iv) Data Migration and Conversion of Existing HR Data;
- (v) System Testing and Acceptance;
- (vi) DPWH User and IMS training to operate and maintain the System;
- (vii) Implementation of the System in all Offices of the Department; and
- (viii) Integration of Financial Data in the Department

100. An integrated HR Solution shall enable the current Human Resource Management function to shift from a paper-intensive and transactional based process to a process-defined, integrated and strategic function. Other efficiencies that will be realized are:

- (i) Increased productivity at all levels of the Department;
- (ii) More accurate workforce information, disaggregated by sex, location, type of employment, and level to assist management in making key decisions;
- (iii) Increase integrity with Payroll;
- (iv) Increased employee satisfaction;
- (v) The employee and manager self-service features will free up the time of human resources staff members for project work and other value added duties;
- (vi) Support the processes for recruitment and selection;
- (vii) Produce analyses, data and reports for internal and external use – supporting all levels of management; and
- (viii) Employees and managers can locate answers and information quickly without the need to consult an HR representative every time.

101. The consultants will also support the development and implementation of an integrated Human Resource application system with associated training. This system will link all HR-related policies, procedures and application systems, including those completed under previous projects.

VII. SAFEGUARDS

102. The Government will ensure that all the requirements in Schedule 5 of the Loan Agreement and the environmental assessment and review framework, resettlement and indigenous peoples framework (RIPF) have been prepared with respect to the project (and of which ADB has provided full copies and are deemed incorporated herein by reference), are complied with during the processing and implementation of the investment project:

103. The safeguard frameworks cover the facility specific information and requirements in accordance with ADB Safeguard Policy Statement (2009) (SPS):

104. Prior to the implementation of works, the safeguard framework for environmental assessment and RIPF, 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 SPS, the ADB SPS will prevail.

105. DPWH will review ongoing projects to check on the status of compliance with the environmental plans, RIPF 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.

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

A. Social Safeguards

107. 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 R07 Tampilisan-Sandayong (see Linked Documents 15 of the RRP).³¹ 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.

³¹ Nine project roads (PR) were studied for resettlement and indigenous peoples impacts (PR-01a, PR-01b, PR-04, PR-06, PR-07, PR-08, PR-09, PR-10 Vitali-Tagalisay Bypass) under the PPTA, with another examined for due diligence (PR-10 Lanao-Pagadian-Zamboanga City).

108. The project is categorized as A for involuntary resettlement and A for indigenous peoples in accordance with ADB's SPS.

1. Project Policies

109. **Project Principles.** 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. Based on the above legal framework and equivalence-gap analysis, the resettlement and IP policy principles for the Project are as follows:

- (i) Screen subproject components during early stages to identify involuntary resettlement impacts and risks as well as presence of IPs/ICCs and the likelihood of impacts on identified IPs/ICCs per project activity. These impacts and risks must be minimal. Appropriate social safeguards planning documents will be developed precisely and accurately as a result of a social assessment.
- (ii) Carry out culturally appropriate and gender-sensitive social assessment to assess potential impacts on APs particularly with IPs/ICCs living in the project areas, and concerned NGO organizations. Inform all APs including IPs/ICCs on potential restriction to access to natural resources because of the project and ensure their participation in the project cycle.
- (iii) Conduct meaningful consultations with affected APs/IPs/ICCs to solicit their participation across the project cycle to (a) avoid adverse impacts or - issues of access restriction will be avoided as much as possible - when avoidance is not possible, to minimize, mitigate, or compensate for such effects; (b) develop project benefits for affected Indigenous Peoples in a culturally appropriate manner; (c) provide culturally appropriate and gender inclusive capacity development; and (d) establish a culturally appropriate and gender inclusive GRM.
- (iv) In areas that affect ancestral domains, full consultation to generate consensus with IPs/ICCs will be upheld to define the areas with customary rights of the local people and reflect the issues in the social safeguards planning document with particular actions to protect or compensate IPs/ICCs. The absence of broad community support as manifested in the Certificate Precondition/Free and Prior Informed Consent/Certificate on Non-Overlap shall make the project component not eligible for the use of loan proceeds
- (v) Improve or at least restore the livelihood of the APs/IPs/ICCs through (a) land-based resettlement strategies or cash compensation; (b) prompt replacement of assets with equal or higher value; (c) prompt compensation at full replacement cost for lost assets that cannot be restored; and (d) additional revenues and services through benefit sharing schemes where possible.
- (vi) APs/ IPs/ICCs shall be involved in resettlement and IPs/ICCs planning based on the social assessment, and social safeguards planning documents will include a framework for continued consultation with the IPs/ICCs during project implementation and cover all appropriate mitigation measures to improve, or at least restore, the livelihoods of all APs/IPs/ICCs, especially vulnerable groups so that the living standard of APs/IPs/ICCs do not become worse off compared to pre-project levels. Social safeguards planning documents should elaborate on culturally appropriate GRM, AP/IP/ICC entitlements, strategy for income and livelihood restoration, including institutional arrangements, monitoring and evaluation, budgeting, and time-bound implementation schedule, and provide APs/IPs/ICCs with appropriate assistance.

- (vii) APs/IPs/ICCs without title or any recognizable legal rights to land are eligible for assistance and compensation for non-land assets at replacement cost. Particular attention will be paid to women, women-headed households, the elderly and other vulnerable persons.
- (viii) Voluntary donation will be an act of informed consent and APs/IPs will not be forced to donate land or other assets with coercion or under duress. Any voluntary donation will follow international best practices and be confirmed through written records and verified by an independent third party.
- (ix) Disclose the draft social safeguards planning documents and its updates before subproject appraisal to the APs/IPs/ICCs and other stakeholders in an accessible place and a form and understandable language.
- (x) Land acquisition, resettlement, and IPs/ICCs plans will be conceived of as part of the project and related costs will be included in and financed out of the project cost.
- (xi) Civil works and/or restrictions to use of land resources will not commence unless APs/IPs/ICCs are fully compensated and all other entitlements provided.
- (xii) Monitor implementation of the social safeguards planning documents; monitor and assess resettlement outcomes, their impacts on the standards of living of APs/IPs/ICCs, and also disclose the monitoring reports.
- (xiii) Disclose monitoring reports as uploaded on to ADB and DPWH websites; and to the project sites specifically the affected communities/persons, in summary form
- (xiv) Should unanticipated involuntary resettlement and IP/ICC impacts be determined during project implementation, DPWH will ensure the conduct of a social impact assessment and update the social safeguards planning documents or formulate a new one covering all applicable requirements specified in the RIPP.

110. **Subproject Screening and Minimizing Adverse Impacts.** Adverse impacts will be minimized by observing the following: (i) exploring project and design alternatives, (ii) local stakeholders to be actively engaged through meaningful consultations, (iii) social impact assessments are conducted with guidance from experts, (iv) appropriate grievance redress mechanisms are in place to ensure that concerns of APs are addressed and incorporated in the project design and safeguards planning documents, (v) capacity building across the project cycle, and ensuring community participation in subproject prioritization, planning, selection, and implementation will be observed, and (vi) resettlement plans are prepared and submitted to ADB for approval prior to civil works.

111. Criteria for IR screening and selecting sub project. DPWH will screen subprojects for their potential land acquisition and resettlement impacts and will adopt measures to avoid or minimize the impacts. A screening form to be accomplished is attached in Social Appendix 1.

112. 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.

113. Categorization of impacts. A classification system is observed through the SPS 2009.³²The project is classified as A under the ADB Involuntary Resettlement (IR) and A under Indigenous Peoples (IP) safeguards:

Category	Characteristics	
	Involuntary Resettlement	Indigenous People
A	200 or more persons experience major impacts, which are defined as (i) being physically displaced from housing, or (ii) losing 10% or more of their productive (income generating) assets	If the proposed sub project is likely to have significant impacts on IP/CC ³³ .
B	Involuntary resettlement impacts are deemed not significant	if the proposed sub project is likely to have limited impacts on IP/CC.
C	No involuntary resettlement impacts are foreseen.	If the proposed sub project is not expected to have impacts on IP/CC

114. Types of Social Safeguards Document. Screening results shall determine the type of social safeguard document to be prepared for subprojects:

Document	When to Apply	Source
RIPP	When impacts are mainly related to physical displacement and there are no other major impacts resulting from project activities other than involuntary land acquisition or involuntary access restrictions to lands a combined IPDP with an RP may be prepared	ADB SPS (2009); App 3, Safeguard Requirements 3 IP, para. 35. ADB IP Handbook: Para 265
	Aside from triggers of involuntary resettlement, there will be physical displacement of IPs: displacement may apply regardless of whether the communities are relocated away from their traditional lands or still within the same traditional land areas but in a different location.	ADB IP Handbook: Para 263
RP	Having involuntary resettlement impacts, to wit: physical displacement (relocation, loss of residential land, or loss of shelter) and economic displacement (loss of land, assets, access to assets, income sources, or means of livelihoods) as a result of (i) involuntary acquisition of land, or (ii) involuntary restrictions on land use or on access to legally designated parks and protected areas. It covers them whether such losses and involuntary restrictions are full or partial, permanent or temporary. No IPs to be affected.	ADB SPS (2009) App 2
IPDP	If a project directly or indirectly affects the dignity, human rights, livelihood systems, or culture of Indigenous Peoples or affects the territories or natural or cultural resources that Indigenous Peoples own, use, occupy, or claim as an ancestral domain or asset.	ADB SPS (2009) App 3
	If significant as assessed in terms of the magnitude of impact about: (a) customary rights of use and access to land and natural resources; (b) socioeconomic status; (c) cultural and communal integrity; (d) health, education, livelihood, and social security status; and (e) the recognition of indigenous knowledge. ³⁴	ADB IP Source Book 2013 Para 69

³²ADB OM Section F1/BP Issued on 1 October 2013.

³³ The magnitude of project impacts on IP is looked at in terms of severity of impacts on the following aspects: (i) Customary rights of use and access to land and natural resources; (ii) Socioeconomic status; (iii) Cultural and communal integrity; (iv) Health, education, livelihood, and social security status; (v) Recognition of Indigenous knowledge. ADB, 2012, Indigenous Peoples Safeguards: A Planning and Implementation Good Practice Sourcebook, Para 65.

³⁴Indigenous Peoples may be influenced by developments around them, their evolving cultural institutions—due perhaps to cultural adaptations, technological progress, and participation in wage-labor markets—would not necessarily disqualify them from IP status (ADB IP Source Book 2013 Para 43).

