



Land Bank of the Philippines

**ENVIRONMENTAL AND SOCIAL MANAGEMENT FRAMEWORK  
(ESMF)**

**Harnessing Agribusiness Opportunities through Robust and Vibrant  
Entrepreneurship Supportive of Peaceful Transformation (HARVEST)**

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## ACRONYMS

BIR	Bureau of Internal Revenue
CA	Commonwealth Act
DAO	Department Administrative Order
DENR	Department of Environment and Natural Resources
DP	Displaced Person
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESSC	Environmental and Social Screening Checklist
EA	Environmental Assessment
EIS	Environmental Impact Statement
EO	Executive Order
EMA	External Monitoring Agency
ESIA	Environmental and Social Impact Assessment
FPIC	Free and Prior Informed Consent
GOP	Government of the Philippines
HARVEST	Harnessing Agribusiness Opportunities through Robust and Vibrant Entrepreneurship Supportive of Peaceful Transformation
IRR	Implementing Rules and Regulations
ICC	Indigenous Cultural Community
IP	Indigenous People
IPF	Indigenous Peoples Framework
IPP	Indigenous People's Plan
JICA	Japan International Cooperation Agency
LAAR	Land Acquisition and Access to Resources
LBP	Land Bank of the Philippines
LRIC	LGU Resettlement Implementation Committee
LCE	Local Chief Executive
LGU	Local Government Unit
M&E	Monitoring & Evaluation
NCIP	National Commission of Indigenous Peoples
NGO	Non-Government Organization
OP	Operational Policy
PO	People's Organization
PhP	Philippine Peso
PCUP	Presidential Commission for the Urban Poor
PD	Presidential Decree
PMO	Project Management Office
RA	Republic Act
RAP	Resettlement Action Plan
RCF	Resettlement and Compensation Framework
ROW	Right-of-Way
WB	World Bank

## **I. Environmental and Social Management Framework**

### **1.0 Introduction**

#### **1.1 Project Overview**

The proposed Harnessing Agribusiness Opportunities through Robust and Vibrant Entrepreneurship Supportive of Peaceful Transformation (HARVEST) is envisaged to be a lending facility for agribusiness and agribusiness-related investors in the Bangsamoro territory and neighboring areas. It will provide a line of credit to Land Bank of the Philippines (LBP) at a concessional rate to on-lend to eligible LBP borrowers directly or through accredited conduits. The proposed project loan is US\$265 million. The project period is expected to be five years (expected implementation commencement in October 2015 and completion in December 2020), with project closing in June 2021. The Project Development Objective (PDO) is to generate investment and create sustainable jobs and income generation opportunities in Bangsamoro territory. It has two components: (i) Investment Development Fund with cost estimated at US\$265 million; and (ii) Capacity Building and Institutional Development, Monitoring and Evaluation.

Under Component 1, Investment Development Fund, HARVEST will provide a line of credit at a concessional rate and terms to eligible LBP borrowers. Sub-loans would be demand-driven and made to end-borrowers meeting a set of eligibility criteria. Three main potential categories of LBP borrowers are: (i) large private corporations; (ii) cooperatives (producers' organizations) and private anchor firms; and (iii) micro, small and medium enterprises. Component 2, Capacity Building and Institutional Development, Monitoring and Evaluation, is technical assistance to LBP from JICA. HARVEST will be implemented in the Bangsamoro region, which is located in the southwestern part of the Philippines, with the following proposed core territory:

- Autonomous Region in Muslim Mindanao (ARMM) consisting of five provinces (Basilan, Lanao del Sur, Maguindanao, Sulu and Tawi-tawi) and one city (Marawi City);
- Municipalities of Baloi, Munai, Nunungan, Pantar, Tagoloan, and Tangkal in the province of Lanao del Norte;
- Thirty nine barangays in the municipalities of Kabacan, Carmen, Aleosan, Pigkawayan, Pikit, and Midsayap in the province of North Cotabato who voted for inclusion in the ARMM in 2001 plebiscite;
- Cities of Lamitan and Isabela in the province of Basilan; and
- Other contiguous areas that may opt to be included in the Bangsamoro region.