Document	When to Apply	Source
	Considers the level of vulnerability of the affected customary community.	
DDR	A tool to review, monitor, and supervise projects throughout the ADB's project cycle The process seeks to resolve all outstanding applicable safeguard issues through corrective action plans.	ADB OMF1 2013

115. **Voluntary Land Donation.** Voluntary land donation is outside the scope of the ADB SPS 2009.³⁵ The practice usually involves the contribution by individuals of land for a project that has community benefits; the basic idea being that project benefits will realistically offset the size of the donated land. Due diligence should be observed to avoid adverse impacts on APs/IPs and possible reputational risks to ADB. The following should be conducted: (i) verify that the donation is in fact voluntary and did not result from coercion, using verbal and written records and confirmation through an independent third party such as a designated nongovernmental organization or legal authority; and (ii) ensure that voluntary donations do not severely affect the living standards of affected persons and benefit them directly.

116. Any voluntary donation will follow international best practices and be confirmed through written records and verified by an independent third party. The following will be observed:

- (i) The impacts are marginal (based on percentage of loss and minimum size of remaining productive assets);
- (ii) Impacts do not result in displacement of households;
- (iii) The households making voluntary donations are direct beneficiaries of the project;
- (iv) Donated land is free from any dispute on ownership or any other encumbrances;
- (v) Consultations with AHs/IPs are conducted in a free and transparent manner;
- (vi) Land transactions are supported by transfer of titles; and
- (vii) AHs/IPs are made aware of the project GRM and as such proper documentation of consultation meetings, grievances and actions taken to address such grievances are maintained.

2. Social Assessment and Planning

117. **Identification of Potential Impacts.** The following are key considerations in the identification of project potential impacts: (i) All potential impacts have to be identified, includes legacy issues; (ii) Identify and assess potential impacts on vulnerable groups and women; (iii) Consider Indigenous Peoples in the assessment of social impacts; (iv) Include impacts on public resources; and (v) Include impacts on livelihoods caused by activities other than land acquisition.

118. **Prescribed Tools and Scope of Social Assessment.** The following tools are prescribed under IR safeguard: (i) Socioeconomic Survey, (ii) Census, (iii) Inventory of loss (IOL) or detailed measurement survey (DMS), and iv) Replacement cost study. Results of these surveys are incorporated into the planning process. For IP safeguard, the DPWH defers to institutional processes and procedures of NCIP as provided for under IPRA.

³⁵ADB. Involuntary Resettlement Safeguards: A Planning and Implementation Good Practice Sourcebook – Draft Working Document. November 2012.

119. Unanticipated Impacts. Should unanticipated IR and IP impacts emerge during project implementation, DPWH shall ensure the conduct of a social assessment and update or formulate a new social safeguard planning document depending on the extent of the impact changes. Unanticipated impacts will be documented and mitigated based on the principles provided in the RIPDF. DPWH shall submit these documents to ADB for disclosure on ADB's website as well as their project website and convey relevant information to the affected persons/community.

3. Consultation, Participation, and Disclosure

120. Consultation and Participation. DPWH will conduct meaningful consultation with affected persons, their host communities, and civil society for every subproject identified as having involuntary resettlement impacts. The DPWH will pay particular attention to the needs of disadvantaged or vulnerable groups, especially women and people living below the poverty line, the landless, the elderly, female headed households, children, Indigenous Peoples, and those without legal title to land.

121. Disclosure. The social safeguards documents will be disclosed to APs and the disclosure will be carried out by the DPWH representatives, DEO Coordinator and the Consultants through consultation meetings. Basic information will be translated into the local language and shall be placed in public offices where APs can readily access these. A project information brochure (PIB) will be distributed to all APs indicating general contents which shall include the following items: (i) project profile (ii) project impacts (iii) compensation and entitlements (iv) grievance redress mechanism (v) resettlement procedures, timing of payments and schedule. The social safeguards planning documents will be disclosed and be made available to the all barangays where affected households can have access to examine its contents.

122. The DPWH will be guided by the ADB Public Communications Policy (2012) and Accountability Mechanism (2012) and submit the following documents to ADB for disclosure on ADB's website: (i) A draft social safeguards planning document and/or framework as endorsed by the DPWH before project appraisal; (ii) The final social safeguards planning document endorsed by the DPWH after the census of affected persons has been completed; (iii) A new or updated social safeguard planning document and a corrective action plan prepared during project implementation, if any; and (iv) Monitoring reports.

123. IP Consultation and Disclosure. Subproject activities will be covered by broad community support. The procedures for securing broad community support shall emanate from NCIP Administrative Order (AO) No. 3, series of 2012 for subprojects located within ADs. While voluntary inclusion of subprojects will be recognized, these will have to be validated/verified by the NCIP and still go through the consultative process.³⁶ All facets of the development cycle from planning, implementation, monitoring and evaluation will ensure that consultation and IP engagement is free from coercion or manipulation. Gender and intergenerational inclusion will be observed, and conducted with proper disclosure of information and in a manner appropriate to the social and cultural values of the affected IP communities and their condition. Hence, development project implementers apply for the Certificate Precondition (CP). Where there are IPs and ancestral domain claims, a prerequisite is to secure the FPIC before a CP is issued.

³⁶ May be fast tracked if community-initiated and existence of ADSDPP, where proposed project is pre-identified in ADSDPP.

124. The following are required to be disclosed: (i) draft social safeguards planning documents, as endorsed by DPWH; (ii) final social safeguards planning documents; (iii) new or updated social safeguards planning documents, if any; and (iv) monitoring reports. These documents will be generated and produced in a timely manner, and posted in both ADB and project websites, and at any locally accessible place in a form and language understandable to the affected communities and other stakeholders. The project information will be made available to affected Indigenous Peoples as leaflets or brochure in the prevailing local language, for greater IP community comprehension. DPWH shall also post the summaries of approved documents on their project website. During project implementation, DPWH will prepare monitoring reports on the implementation of the social safeguards planning documents and submit the same to ADB for review.

4. Compensation and Livelihood Restoration

125. **Compensation and assistance.** Per this RIPP, DPWH will offer to the property owner concerned, as compensation price, the sum of: (i) the current market value of land (ii) the replacement cost of structures and improvements and (iii) the current market value of crops and trees. DPWH will engage the services of a government financial institution (GFI) with adequate experience in property appraisal or an independent property appraiser (IPA) accredited by: (1) the Bangko Sentral ng Pilipinas (BSP) or (2) a professional association of appraisers recognized by BSP to determine the appropriate price offer for the acquisition of ROW through negotiated sale. A range of entitlements (compensation and assistance) is provided in Social Appendix 2.

126. **Relocation Strategy.** APs will be provided with relocation options suitable to their preference. Should preference be (i) and (ii) above, cash compensation will be paid for affected assets at replacement cost, and APs will not be displaced until after they have received in full the compensation and applicable allowances due them. If on the other hand (iii) is chosen, implementers must be ready to link with mandated agencies to fulfill requisites to site development.

127. **Livelihood Restoration and Special Measures for Indigenous Peoples, Severely Affected, Displaced Persons, and Vulnerable Sector.** DPWH will include special measures for income restoration and livelihood improvement of affected persons in the social safeguard document/plan. Income sources and livelihoods affected by project activities will be restored to pre-project levels or better, and make every attempt to improve the incomes of displaced persons so that they can benefit from the project. For vulnerable and severely affected persons and households affected, the social safeguards plans will include measures to provide extra assistance so that they can improve their incomes in comparison with pre-project levels. The plans will specify the income and livelihoods restoration strategy, the institutional arrangements, the monitoring and reporting framework, the budget, and the time-bound implementation schedule.

128. **Gender Strategy.** Specific to this RIPP, the following shall be observed to ensure women's meaningful participation: (i) Both women and men will participate during consultations, conduct of DMS, and when necessary, discussions on relocation options; (ii) Gender issues, including HIV/AIDS and human trafficking prevention measures, will be included in the training to be provided during social safeguards planning document implementation; (iii) Both husband and wife have equal access to and receive information, compensation, and other allowances/assistance due to their household for affected assets; (iv) Women will be given equal chance in getting hired for jobs related to the project and to receive equal remuneration for the same work as the men; (v) Special measures will be taken in helping elderly, disabled and women-

headed households relocate or reconstruct their affected shops and houses; (vi) Women will be prioritized in livelihood restoration programs; and (vi) Disaggregated monitoring indicators by sex, age and minority status will be developed for monitoring social benefits, economic opportunities, livelihood, and resettlement activities.

129. **Negotiated Land Acquisition.** ROW acquisition starts with the validation of Parcellary Survey Report and approved social safeguard document/plan where the number and names of property owners and other relevant information will be determined. The validated Parcellary Survey Report and social safeguards document/plan together with the GFI/IPA appraisal reports, DPWH can start the preparation of Notice of Taking pursuant to Negotiated Sale Mode of Acquisition under RA10752. Within 30 days, negotiation either succeeds or fails. A successful negotiation would mean execution of Deed of Absolute Sale, and DPWH can secure a Permit to Enter. A failed negotiation on the other hand would mean DPWH can initiate expropriation proceedings.

5. Grievance Redress Mechanism

130. The Resettlement Implementation Committee (RIC) will be formed through a Memorandum of Understanding between DPWH and the concerned local government unit, and with the NCIP provincial or regional office to attend to grievances. All complaints received in writing (or prepared in written form, when received verbally) from the APs shall be properly documented. All complaints shall be acted upon immediately and addressed through negotiation processes to arrive at a consensus.

131. There are four levels of grievance redress open to APs and other stakeholders during the social safeguard document/plan implementation:

- (i) Level I/ Municipal Level – when a complaint is lodged, a decision should be made within 15 calendar days after receipt of the complaint. The AP or stakeholder will be informed in writing of the decision within two working days. A record of the grievance will be provided to the MRIC within a working day of receipt by the municipal level Grievance Committee chairperson;
- (ii) Level II - If not satisfied by the municipal level committee, the AP can appeal before the DPWH Regional Office who has 10 calendar days within which to resolve the complaint. The resolution will be officially communicated in writing to the AP within five working days from the date of the issuance of the decision;
- (iii) Level III/Project Level – If the decision by the Regional Office is not satisfactory to the AP, then the complainant may appeal to the project level, represented through the DPWH Project Management Office and the DPWH ESSD. The complaint shall be resolved within 15 calendar days and the decision shall be communicated in writing within seven working days; and
- (iv) Level IV/Legal Procedures - If the Project Level decision is unsatisfactory, then the matter will be taken to the appropriate court of the Republic of the Philippines for adjudication.

132. **IP Grievance Redress Procedure.** Conflicts within the affected IP community will be addressed within the community itself in the context of its customary law and customary dispute resolution process and mechanisms, in the presence of the relevant staff of the NCIP office with jurisdiction over the area, and if so invited, project-related staff and other stakeholders. Inter-community conflicts will be addressed between the communities themselves, according to their customary or agreed upon dispute resolution processes and mechanisms. If an outside facilitator,

mediator, or arbiter is required or requested for, the UPMO and project implementing and monitoring units in the field will seek the intervention of the NCIP to act as facilitator, mediator, or arbiter. This guideline applies to conflicts or disputes between the IP community and any of the project units and implementers.

133. The social safeguards focal person at the District Engineering Office with the assistance of regional and central office counterparts shall document the proceedings of the discussion or negotiations. This is in addition to the documentation done by the IP community themselves and by the NCIP. If no satisfactory result or impasse results, the IP communities shall be allowed to elevate their complaints and grievances to the RIC. The grievance procedure established herein in no way substitutes for or replaces the grievance procedure set forth in The Free and Prior Informed Consent (FPIC) Guidelines of 2012. At their choosing, the IPs may avail of the grievance procedure and mechanisms spelled out in The Free and Prior Informed Consent (FPIC) Guidelines of 2012.

6. Institutional Arrangements and Implementation

134. 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 Roads Management Cluster II, Multilateral, Unified Project Management Office is the overall project management unit, which shall manage and supervise the implementation of the social safeguards document/plan. The ESSD shall 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 District Engineering Offices and the Regional Offices in their tasks, such as the verification of APs, 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 APs;

- 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 uploading the social safeguards document/plan, the District Engineering Office 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 District Engineering Office 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.

135. **Site Level.** At the site level, the DEO is Technical Coordinator and will (i) oversee the staking-out and verification of affected properties; (ii) review, and if found correct, 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. The DEO will chair the RIC.

136. 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 APs; (iv) monitor assistance provided to the poor and vulnerable households and maintain sex disaggregated records and (v) address grievances filed by the APs for speedy resolution.

137. Interagency Coordination. Key agencies/entities necessary in the smooth implementation of social safeguards documents/plans are the RIC, NCIP, LGUs, and the NHA. The RIC shall be composed of representatives from the RO and DEO, City/Municipal, NCIP provincial and/or regional office, affected barangays, and APs with separate representation for IP/ICC communities affected by the project. The RIC shall be formed through a Memorandum of Understanding (MOU) between DPWH, the concerned local government unit, with the NCIP Provincial or regional office. Selection of these ICC/IP representatives shall follow the procedures of the NCIP. RIC functions are:

- (i) Assist the DPWH staff engaged in resettlement activities in (a) validating the list of APs; (b) validating the assets of the APs that will be affected by the project (using a prepared compensation form); and (c) monitoring and implementing the social safeguards document/plan;
- (ii) Assist the DPWH and NCIP staff in identifying who among the APs are IPs or belong to ICCs.
- (iii) Assist the DPWH and staff engaged in the social safeguards document/plan activities in the public information campaign, public participation and consultation.
- (iv) Assist DPWH in the payment of compensation to APs;
- (v) Receive complaints and grievances from APs and other stakeholders and act accordingly;
- (vi) Maintain a record of all public meetings, complaints, and actions taken to address complaints and grievances; and
- (vii) In coordination with concerned government authorities, assist in the enforcement of laws/ordinances regarding encroachment into the project site or RROW.

138. The NCIP is the primary government agency through which ICCs/IPs can seek government assistance. It is mandated to issue appropriate certification as a pre-condition to the grant of permit, lease, grant or any other similar authority for the disposition, utilization, management, and appropriation by any private individual, corporate entity or any government agency, corporation or subdivision thereof on any part or portion of the ancestral domain taking into consideration the consensus approval of the ICCs/IPs concerned. The NCIP Regional Office is responsible to receive applications for the issuance of CPs thus conducts the FBI and oversee the process for obtaining the FPIC from the affected IPs/ICCs.

139. 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.

140. Per RA 7279, the local government unit, in coordination with NHA shall provide relocation or resettlement sites with basic services and facilities and access to employment and livelihood opportunities sufficient to meet the basic needs of the affected families. NHA is tasked with the development of shelters/housing for relocation.

7. Budget and Financing

141. 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.

8. Environmental Assessment

142. 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

143. The UPMO will ensure that relevant provisions of the EMP are included in the bid and contract documents for design, civil works and supervision. The UPMO will also ensure that project-related environmental complaints are properly documented and promptly addressed through the grievance redress mechanism formulated for the project.

144. To ensure compliance with the ADB SPS 2009 and EARF, the following tasks will be carried out by the DED in coordination with the ESSD and UPMO of DPWH for each subproject to be prepared during loan implementation: (i) preparation of environmental categorization form and rapid environmental assessment checklist for review and approval by ADB, (ii) preparation of IEE based on ADB SPS 2009 for ADB's review and clearance, and (iii) preparation of necessary documentation and studies to ensure compliance with environmental requirements of the Philippine government.

145. The ESSD is responsible for implementation of social and environmental safeguards of the project. Day to day project management will be undertaken by the UPMO. The Project will provide the UPMO with the assistance of a construction supervision consultant (CSC) to help ensure proper implementation of the environmental management plan during construction. The UPMO, with assistance from the ESSD and CSC, will undertake monthly monitoring of the contractor's environmental performance and implementation of the EMP. The results of the monthly monitoring will be consolidated into semi-annual environmental monitoring reports. The UPMO will submit the following environmental reporting documentation to the ADB: (i) Environmental Monitoring Reports twice annually during the construction period for review and disclosure on ADB website; and (iii) Project Completion Environmental Monitoring Report after completion of construction, detailing the status of EMP implementation, outstanding environmental issues and time-bound corrective action plan.

146. Prohibited investment activities. Pursuant to ADB's SPS, ADB funds may not be applied to the activities described on the ADB Prohibited Investment Activities List set forth at Appendix 5 of the SPS.

VIII. GENDER AND SOCIAL DIMENSIONS

147. **Gender.** The project is classified as effective gender mainstreaming (EGM) and as such appropriate gender targets/indicators have been included in the DMF. The project is expected to deliver benefits to women by directly improving their access to social services, economic and financial resources or opportunities, and basic infrastructure. A Gender Action Plan (GAP) that contains pro-active gender measures has been prepared (Table below) and a gender strategy is similarly incorporated in the RIPF and ensuing plans (see Gender strategy under social safeguards).

148. 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 Responsive³⁷. As such, the ESSD will serve as the gender oversight with the project Gender Specialist assisting in effective gender mainstreaming through capacitation of project key actors.

149. The project GAP is designed around three key areas to support gender equality and women's empowerment:

- (i) The first set of actions aim to benefit women from employment opportunities created through the project and include targets for employment, implementation of labor standards and creating a supportive environment for women's employment through sexual harassment prevention activities.
- (ii) Secondly, road safety issues are addressed by consulting women on road design and placement of road safety issues and involving them as road safety community organizers.
- (iii) Thirdly, DPWH's own gender mainstreaming capacity, including policies and procedures are strengthened through capacity building and support to gender mainstreaming activities, such as monitoring and evaluation systems that collect and analyze sex disaggregated data.

150. The GAP will be implemented by the IA, which will be supported by a gender specialist. The TORs of the gender specialist are included in Section VI of the PAM. The IA will report on the progress of implementation of GAP activities in its quarterly project progress reports for submission to the 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.³⁸

³⁷ 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>.

³⁸ 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>

GENDER ACTION PLAN

Project Outputs	Gender Actions and Targets
Output 1: Selected sections of road transport network in Mindanao improved	<ol style="list-style-type: none"> 1.1 All civil works bidding documents and contracts require contractors to apply core labor standards, including equal pay for work of equal value and non-use of child labor. 1.2 Contractors maintain records and report on employment in civil works and on core labor standards compliance with employee data disaggregated by sex, age, ethnicity and residency. 1.3 Contractors prioritize the use of local unskilled labor. At least 80% of all the unskilled construction-support workers (including supervisors, clerks, purchasers, cooks, custodians, cleaners, etc.) are women. 1.4 PIC to design and implement an awareness raising program on sexual harassment, STDs and HIV/AIDS and human trafficking prevention targeted at all contractors, all workers (female and male) as well as for residents of barangays traversed by/along the roads under construction. 1.5 After implementation of awareness raising activities, conduct a small survey (n=100 respondents) to assess knowledge and attitudes of the workers regarding STDs and HIV/AIDS. At least 70% of workers are able to identify at least two STDs/HIV prevention methods. 1.6 Project implementation complies with DPWH gender mainstreaming policies¹ and apply Toolkit for Making Road Infrastructure Projects Gender Responsive² at the planning, design, preconstruction, construction, and maintenance stages. <ol style="list-style-type: none"> 1.6.1. For road designs that are still underway, feasibility study documents (cost-benefit, stakeholder analysis, program of work, participatory gender audit of completed projects, etc.) mainstream gender and include at the least sex disaggregated data. 1.6.2. At least 1 vulnerability mapping consultation with women is held per barangay for each road subproject to identify the perceived risks and to consult on the location and form of road danger warnings or signs. 1.6.3. Integrate road safety and accessibility related physical design features that effectively protect and address specific needs of women, children, elderly and people with disabilities through, where appropriate: <ol style="list-style-type: none"> 1.6.3.a. steps and hand railings for elevated pathways in bridges, and sidewalks; 1.6.3.b. installation of sufficient lighting, esp. in dark areas, around basic services facilities, public transport stops, markets;

¹DO 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>

Project Outputs	Gender Actions and Targets
	<p>1.6.3.c. construction of bike and pedestrian lanes, esp. in sections of roads passing through/near settlements, and along schools, religious and other community facilities;</p> <p>1.6.3.d. construction of speed bumps and other appropriate measures to slow traffic in/near settlements, especially near basic services and community facilities;</p> <p>1.6.3.e. construction of flood mitigating drainage system;</p> <p>1.6.3.f. road safety signage, especially in known danger zones such as curves, as warning.</p> <p>1.6. At least 50% of all (150 female, 150 male) road safety community facilitators are women and remunerated for their work.</p> <p>1.7. All road safety information and campaign materials developed will be gender sensitive, not promote gender stereotypes and use appropriate gender sensitive language.</p> <p>1.8. The materials will be developed and communicated in local languages that are spoken and well understood by the local communities along the roads.</p> <p>1.9. All workers in climate change activities (i.e., seedling propagation, planting and caring for road side trees/plants) are remunerated, and at least 50% of them will be women.³</p> <p>1.10. Women workers in climate change activities are provided with training and adequate tools for seedling propagation, tree planting and care.</p> <p>1.11. At least 50% attendance by women at community consultations and meetings related to road physical infrastructure and safety designs, road safety program, and employment opportunities.</p> <p>1.12. Ensure, monitor and report on women's entitlement to equal compensation under compensation plans.</p>
Output 3: Institutional capacity of DPWH in multi-year planning, fiscal accountability, and human resource management strengthened	<p>3.1. A gender specialist is hired to assist the PMU in GAP implementation, monitoring and reporting.</p> <p>3.2. Gender indicators of the GAP and those included in the DMF are incorporated into the project's performance monitoring system, and are duly reported on in the periodic and annual project progress reports.</p> <p>3.3. Improved capacity to plan, design, implement and monitor projects that address gender issues through training on DPWH policies and toolkit on gender mainstreaming in road infrastructure projects provided to (i) 100% of the UPMO staff (female and male), and (ii) 100 key and relevant technical staff at national and regional levels (female and male – to be identified in collaboration with the GAD Committee).</p>

³ The number of workers for climate change activities will be determined during the inception of the civil works contract.