### **1.2 Prevailing Environmental and Social Conditions**

#### **1.2.1 Geography**

The region proposed as the Bangsamoro area or territory shares many similar physical and environmental characteristics as that in Mindanao and the country. The region is endowed with rich natural resources characterized by river basins, wetlands, and forest lands, production areas, settlements and coastal and marine areas. Terrestrial and marine biodiversity in the region is still considered rich although there are habitats that are threatened by exploitation and degradation. Within the region there are declared (local, national, and internationally recognized) conservation and protection areas. The proposed Bangsamoro region is located in the southwestern part of the Philippines with the proposed core territory composed of five provinces and one city. The proposed region also consists of expansion areas including six municipalities and 39 barangays of North Cotabato, and the cities of

Lamitan and Isabela in the island province of Basilan. There may be other contiguous areas in the future that may opt to be included in the Bangsamoro region. The total land area of the proposed region is estimated to be 1,488,353 hectares with Maguindanao and Lanao del Sur having the biggest land areas. The ARMM constitutes the largest area of the Bangsamoro at 87% of the total area of the region. Each of the island provinces has a land area of over 100,000 hectares. There are four urban areas in the Bangsamoro region consisting of the cities of Marawi in Lanao del Sur, Lamitan and Isabela in Basilan, and Cotabato City in Maguindanao. The population of these urban areas account for 18% of the Bangsamoro region with an average density of 1,070 per square kilometer.

#### 1.2.2 River basins and wetlands

An important geographic feature of the Bangsamoro region is the river basins that encompass the area. The mainland provinces of the Bangsamoro region are located within the Mindanao River Basin and the Agus River Basin, two of the major rivers basins in the country that cover four regions in Central and Southern Mindanao including the Bangsamoro region. The river basins are the catchment areas of several river systems in region. Another feature of the region and associated with the Mindanao River Basin is the expansive wetlands such as marshes, swamps, lakes, and riparian areas. A notable wetland in the region is the Ligawasan Marsh composed of three marshlands: Ligawasan, Libungan and Ebpanan Marshes which have a combined area of approximately 285,000 hectares. The marsh is rich in biodiversity and plays a central role in the livelihood of the communities around the area and serve as retarding basin during heavy rainfall. There are also other important aquatic ecosystems such as lakes located in the region – and noted to be one of the biggest lakes in the country (Lake Lanao and Buluan).

#### 1.2.3 Forestland and protected areas

Approximately half of the total land area of the Bangsamoro region is considered forestland. As an approximation of the region, the 2012 Forestry Statistics from the Forest Management Bureau (FMB) estimates that of the 1,293,552 hectares land area of the ARMM, 51% or 665,151 hectares are classified as forest land. The overall forest cover, as percentage of the forestland, has increased from 27% in 2003 to 48% in 2010 attributed to the expansion of closed forest, mangroves and plantations. Areas set-aside for conservation and protection such as protected areas and watershed reserves total 192,491 hectares. The aggregate area subjected to various management instruments is 257,406 hectares or approximately 39% of the total forestland. The remaining 61% of the forestland are “open access” that can be potentially exploited or misused. There are ten (10) protected areas in the region with specific legal declarations and totaling approximately 184,000 hectares.

#### 1.2.4 Marine and coastal environment

The Bangsamoro region has approximately 3,232 km of coastline and around 18,420 hectares of ocean waters representing 8 percent of the country's territorial waters. The Sulu Sea is part of the Sulu-Sulawesi (Celebes) marine ecoregion and is the most prominent marine ecosystem in the Bangsamoro region. This large marine ecosystem is one of the most diverse and productive in the world and was recently recognized as a marine biodiversity hotspot for the variety of habitats it supports, from reefs to the mangroves. The coral reefs found in the Sulu Sulawesi marine ecoregion are considered to be in better condition than the rest of the coral reefs in the country. Another important marine ecosystem in the region are those characterized by seagrasses, with the Philippines ranked as having second highest seagrass diversity in the world. The Turtle Islands in Tawi Tawi is one of the first transboundary marine protected area covering Malaysia and the Philippines. The coastal and marine resources within the territorial waters of the Bangsamoro region

account for one of the highest fisheries production in the country contributing 18% to the national fisheries production. Seaweeds are another important fishery product accounting for the majority of the region's total fisheries production with the provinces of Sulu and Tawi-Tawi contributing 72% of the country's total seaweed production.

#### 1.2.5 Biodiversity

There is a growing body of knowledge on the biodiversity status of the Bangsamoro region comparable to other areas of the country. The biodiversity status in the Bangsamoro region is considered similar to the rest of the country. Ten of the total 128 identified biodiversity rich areas known as Key Biodiversity Areas (KBAs) are found in the Bangsamoro region and mostly classified as protected areas or watershed reservations. In the Bangsamoro region, forty-four species are identified as threatened including the Philippine eagle, Sulu hornbill, and hawksbill turtle. Threats to these species include land cover change, exploitation, and habitat destruction.