Project Outputs	Gender Actions and Targets
	<p>3.4. At least 5 female staff (25% of 20) from headquarters are trained and reported increased knowledge on supervision of regional planning.⁴</p> <p>3.5. At least 15 female staff (25% of 60) from the 13 DPWH regional offices trained and reported increased knowledge on multi-year planning.⁵</p> <p>3.6. At least 50% of UPMO's staff will be female.</p> <p>3.7. Design of the new online system for budgeting and fiscal monitoring ensure capture and analysis of sex-disaggregated/ gender relevant information where relevant for tracking and accounting of gender and development related budgets and disbursements.</p> <p>3.8. At least 5 female staff (25% of 20) trained and reported increased knowledge in operating the online system for budgeting and fiscal monitoring.</p> <p>3.9. Design of the new human resource database system integrating all DPWH operations ensure capture and analysis of sex-disaggregated/gender-relevant information where relevant.</p> <p>3.10. At least 15 female staff (25% of total 60) trained and reported increased knowledge in operating the human resource database system.</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:

The Department of Public Works and Highways will assign a gender specialist to the Unified Project Management Office, as part of the project management team. 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.

⁴ The current composition of DPWH technical staff at the national headquarters is male= 608 (75%); and female= 199 (25%)

⁵ Total composition of DPWH Female technical staff comprise 41% of total technical staff; in all DPWH regional offices and 37% of is 37%, and for Region IX alone is 37%.

151. **Poverty and Social Dimensions.** A poverty and social analysis, conducted in accordance with ADB guidelines, assessed the transport and economic development needs of area residents. The direct beneficiaries of the project are the communities where the potential projects will be located and these are mostly farmers and fishermen, who largely constitute the poorer sectors of Mindanao. Indirect beneficiaries of the project include the rest of the populace of Mindanao estimated in 2015 to be 24,135,775 or almost $\frac{1}{4}$ of the total country population that include local investors who can generate direct benefits to the poor by providing local employment. The project will also provide countless services enhancing accessibility to government, education, and health services, as well as ports/airports, markets, churches, and businesses. The project will indirectly benefit the poor by lowering transport costs for farmers and fishermen, promoting the expansion of the private sector and the labor market, and a safer road environment. Mindanao is the second largest (138,353.5 km²) and southernmost major island in the Philippines. The island is covered by 6 administrative regions,⁴⁴ 22 provinces, and 30 cities. Population density is 175 persons per km². Mindanao is considered the food basket of the Philippines.⁴⁵ Parts of southwestern Mindanao island group, particularly the provinces of Maguindanao, Basilan, Lanao del Sur, Sulu, and Tawi-Tawi are home to a sizeable Muslim population with armed Moro separatist movements. There are 5,265,012 households with average household size of 4.7 persons per household.

152. Among population, poverty incidence for Mindanao is 36.2% much higher compared to national measures of 21.6% and among the other major islands: Luzon at 13.1% and Visayas 28.2%. The largest share to the country's total poor population thus comes from Mindanao contributing 40.4%, followed by Luzon (34.3%), and Visayas (25.3%). Four out of the top 5 poorest regions are in Mindanao: Region IX, Region X, Region XII, Region XIII, and the Autonomous Region in Muslim Mindanao (ARMM) registered poverty incidence above 39% in 2015. ARMM, where Lanao del Sur is located, is the poorest region with at least 59% of the population live below the poverty threshold.⁴⁶ It has been noted that 86% of the decline in poverty incidence over the past 10 years in the number of total individuals has been negated in the number of individuals in Mindanao who are now considered poor. Based on records from the Conditional Cash Transfer Program of the Department of Social Welfare and Development (DSWD) 11 Mindanao provinces are included in their top 25 priority provinces per results of the poverty survey in 2015.⁴⁷ Subsistence incidence is the proportion of Filipinos whose incomes fall below the food threshold and in 2015 was estimated at 12.1% approximately the same as in Mindanao. Subsistence incidence is referred to as the proportion of the population in extreme or subsistence poverty.⁴⁸ Available data on labor force participation rate for 2016 (Mindanao-wide estimate) is almost at par (61%) with the national figure of 63.3%, employment rate slightly higher at 95.4% (national 94.2%), unemployment rate lower at 4.6% (national 5.8%), but underemployment rate slightly higher at 20.5% compared to national at 19.7%.

153. The project envisages to contribute to increased economic and employment opportunities through connectivity. Project construction is expected to generate employment opportunities for local communities during construction. Men and women will be paid equally for equal work. Provisions are in the bidding documents for the contractors to ensure that all the civil works

⁴⁴Philippine Statistics Authority (<http://psa.gov.ph>)

⁴⁵<http://www.economist.com/news/asia/21674840-struggling-violence-and-investment-mindanao-fruits-peace>

⁴⁶*Ibid.*

⁴⁷ The 11 Mindanao provinces are: Lanao del Sur (74.3%), Sulu (65.7%), Sarangani (61.7%), Maguindanao (59.4%), Bukidnon (58.7%), Sultan Kudarat (56.2%), Zamboanga del Norte (56.1%), Agusan del Sur (54.8%), Lanao del Norte (50%), North Cotabato (48.9%) and Zamboanga Sibugay (44.9%)

⁴⁸ 2015 Full Year Official Poverty Statistics of the Philippines. Poverty and Human Development Statistics Division of the Philippine Statistics Authority (PSA).

comply with labor laws, do not employ child labor for construction or maintenance, and encourage the employment of the poor, in particular, women.

154. About communicable diseases, Zamboanga City in particular, was included in the list of the Department of Health (DOH) as one of HIV/AIDS “other High Prevalence Cities” in Mindanao as presented on 10 April 2015 in an epidemiology workshop presentation by the DOH National HIV/STI Prevention Program head. Local health professionals led by municipal and city health officers will be taking a more active stance in prevention by proper education of the local people to lower the risks brought by HIV/AIDS and sexually transmitted diseases. From the statistics of the Inter-Agency Council Against Trafficking of the Department of Justice, there are at least 7 convictions of trafficking from November 2005 to September 2015. The project recognizes related risks and mitigation measures and as such are incorporated in the RIPP gender strategy, the PAM and the DMF. In particular, the social safeguards gender strategy necessitates that HIV/AIDS and human trafficking prevention measures, will be included in the training to be provided during social safeguards planning document implementation.

IX. PERFORMANCE MONITORING, EVALUATION, REPORTING, AND COMMUNICATION

A. Project Design and Monitoring Framework

155. The DMF is shown below.

Impact the Project is Aligned with			
Economic and physical linkages in Mindanao strengthened (Mindanao Strategic Development Framework, 2010–2020) ^a			
Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
Outcome Efficiency and safety of selected sections of the road transport network in Mindanao improved	By 2025, movement of people and goods on project roads measured by annual average daily traffic increased to 8,000 (2017 baseline: 3,000)	DPWH Planning Service annual report	Changes in priorities of government shift resources away from road maintenance.
Outputs 1. Selected sections of road transport network in Mindanao improved	1a. By 2024, at least 280 km of national roads and bridges rehabilitated or reconstructed (2017 baseline: 0 km roads and bridges) 1b. By 2024, at least 280 km of roads improved with various climate resilience features (2017 baseline: 0) 1c. By 2024, at least 280 km of roads improved with safety features for women, children, the elderly, and persons with disabilities (2017 baseline: 0 km) 1d. By 2021, 300 project area residents, of which 50% are women, become qualified to conduct road safety awareness campaigns and obtain employment doing so (2017 baseline: 0 residents) 1e. By 2024, 100% of project roads geotagged with information uploaded on the internet (2017 baseline: not applicable)	1. DPWH annual road network status reports	Security situation in project areas deteriorates to the extent that civil works cannot proceed on time.
2. Detailed engineering design for improvement of roads in other	2. By 2024, detailed design drawings and bills of quantities completed for improvement of 300 km of national highways in	2. DPWH Planning Service annual reports	

Results Chain	Performance Indicators with Targets and Baselines	Data Sources and Reporting Mechanisms	Risks
<p>projects completed</p> <p>3. Institutional capacity of DPWH in multiyear planning, fiscal accountability, and human resource management strengthened</p>	<p>Mindanao (2017 baseline: 0 detailed design drawings and 0 bills of quantities)</p> <p>3a. By 2024, 60 staff in 13 DPWH regional offices, of which at least 25% are women, reporting increased knowledge on multiyear planning (2017 baseline: 0 staff in 13 DPWH regional offices)</p> <p>3b. By 2024, 20 staff in DPWH headquarters, of which at least 25% are women, report increased knowledge on regional planning (2017 baseline: 0 staff)</p> <p>3c. By 2022, online system for budgeting and fiscal monitoring developed and operationalized (2017 baseline: not operational)</p> <p>3d. By 2024, 20 staff in DPWH headquarters, of which at least 25% are women, report increased knowledge in operating the online system for budgeting and fiscal monitoring (2017 baseline: 0 staff)</p> <p>3e. By 2022, human resource database system integrating all DPWH operations and reporting sex-disaggregated data developed and operationalized (2017 baseline: not operational)</p> <p>3f. By 2024, 60 staff in DPWH offices, of which at least 25% are women, report increased knowledge in operating the human resource database system (2017 baseline: 0 staff)</p>	<p>Project consultant's quarterly reports</p> <p>3. DPWH Administrative and Manpower Management Service annual reports</p>	<p>Rapid turnover of trained DPWH staff</p>
<p>Key Activities with Milestones</p> <p>1. Selected sections of road transport network in Mindanao improved</p> <p>1.1 Recruit project supervision consultants by June 2018</p> <p>1.2 Complete land acquisition and resettlement activities for core roads by March 2019</p> <p>1.3 Award civil works contracts for core roads by June 2018 and complete by June 2022</p> <p>1.4 Award civil works contracts for noncore roads by June 2020 and complete by June 2024</p> <p>1.5 Complete land acquisition and resettlement activities for non-core roads by December 2020</p>			

Key Activities with Milestones 2. Detailed engineering design for improvement of roads in other projects completed 2.1 Recruit detailed design consultants by March 2019 2.2 Complete detailed designs by June 2024 3. Institutional capacity of the Department of Public Works and Highways in multiyear planning, fiscal accountability, and human resource management strengthened 3.1 Recruit consultants by December 2019 and complete services by June 2024 3.2 Install systems by 2021 3.3 Make systems operational and complete training by 2024
Inputs Asian Development Bank: \$380 million Government of the Philippines: \$123 million
Assumptions for Partner Financing Not applicable

DPWH = Department of Public Works and Highways, km = kilometer.

^a National Economic and Development Authority. 2010. *Mindanao Strategic Development Framework, 2010–2020*. Manila.

Source: Asian Development Bank.

B. Monitoring

156. Project performance monitoring. DPWH with assistance of the CS consultants, will implement necessary systems and programs that will enable performance with regard to Project implementation to be monitored and the effect of the Project relative to those expected to be assessed. Specifically, the Consultant will

- (i) provide and maintain a computerized project management system that will assist UPMO to implement the project and provide information on project progress for routine reports and review missions;
- (ii) prepare a monitoring and evaluation program that will enable the effectiveness of implementation activities for the Project to be assessed, giving particular consideration but not limited to (a) the precise description, timeliness, cost and quality of physical infrastructure implemented in the Project, (b) the integrity of resettlement and related programs, (c) the effectiveness of capacity building activities, and (d) the extent to which the HAPP/HTPP is implemented as planned and its impacts;
- (iii) submit the proposed monitoring and evaluation program to the ADB for review and approval.
- (iv) implement the approved monitoring and evaluation program using 'before' and 'after' studies and other forms of survey and analysis, giving regard to its anticipated effect on economic and social development as indicated in the Design and Monitoring Framework for the Project including (a) per capita incomes in the project area, (b) the volume and type of freight and number of passengers passing each road, (c) passenger and freight vehicle operating costs on roads improved under the Project and between key locations, (d) tariffs for freight and passenger movement between selected locations that indicate the impact of the project on target groups in the community, (e) the quantity and type of traffic on roads to be improved under the Project, (f) the origin and destination of vehicles and traffic at

selected locations and (h) the effectiveness of capacity building programs for staff associated with the Project.

- (v) Conduct the socio-economic and baseline surveys. During implementation, a comprehensive and effective monitoring and evaluation program will be implemented using a system of recording data and statistics;
- (vi) Plan surveys and identify the collection of other required data needed for the monitoring and evaluation program, drawing on for example traffic and travel surveys, household socioeconomic sample surveys, participatory rapid appraisals, social and environmental impact assessments and indicators, and secondary data from government sources. Where relevant, indicators shall be disaggregated by gender and socioeconomic status;
- (vii) incorporate findings and supporting data in the project completion report; and
- (viii) evaluate the benefits of the project.

157. Disaggregated baseline data for output and outcome indicators (including sex disaggregated where relevant) gathered during project processing will be updated and reported quarterly through the {executing agency's} quarterly progress reports and after each ADB review mission. These quarterly reports will provide information necessary to update ADB's project performance reporting system.⁴⁹

158. Compliance monitoring. Supervision consultants will assist in monitoring compliance to the covenants. ADB will regularly review both the compliance as well as the monitoring done regularly and especially during review missions.

159. Social Safeguards Monitoring. This project is category A for involuntary resettlement, therefore two types of monitoring are necessary: internal and external monitoring. In as much as the framework is a combined IR-IP document, monitoring of IP safeguards will be subsumed in both internal and external monitoring. The UPMO in coordination with the ESSD shall set schedules for the required monitoring types taking into account the projects implementing schedule. It is expected that one month prior to the start of the civil works, all social safeguards documents/plan activities have been determined by the independent monitoring agent (IMA) and external monitoring agent (EMA) as having been concluded. 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.

160. **Internal Monitoring.** The ESSD will serve as the Project's internal monitoring body on resettlement. Quarterly monitoring reports will be submitted to the UPMO starting from the commencement of social safeguards documents/plans, which coincide with the conduct of

⁴⁹ ADB's project performance reporting system is available at <http://www.adb.org/Documents/Slideshows/PPMS/default.asp?p=evaltool>

detailed design and the other resettlement related activities. The UPMO in turn will submit the reports to ADB for review and uploading on the ADB website. The tasks of the IMA are to:

- (i) Regularly supervise and monitor the implementation of the social safeguards documents/plans (for those affected IPs living outside ancestral domains) in coordination with the concerned DEO, RO, and the RIC. The findings will be documented in the quarterly report to be submitted to the UPMO, which in turn will submit the report to the bank.
- (ii) Coordinate with the NCIP regarding the monitoring and evaluation of the situation of affected IP communities, whether inside or outside ancestral domains.
- (iii) Verify that the re-inventory baseline information of all APs has been carried out and the valuation of assets lost or damaged, the provision of compensation and other entitlements, and relocation, if any, has been carried out in accordance with this RIPDF and the respective social safeguards documents/plans.
- (iv) Ensure that the social safeguards documents for those affected IPs living outside ancestral domains are implemented as designed and planned.
- (v) Verify that funds for implementing the social safeguards documents/plans are provided by the UPMO in a timely manner and in amounts sufficient for the purpose.
- (vi) Record all grievances and their resolution and ensure that complaints are dealt with promptly.
- (vii) With the relevant branch of the NCIP and the RIC, monitor the implementation of social safeguards documents/plans covering affected IP communities living outside ancestral domains.

161. The suggested internal monitoring indicators, to be disaggregated by gender, ethnicity and vulnerability, as applicable, are presented in Social Appendix 4.

162. External Monitoring. The main objectives of external monitoring are to provide an independent periodic review and assessment of (i) achievement of resettlement objectives; (ii) changes in income, living standards and livelihoods; (iii) restoration and/or improvement of the economic and social base of the affected people; (iv) effectiveness and sustainability of entitlements; and (v) the need for further mitigation measures. The tasks of the EMA shall be the following:

- (i) Verify results of internal monitoring;
- (ii) Coordinate with the NCIP regarding the monitoring and evaluation of the situation of affected IP communities, whether inside or outside ancestral domains as covered in pertinent social safeguards documents/plans;
- (iii) Verify and assess the results of the information campaign for APs rights and entitlements, including the consultation with affected IPs living outside ancestral domain;
- (iv) Verify that the compensation process has been carried out with the procedures communicated with the APs and affected IPs during the consultations;
- (v) Assess whether resettlement objectives have been met; specifically, whether livelihood and living standards have been restored or enhanced
- (vi) Assess efficiency, effectiveness, impact and sustainability of social safeguards documents/plans implementation drawing lessons as a guide to future resettlement and indigenous people's policy making and planning;
- (vii) Ascertain whether the social safeguards document/plan entitlements were appropriate to meet the objectives, and whether the objectives were suited to AP and to IP conditions;

- (viii) Suggest modification in the implementation procedures of the social safeguards document/plan, if necessary, to achieve the principles and objectives of the RIPDF.
- (ix) Review on how compensation rates were evaluated; and
- (x) Review of the handling of compliance and grievances cases.

163. The services of the EMA will be procured through selection process of DPWH. Relative to compliance monitoring during resettlement implementation, the main activities of the external monitor will revolve around the following:

- (i) To verify ongoing internal monitoring information;
- (ii) To verify whether the overall project and resettlement objectives are being met in accordance with the social safeguards document/plan, and if not to suggest corrective measures;
- (iii) To assess the extent to which implementation of the social safeguards document/plan complies with ADB's Safeguards Policy Statement (SPS);
- (iv) To identify problems or potential problems;
- (v) To identify methods of responding immediately to mitigate problems and advise the [name of the borrower or client] accordingly; and;
- (vi) To verify if the livelihoods and the standard of living of APs, including those of the non-titled displaced persons, are restored or improved.

164. External monitoring will be conducted on a semi-annual basis. Semi-Annual reports will be submitted simultaneously to UPMO and ADB. Strategic lessons for future policy formulation and planning will also be drawn from the monitoring and evaluation of resettlement. This is possible through a Post-Resettlement Implementation Evaluation Study that will be carried out 6-12 months following completion of all resettlement activities.

165. The EMA will submit to UPMO and ADB a "Resettlement Compliance Report" following completion of resettlement activities per subproject or specific sections of the subproject road. This will allow ADB to review and issue a no objection letter (NOL) to commence construction activities following review of resettlement compliance report.

166. The suggested external monitoring indicators are in Social Appendix 5.

167. Monitoring Disclosure. For internal monitoring, DPWH will generate the data for a full and consolidated quarterly internal monitoring report (IMR) to be submitted to ADB (See Appendix 6 for the guidance of report preparation). Monitoring reports are subject to review by ADB and posted on the ADB and project websites for disclosure purposes.

168. 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.

169. **Gender and Social Dimensions Monitoring.** Implementation of the GAP will be monitored regularly. The ESSD will serve as the GAP monitoring body. The project Gender Specialist shall assist the IA and ESSD in preparing the monitoring frame for the project and shall take lead in generating the data for monitoring at the subproject level through the DEO. Processing of GAP monitoring data shall be done at the ESSD to also align with country commitments to Gender and Development. GAP monitoring reports will be prepared and

submitted at least semi-annually together with overall project progress reports to ADB for review and uploading on the ADB website. For GAP implementation reporting purposes, the template in Appendix 3 shall be used

170. As a general intervention, no specific poverty indicators have been included in the DMF, but social dimensions are incorporated in the social safeguards and gender/GAP monitoring. Mindanao-wide poverty-related baselines are provided in the SPRSS to be included in the overall project monitoring. A table of key parameters are provided in Social Appendix 6.

9. Objectives

171. **Environmental Monitoring:** Day to day project management will be undertaken by the UPMO. The Project will provide the UPMO with the assistance of a construction supervision consultant (CSC) to help ensure proper implementation of the environmental management plan during construction. The UPMO, with assistance from the ESSD and CSC, will undertake monthly monitoring of the contractor's environmental performance and implementation of the EMP. The results of the monthly monitoring will be consolidated into semi-annual environmental monitoring reports. The UPMO will submit the following environmental reporting documentation to the ADB: (i) Environmental Monitoring Reports twice annually during the construction period for review and disclosure on ADB website; and (iii) Project Completion Environmental Monitoring Report after completion of construction, detailing the status of EMP implementation, outstanding environmental issues and time-bound corrective action plan.

C. Evaluation

172. After loan signing, the project inception mission will be fielded, as continuation to the work done during processing and initiates the process of project implementation. The project inception mission is to ensure that the borrower and EA understand ADB's procedures. Thereafter and when the need arises, review missions will be fielded preferably twice every year. Among the main purposes of the review missions are to review the overall implementation as envisaged, examine implementation problems, check the budget utilization and identify cost overrun/underrun, review progress of procurement review compliance to loan covenants.

173. A midterm review mission will be fielded to assess whether the project's immediate objectives are still likely. This will include (a) review of institutional, administrative, organizational, technical, environmental, social, economic and financial aspects of the project based on the DMF; (b) review of covenants to assess their relevance or need to be changed; (c) assessment if there is a need to restructure the project; and (d) updating the project DMF where restructuring is necessary or its main objectives will change.

174. A project completion review mission will be fielded after completion of the project. Among the main purpose of the mission are (a) to evaluate the processing and design of the project by ADB and the borrower, (b) assess the performance of ADB and the borrower and EA, (c) assess the performance of the consultants, contractors and suppliers, (d) reevaluate the financial and economic performance of the project at its initial stage of operation, (e) recommend steps in making the project sustainable, (f) assess whether the immediate development objective has been met.

D. Reporting

175. DPWH will provide ADB with (i) quarterly progress reports in a format consistent with ADB's project performance reporting system; (ii) 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 18 months; and (iii) 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

1. Objectives

176. 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:

- (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.

2. Key Stakeholders

177. The key stakeholders of the project include:

- Project affected persons
- Project beneficiaries / public
- Transport users and organizations
- Community organizations
- Rural Improvement Clubs (RCIs)
- Local NGOs
- Government officials: Barangay, Municipal, Provincial, Regional

3. Strategy

178. 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.

179. 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.

180. 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.

181. 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.

182. 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.

183. **A Stakeholder Communications Strategy** matrix setting forth required communication activities, resource requirements, and responsible parties for implementation and monitoring is set forth in the matrix in Table 12, below.

Table 12: Stakeholder Communication Strategy Matrix

Stakeholder Communication Strategy Matrix								
Project communication objectives: To create a well-informed and supportive stakeholder community for the project, by: <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 KIIs 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 rational, 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

184. ADB reserves the right to investigate, directly or through its agents, any violations of the Anticorruption Policy relating to the project.⁵⁰ 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.⁵¹

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

XI. ACCOUNTABILITY MECHANISM

186. 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.⁵²

XII. RECORD OF CHANGES TO THE PROJECT ADMINISTRATION MANUAL

187. 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.

⁵⁰ Anticorruption Policy: <http://www.adb.org/Documents/Policies/Anticorruption-Integrity/Policies-Strategies.pdf>

⁵¹ ADB's Integrity Office web site: <http://www.adb.org/integrity/unit.asp>

⁵² Accountability Mechanism. <http://www.adb.org/Accountability-Mechanism/default.asp>.

XIII. APPENDICES

Social Appendix 1: Subproject Resettlement Screening Checklist	Yes	No	Not Known	Remarks
A. Involuntary Acquisition of Land				
1. Will there be land acquisition?				
2. Is the site for land acquisition known?				
3. Is the ownership status and current usage of land to be acquired known?				
4. Will easement be utilized within an existing Right of Way (ROW)?				
5. Will there be loss of shelter and residential land due to land acquisition?				
6. Will there be loss of agricultural and other productive assets due to land acquisition?				
7. Will there be losses of crops, trees, and fixed assets due to land acquisition?				
8. Will there be loss of businesses or enterprises due to land acquisition?				
9. Will there be loss of income sources and means of livelihoods due to land acquisition?				
B. Involuntary restrictions on land use or on access to legally designated parks and protected areas				
10. Will people lose access to natural resources, communal facilities and services?				
11. If land use is changed, will it have an adverse impact on social and economic activities?				
12. Will access to land and resources owned communally or by the state be restricted?				
C. Information on Displaced Persons:				
Any estimate of the likely number of persons that will be displaced by the Project? <input type="checkbox"/> No <input type="checkbox"/> Yes If yes, approximately how many? _____				
Are any of them poor, female heads of households, or vulnerable to poverty risks? <input type="checkbox"/> No <input type="checkbox"/> Yes				
Are any displaced persons from Indigenous Peoples? <input type="checkbox"/> No <input type="checkbox"/> Yes				

Note: The project team may attach additional information on the project as necessary

Social Appendix 2: Entitlement Matrix

No	Impact/Loss Category	Application	Entitled Person	Project Compensation/Entitlement
A. LAND LOSS				
1.	Classified as Agricultural, Commercial	Severely affected 10% or more of the total landholding/ productive asset lost or where less than 10% lost but the remaining land holding become economically unviable	AP with Title, tax declaration and other proof of ownership	<ul style="list-style-type: none"> • 100% Cash compensation for loss of land at current market value • If feasible, land for land will be provided in terms of a new parcel of land of equivalent productivity, at a location acceptable to APs • Holders of free or homesteads patents and CLOA under CA 141. [(i) follow the other modes of acquisition enumerated in the IRR of RA10752, if the landowner is not the original patent holder and any previous acquisition of said land is not through a gratuitous title; Cash compensation for loss of land at 100% current market value and improvements at replacement cost) or (ii) follow the provisions under CA No. 141 regarding acquisition of ROW on patent lands, if the landowner is the original patent holder or the acquisition of the land from the original patent holder is through a gratuitous title] except for improvements at replacement cost • Holders of Certificates of Land Ownership Award (CLOA) granted under the Comprehensive Agrarian Reform Act (RA 6657) shall be compensated at current market value • Holders of Certificates of Land Ownership Award (CLOA) granted under CA 141. Public Lands Act will be compensated on land improvements only. • Cash compensation for damaged crops at market value at the time of taking. • Rehabilitation assistance in the form of skills training equivalent to the amount of Php15, 000.00, per family, if the present means of livelihood is no longer viable and the AP will have to engage in a new income activity.
		Severely affected 10% or more of the total landholding/ productive asset lost or where less than 10% lost but the remaining land holding become	APs with tax declarations without Titles Provided that the land owner shall present: a. Tax Declaration showing his and his	<ul style="list-style-type: none"> • 100% Cash compensation for loss of land at current market value • If feasible, land for land will be provided in terms of a new parcel of land of equivalent productivity, at a location acceptable to APs • Holders of free or homesteads patents and CLOA under CA 141. [(i) follow the other modes of acquisition enumerated in the IRR of RA10752, if the landowner is not the original patent holder and any previous

No	Impact/Loss Category	Application	Entitled Person	Project Compensation/Entitlement
		economically unviable	<p>predecessors' open and continuous possession of the property for at least thirty (30) years;</p> <p>b. Certification from the Department of Environment and Natural Resources (DENR) that the land is alienable and disposable; and</p> <p>c. Other documents that may show proof of ownership</p>	<p>acquisition of said land is not through a gratuitous title; Cash compensation for loss of land at 100% current market value and improvements at replacement cost) or (ii) follow the provisions under CA No. 141 regarding acquisition of ROW on patent lands, if the landowner is the original patent holder or the acquisition of the land from the original patent holder is through a gratuitous title] except for improvements at replacement cost</p> <ul style="list-style-type: none"> • Holders of Certificates of Land Ownership Award (CLOA) granted under the Comprehensive Agrarian Reform Act (RA 6657) shall be compensated at current market value • Holders of Certificates of Land Ownership Award (CLOA) granted under CA 141. Public Lands Act will be compensated on land improvements only. • Cash compensation for damaged crops at market value at the time of taking. • Rehabilitation assistance in the form of skills training equivalent to the amount of Php15, 000.00, per family, if the present means of livelihood is no longer viable and the AP will have to engage in a new income activity.
	Classified as Residential and industrial		AP with titles, tax declarations and other proof of ownership	<ul style="list-style-type: none"> • 100% Cash compensation for loss of land at current market value • If feasible, land for land will be provided in terms of a new parcel of land of equivalent productivity, at a location acceptable to APs
			<p>APs with tax declarations without Titles</p> <p>Provided that the land owner shall present:</p> <p>a. Tax Declaration showing his and his predecessors' open and continuous possession of the property for at least thirty (30) years;</p>	<ul style="list-style-type: none"> • 100% Cash compensation for loss of land at current market value • If feasible, land for land will be provided in terms of a new parcel of land of equivalent productivity, at a location acceptable to APs

No	Impact/Loss Category	Application	Entitled Person	Project Compensation/Entitlement
			<p>b. Certification from the Department of Environment and Natural Resources (DENR) that the land is alienable and disposable; and</p> <p>c. Other documents that may show proof of ownership</p>	
		Severely affected Loss 20% and above of the total landholding or where less than 20% loss but the remaining become economically unviable (Refer to RIPF and Table 11 #2)	With Titles, Tax Declaration and other proof of ownership	<ul style="list-style-type: none"> • Cash compensation for loss of land at 100% at current market value • If feasible, land for land will be provided in terms of a new parcel of land of equivalent productivity, at a location acceptable to APs
			<p>APs with tax declarations without Titles</p> <p>Provided that the land owner shall present:</p> <p>a. Tax Declaration showing his and his predecessor s' open and continuous possession of the property for at least thirty (30) years;</p> <p>b. Certification from the Department of Environment and Natural Resources</p>	<ul style="list-style-type: none"> • Cash compensation for loss of land at 100% at current market value • If feasible, land for land will be provided in terms of a new parcel of land of equivalent productivity, at a location acceptable to Aps

No	Impact/Loss Category	Application	Entitled Person	Project Compensation/Entitlement
			(DENR) that the land is alienable and disposable; and c. Other documents that may show proof of ownership	
		Less than 20% of the total landholding lost or where less than 20% lost or where the remaining landholding still viable for continued use (Refer to RIPF and Table 11 #2)	AP with titles, tax declarations and other proof of ownership	<ul style="list-style-type: none"> • Cash compensation at 100% for the affected portion of the land • If feasible, land for land will be provided in terms of a new parcel of land of equivalent productivity, at a location acceptable to APs • Holders of free or homesteads patents and CLOA under CA 141. [(i) follow the other modes of acquisition enumerated in the IRR of RA10752, if the landowner is not the original patent holder and any previous acquisition of said land is not through a gratuitous title; Cash compensation for loss of land at 100% current market value and improvements at replacement cost) or (ii) follow the provisions under CA No. 141 regarding acquisition of ROW on patent lands, if the landowner is the original patent holder or the acquisition of the land from the original patent holder is through a gratuitous title] except for improvements at replacement cost • Holders of Certificates of Land Ownership Award (CLOA) granted under the Comprehensive Agrarian Reform Act (RA 6657) shall be compensated at current market value • Holders of Certificates of Land Ownership Award (CLOA) granted under CA 141. Public Lands Act will be compensated on land improvements only. • Cash compensation for damaged crops at market value at the time of taking. • Rehabilitation assistance in the form of skills training equivalent to the amount of Php15, 000.00, per family, if the present means of livelihood is no longer viable and the AP will have to engage in a new income activity.
			AP without Titles	<ul style="list-style-type: none"> • Cash compensation at 100% for affected portion only • If feasible, land for land will be provided in terms of a new parcel of land of equivalent

No	Impact/Loss Category	Application	Entitled Person	Project Compensation/Entitlement
			<p>Provided that the land owner shall present:</p> <p>a. Tax Declaration showing his and his predecessor s' open and continuous possession of the property for at least thirty (30) years;</p> <p>b. Certification from the Department of Environment and Natural Resources (DENR) that the land is alienable and disposable; and</p> <p>c. Other documents that may show proof of ownership</p>	productivity, at a location acceptable to Aps
B. STRUCTURES				
1.	(Classified as Commercial	Severely affected persons/HHs: When the loss of the AP is equivalent to 10% or more of its total productive assets (e.g., farmland, fish farm) and incomes from other sources (e.g., business/shops), and/or when the AP loses its house totally and must reorganize	<p>AP with Title or tax declaration (Tax declaration can be legalized to full title)</p> <p>AP without Title</p> <p>Provided that meeting all of the following criteria:</p> <p>1. Must be a Filipino citizen</p> <p>2. Must not own any real property or any other housing facility whether in an</p>	<p>• 100% Cash compensation for the entire structure at replacement cost.</p> <p>• 100% Cash compensation for the entire structure at replacement cost</p>

No	Impact/Loss Category	Application	Entitled Person	Project Compensation/Entitlement
		behind the right-of-way or relocate elsewhere	urban or rural area; and 3. Must not be a professional squatter or a member of squatting syndicate, as defined in Republic Act No. 7279	
		Less than 10% of the productive asset lost or where the remaining structure as productive asset can still function and is viable for continued use	AP with Title, tax declaration and other proof of ownership	• 100% Compensation for affected portion of the structure at replacement cost
			AP without Title Provided that meeting all the following criteria: 1. Must be a Filipino citizen 2. Must not own any real property or any other housing facility whether in an urban or rural area; and 3. Must not be a professional squatter or a member of squatting syndicate, as defined in Republic Act No. 7279	• 100% Compensation for affected portion of the structure at replacement cost
	(Classified as Residential, Commercial and Industrial	Loss 20% and above of the total area of the structure or where less than 20% loss but the remaining become economically unviable (Refer to RIPF and Table 11 #2)	AP with Title or tax declaration	• 100% Cash compensation for the entire structure at replacement cost.
			AP without Title Provided that meeting all the following criteria: 1. Must be a Filipino citizen 2. Must not own any real property or any other housing facility	• 100% Cash compensation for the entire structure at replacement cost.

No	Impact/Loss Category	Application	Entitled Person	Project Compensation/Entitlement
			whether in an urban or rural area; and 3. Must not be a professional squatter or a member of squatting syndicate, as defined in Republic Act No. 7279 4. Must not occupy an existing government ROW	
		Loss of 20% below the total area of the structure or where the remaining structure can still function and is viable for continued use (Refer to RIPP and Table 11 #2)	AP with Title, tax Declaration, and other proof of ownership AP without Title Provided that meeting all of the following criteria: 1. Must be a Filipino citizen 2. Must not own any real property or any other housing facility whether in an urban or rural area; and 3. Must not be a professional squatter or a member of squatting syndicate, as defined in Republic Act No. 7279 4. Must not occupy an existing government ROW	<ul style="list-style-type: none"> • 100% Cash compensation for the affected portion at replacement cost • 100% Cash compensation for the affected portion at replacement cost
C. IMPROVEMENTS				
1.	Loss of other improvements	Severely or marginally affected	AP with or without Titles, tax declaration, etc.	<ul style="list-style-type: none"> • Cash compensation for the affected improvements at replacement cost

No	Impact/Loss Category	Application	Entitled Person	Project Compensation/Entitlement
			<p>Provided that meeting all of the following criteria:</p> <ol style="list-style-type: none"> 1. Must be a Filipino citizen 2. Must not own any real property or any other housing facility whether in an urban or rural area; and 3. Must not be a professional squatter or a member of squatting syndicate, as defined in Republic Act No. 7279 4. Must not occupy an existing government ROW 	
D. CROPS, TREES AND PERENNIALS				
1.	Loss of Crops, trees and perennials		<p>AP with or without Titles, tax declaration, etc.</p> <p>Provided that meeting all of the following criteria:</p> <ol style="list-style-type: none"> 1. Must be a Filipino citizen 2. Must not own any real property or any other housing facility whether in an urban or rural area; and 3. Must not be a professional squatter or a member of squatting syndicate, as defined in Republic Act No. 7279 	<ul style="list-style-type: none"> • Cash compensation for crops, trees, and perennials at current market value as prescribed by the concerned LGUs, DA, and DENR.

No	Impact/Loss Category	Application	Entitled Person	Project Compensation/Entitlement
			4. Must not occupy an existing government ROW	
E. OTHER ENTITLEMENTS				
1.	For Agricultural and commercial and including commercial establishment	Severely affected 10% or more of the total landholding/ productive asset lost or where less than 10% lost but the remaining land holding become economically unviable	Land owner, Agricultural tenants/settlers/ lessee with title, tax declaration and other proof of ownership or in compliance with RA 10752	<ul style="list-style-type: none"> Rehabilitation assistance (skills training and other development activities) equivalent to P 15,000 per family will be provided in coordination with other government agencies, if the present means of livelihood is no longer viable and the PAF will have to engage in a new income activity
2.	For Agricultural Land	Severely affected Loss 20% and above of the total area of the landholding or where less than 20% loss but the remaining become economically unviable (Refer to RIPF and Table 11 #2)	Agricultural Lessee	<ul style="list-style-type: none"> Disturbance Compensation equivalent to five (5) times the average gross harvest for the past three (3) years but not less than ₱15,000.00
			Agricultural tenants and settlers	<ul style="list-style-type: none"> Financial assistance equivalent to the average gross harvest for the last three (3) years and not less than P15,000 per hectare (EO 1035)
3.	For commercial/ business	Severely affected Loss 20% and above of the total area of the commercial structure or where less than 20% loss but the remaining become economically unviable (Refer to RIPF and Table 11 #2)	APs with latest copy of APs tax record for the period corresponding to the stoppage of business activities	<ul style="list-style-type: none"> Income rehabilitation assistance not to exceed ₱15,000.00.
4.	For main structure	Severely affected Loss 20% and above of the total area of the main	APs that needs relocation and new construction	<ul style="list-style-type: none"> Inconvenience Allowance in the amount of ₱10,000.00

No	Impact/Loss Category	Application	Entitled Person	Project Compensation/Entitlement
		structure or where less than 20% loss but the remaining become economically unviable (Refer to RIPF and Table 11 #2)		
F. FOR RELOCATION				
5.	Severe loss of residential structure	Families displaced who opt to be relocated	APs/Informal Settlers Families (ISFs)	<ul style="list-style-type: none"> • Transportation Allowance or Assistance. If relocating, free transportation will be provided to APs to include informal settlers in urban centers who opt to go back to their places of origin in the provinces or be shifted to government relocation sites.
6.	Loss of structures	Severely affected without land	For APs and qualified Informal Settlers Family	<ul style="list-style-type: none"> • For relocation (in coordination with the LGUs and NHA) or • Should relocation not be possible within the said period financial assistance in the amount equivalent to the prevailing minimum daily wage multiplied by 6 months shall be extended to the affected families by LGUs concerned (RA 7279) • APs will be provided with relocation options suitable to their preference. Options are (i) self-relocation, (ii) on-site relocation, and (iii) relocation to project-sponsored resettlement sites in cooperation with key actors – local governments and other entities as mandated by law.

Social Appendix 3: Sample Gender Action Plan (GAP) Monitoring Template

Date of Update:

Project Title:

Country:

Project No.:

Type of Project (Loan/Grant/TA):

Approval and Timeline:

Gender Category:

Mission Leader:

Project Impact:

Gender Action Plan (GAP Activities, Indicators and Targets, Timeframe and Responsibility)	Progress to date (as of _____) (This should include information on period of actual implementation, sex-disaggregated quantitative updates (e.g. number of participating women, women beneficiaries of services, etc.), and qualitative information. However, some would be on-going - so explain what has happened so far towards meeting the target.	Issues and Challenges (Please include reasons why an activity was not fully implemented, or if targets fall short, or reasons for delay, etc., and provide recommendations on ways to address issues and challenges)
Output 1: Capacity of human resources for agricultural research improved		
1. Human capacity strengthening for female scholars: at least 10% of the total trainees (55 persons) will be women	Achieved: 13 out of 55 staff (24%) were appointed to study abroad for Masters, PhD or postdoctoral degrees	
2.		
3.		

Gender Action Plan (GAP Activities, Indicators and Targets, Timeframe and Responsibility)	Progress to date (as of _____) (This should include information on period of actual implementation, sex-disaggregated quantitative updates (e.g. number of participating women, women beneficiaries of services, etc.), and qualitative information. However, some would be on-going - so explain what has happened so far towards meeting the target.	Issues and Challenges (Please include reasons why an activity was not fully implemented, or if targets fall short, or reasons for delay, etc., and provide recommendations on ways to address issues and challenges)
Output 2:		
1.		
2.		
3.		
Output 3:		

Comments/ Remarks:

Accomplished by: _____

Date Accomplished: _____

Social Appendix 4: Suggested Internal Monitoring Indicators

Monitoring parameters	Suggested indicators
RESETTLEMENT	
Consultation and Grievances	<ul style="list-style-type: none"> • Consultations organized as scheduled including meetings, groups, and community activities. • Knowledge of entitlements by the APs/IPs. .(sex disaggregated) • Use of the grievance redress mechanism by the APs/IPs. .(sex disaggregated) • Information on the resolution of the grievances. • Information on the implementation of the social preparation phase. • Implementation of special measures for customary communities.
Communications and Participation	<ul style="list-style-type: none"> • Number of general meetings for APs/IPs. • Number of meetings exclusively with IPs. • Percentage of women out of total participants. • Number of meetings exclusively with women/IP women. • Number of meetings exclusively with vulnerable groups. • Number of meetings between hosts and the APs/IPs. • Level of participation in meetings APs/IPs. • Level and adequacy of information communicated. • Information disclosure. • Translation of information disclosed in the local languages.
Delivery of Entitlements	<ul style="list-style-type: none"> • Entitlements disbursed, compared with number and category of losses set out in the entitlement matrix. • Disbursements against timelines. • Identification of APs/IPs losing land temporarily, e.g. through soil disposal, borrow pits, contractors' camps, have been included. • Timely disbursements of the agreed transport costs, income substitution support, and any resettlement allowances, according to schedule. • Quality of new plots and issuance of land titles. • Percentage of new land titles registered under both spouses. • Restoration of social infrastructure and services. • Progress on income and livelihood restoration activities being implemented as set out in the livelihood restoration plan. • Affected businesses receiving entitlements, including transfer and payments for net losses resulting from lost business.
Budget and Time Frame	<ul style="list-style-type: none"> • Social safeguards staff appointed and mobilized on schedule for field and office work. • Capacity building and training activities completed on schedule. • Achieving resettlement and customary community implementation activities against the agreed implementation plan. • Funds allocation for resettlement-to-resettlement agencies on time. • Receipt of scheduled funds by resettlement offices. • Funds disbursement according to the social safeguards documents/plans. • Social preparation phase as per schedule. • Land acquisition and occupation in time for implementation.
Livelihood Restoration	<ul style="list-style-type: none"> • Number, sex and age of APs/IPs under the rehabilitation programs • Number sex and age of APs/IPs who received vocational training. • Types of training and number of participants in each program. (sex disaggregated)

	<ul style="list-style-type: none"> • Number of APs/IPs who have restored their income and livelihood patterns. (sex disaggregated) • Number of new employment activities. • Extent of participation in rehabilitation programs. • Extent of participation in vocational training programs. • Degree of satisfaction with support received for livelihood programs. (sex disaggregated) • Percentage of successful enterprises breaking even. (sex disaggregated) • Percentage of APs/IPs who improved their income. (sex disaggregated) • Percentage of APs/IPs who improved their standard of living. • Number of households with agricultural equipment • Number of households with livestock
Benefit Monitoring	<ul style="list-style-type: none"> • Noticeable changes in patterns of occupation, production, and resource use compared to the pre-project situation. • Noticeable changes in income and expenditure patterns compared to the pre-project situation. • Changes in cost of living compared to the pre-project situation. • Changes in key social and cultural parameters relating to living standards. • Changes occurred on customary communities and other vulnerable groups benefiting from the project.
IP/ICC	
Demographic baseline	<ul style="list-style-type: none"> • The numbers of IPs/ICCs by category of impact, gender, age, village, income, and status • Number of female headed households • Number of vulnerable households (poor, elderly, disabled) • Number of households by IP/ICC group • Number of births and deaths
Consultation and participation	<ul style="list-style-type: none"> • Number of consultation and participation activities that occur - meetings, information dissemination, brochures; flyers, training • Percentage of IP women as participants; number of meetings exclusively with IP women • Percentage of vulnerable members of IPs/ICCs / attending meetings; number of meetings exclusively with vulnerable IPs/ICCs • Languages used at meetings • Good faith negotiations—recording of process, participants, locations, correspondence • Broad community support—record of processes, participants, locations and agreement obtained • Consultation and participation progress against plan and budget
Mitigation measures	<ul style="list-style-type: none"> • Progress of implementation of mitigation / beneficial measures against plan • Number of activities that occur/completed—such as construction, livelihood restoration, disbursements, training • Percentage progress against timelines and budget
Grievance redress	<ul style="list-style-type: none"> • Total number of members of IPs/ICCs using the grievance redress procedure • Number of distinct IPs/ICCs - any of these with significantly more grievances • How many times has a household submitted the same grievance • Number of grievances resolved • Length of time taken to be resolved • Types of grievance categories and prevalence
Implementation problems	<ul style="list-style-type: none"> • Identified delays - (days, cost) due to personnel, capacity, insufficient funds, etc • Number of times implementation schedule revised

Social Appendix 5: Suggested External Monitoring Indicators

Monitoring Indicators	Basis for Indicators
1. Basic information on AP/IP households	<ul style="list-style-type: none"> • Location • Composition and structures, sex, ages, education and skill levels • Sex of household head • Ethnic affiliation or identification • Access to health, education, utilities and other social services • Housing type • Land use and other resource ownership patterns • Occupation and employment patterns (sex disaggregated) • Income sources and levels (sex disaggregated) • Agricultural production data (for rural households) • Participation in neighborhood or community groups • Access to cultural sites and events • Value of all assets forming entitlements and resettlement entitlements
2. Restoration of livings standards	<ul style="list-style-type: none"> • Were house compensation payments made free of depreciation, fees or transfer costs to the APs/IPs? • Have APs/IPs adopted the housing options developed? • Have perceptions of "community" been established? • Have APs/IPs achieved replacement of key social cultural elements?
3. Restoration of Livelihoods	<ul style="list-style-type: none"> • Were compensation payments free of deduction for depreciation, fees or transfer costs to the APs/IPs? • Were compensation payments sufficient to replace lost assets? • Was sufficient replacement land available of suitable standard? • Did transfer and relocation payments cover these costs? • Did income substitution allow for re-establishment of enterprises and production? • Have enterprises affected received sufficient assistance to re-establish themselves? • Have vulnerable groups been provided income-earning opportunities? Are these effective and sustainable? • Do jobs provided restore pre-project income levels and living standards? • Have women received equal compensation to men?
4. Levels of AP Satisfaction	<ul style="list-style-type: none"> • How much do APs/IPs know about resettlement procedures and entitlements? (sex disaggregated) • Do APs/IPs know their entitlements?(sex disaggregated) • Do they know if these have been met? (sex disaggregated) • How do APs/IPs assess the extent to which their own living standards and livelihood been restored? (sex disaggregated) • How much do APs/IPs know about grievance procedures and conflict resolution procedures? How satisfied are those who have used said mechanisms? (sex disaggregated)
5. Effectiveness of Resettlement Planning	<ul style="list-style-type: none"> • Were the APs/IPs and their assets correctly enumerated? • Were any land speculators assisted? • Was the time frame and budget sufficient to meet objectives? • Were entitlements too generous? • Were vulnerable groups identified and assisted? • How did resettlement implementers deal with unforeseen

Monitoring Indicators	Basis for Indicators
	problems?
6. Other impacts	<ul style="list-style-type: none"> • Were there unintended environmental impacts? • Were there unintended impacts on employment or incomes?

Social Appendix 6: Some Social/Poverty Baseline Parameters

Parameter (2015)	PHI	Zamboanga Peninsula (Region 9)	Northern Mindanao (Region 10)	Davao Region (Region 11)	Soccskargen (Region 12)	Caraga Region (Region 13)	ARMM	Total / Ave
Area (km ²)	300,000.0	16,904.0	20,458.5	20,433.4	22,786.1	21,120.6	36,651.0	138,353.5
Population 2015	100,979,303.0	3,629,783.0	4,689,302.0	4,893,318.0	4,545,276.0	2,596,709.0	3,781,387.0	24,135,775.0
# Household population	22,975,630.0	799,219.0	1,042,929.0	1,177,461.0	1,050,680.0	574,338.0	620,385.0	5,265,012.0
Density (km ²) 2015	336.6	214.7	229.2	239.5	199.5	122.9	103.2	174.5
Household size	4.4	4.5	4.5	4.1	4.3	4.5	6.1	4.7
Poverty incidence	21.6	39.0	40.9	26.7	44.5	43.9	59.0	42.3
Subsistence incidence	5.7	9.2	13.8	5.2	15.5	12.0	17.0	12.1
Labor Force								
- Household population, 15 years old and over number (in000)	64,936,000.0	2,294,000.0	3,109,000.0	3,182,000.0	2,798,000.0	1,791,000.0	2,398,000.0	15,572,000.0
- Percent in the labor force 15 years old and over	63.7	62.5	67.8	64.2	65.0	64.7	54.4	63.1
- Percent of labor force:								
Employment Rate	93.7	96.5	94.4	94.2	96.5	94.3	96.5	95.4
Unemployment Rate	6.3	3.5	5.6	5.8	3.5	5.7	3.5	4.6
Underemployment Rate	18.5	18.5	24.9	18.9	23.2	26.2	11.1	20.5
Ave Annual Income	267,000.0	190,000.0	221,000.0	247,000.0	188,000.0	198,000.0	139,000.0	197,166.7
Ave Annual Expenditure	215,000.0	144,000.0	161,000.0	190,000.0	162,000.0	159,000.0	111,000.0	154,500.0
Ave Annual Savings	52,000.0	46,000.0	60,000.0	57,000.0	26,000.0	39,000.0	28,000.0	42,666.7
Economy		Farming and fishing are the main economic activities of the region. It also has rice and corn mills, oil processing, coffee berry processing and processing of latex from rubber. Its home industries include rattan and furniture craft, basketmaking, weaving and brass work.	The economy of Northern Mindanao is the largest regional economy in the island of Mindanao. ^[5] The economy in Northern Mindanao is mainly agricultural. But there is also a booming growth of industries and power distribution.	While the region's economy is predominantly agri-based, it is now developing into a center for agro-industrial business, trade and tourism. Its competitive advantage is in agri-industry	The "Tuna Capital of the Philippines" because of the bountiful existence of Yellowfin Tuna in Sarangani Bay.	The agriculture, fishery and forestry (AFF) sector is Caraga's banner economic sector	One of the country's top producers of fish and marine resources, particularly seaweed, which is used in some toothpastes, cosmetics and paints. It has large mineral deposits, including copper and gold.	

Estimated by averaging from 2015/2016 national statistics