#### 1.2.6 Climate

The projected seasonal changes in the climate of the region by PAGASA for 2020 and 2050 under medium-range emission scenario indicate that the ARMM region will have an average increase of 1.1 °C in surface temperature in 2020 and further 2.1 °C by 2050. In terms of precipitation, the region will receive more rainfall in the months of December to February and relatively drier in most parts of the year. Compared to other eastern regions in Mindanao, the ARMM is expected to experience fewer extreme events particularly number of days with precipitation over 300 mm. Other extreme events such as number of dry days and temperature over 35 °C reflect the average changes in the Mindanao Island.

#### 1.2.7 Demographic and 'tri-people' context

One distinguishing feature of the communities in the region is its demography and tri-people context – with the population consisting of Moros or Muslims, lumads or indigenous peoples, and Christian settlers from Luzon and Visayas and has influenced the social structure and aggregation of communities. The region has for many years undergone tumultuous conflicts that have sustained poverty and resulted to instability. In 2010, ARMM registered a total population of 3,248,787. The Muslims comprise the overwhelming majority in the region. Based on the combined databases of the Office of Southern Cultural Communities (OSCC) in ARMM and the National Commission on Indigenous People (NCIP) in Basilan, the total population of indigenous people in ARMM in 2010 was 606,452 or 18.6% of the total population in the same year.

#### 1.2.8 Economic and poverty context

In 2012 the region posted the highest poverty incidence among families across all regions in the country. As of first semester of 2012, poverty incidence is at 46.9 and subsistence incidence is at 20.4, which means that about 46.9% of every 100 families are poor, with their income incapable of providing the basic food requirements. Among the five provinces, Lanao del Sur had the highest poverty incidence of 68.9, followed by Maguindanao at 57.8. Three of the five provinces had the lowest Human Development Index (HDI) across provinces in the whole country in 2009. Economic performance has been consistently lower in ARMM compared to the rest of Mindanao and the Philippines over the past decade. In 2012, ARMM's Gross Regional Domestic Product (GRDP) grew by only 1.2% compared to 7.4% in the Mindanao "growth areas" of Regions 10 and 11. The ARMM economy is predominantly agricultural in nature, with Agriculture, Fishery and Forestry (AFF) sector comprising 63.5 percent of GRDP over the period 2009-2012. The service

sector constitutes the second largest proportion of GRDP ahead of industry as the third main driver of GRDP.

#### 1.2.9 Conflict context

The conflict in the Bangsamoro region can be categorized into vertical and horizontal conflicts. Vertical conflict (state versus rebel groups) is primarily between the government and groups challenging the authority of the State (such as the MILF, MNLF, BIFF, etc). Horizontal conflicts arise from political elites competing for key electoral positions in the government or control over scarce resource in the area, inter-ethnic competition (IPs versus Moros, Maranaos versus Maguindanaoans), or inter-communal conflict (Christians versus Moros, MILF versus MNLF). Causes of conflicts are varied including the most common of which would be clan feud, political, land conflict, and religious.

#### 1.2.10 Complex land issues

Land issues in Mindanao have been one of the major sources of conflict. Conflicts are complicated by the existing institutional limitations of land management and land dispute resolution mechanisms. There are five government line agencies involved in issuing and managing titles. Vested interests across these agencies have stalled previous reform efforts. At the same time, a lack of coordination has increased the prevalence of conflict through the issuance of multiple title instruments on individual plots of land, in the process reducing the legitimacy of existing titles. Apart from the complexity and inefficiency of the Philippine land administration system, contributing to the land conflicts in Mindanao is the contrast of this statutory system with the traditional or customary land ownership concepts and land use practices of the Moros and indigenous people in Mindanao.

#### 1.2.11 Environmental and social risks and potential impacts

The environmental risks and potential impacts of agribusinesses vary according to the type of project, practices and the absorbing capacity of the environment. To facilitate the assessment of environmental risk and potential impacts, agribusinesses were subdivided into farming and production systems, post-production processing including extraction and purification, and agribusiness support facilities.

The environmental risks and potential impacts from farming and production systems include:

- Forest/land conversion and loss of natural habitats and biodiversity;
- Overfishing and loss of marine resources;
- Soil degradation and erosion;
- Lower water availability;
- Water pollution (area source from application of fertilizers and agrochemicals);
- Waste management, and
- Health impacts from exposure to agrochemicals and other pollutants.

On the upstream, the environmental risks and impacts related to post-production processing including post-harvest, extraction and purification include:

- Pollution (point sources such as emission to air and discharge of effluent), and
- Waste management.

The environmental risks and impacts related to agribusiness supporting facilities, such as power plants, waste treatment facilities, irrigation systems, fishing boats, etc:

- Forest/land conversion and loss of natural habitats and biodiversity;
- Overfishing and loss of marine resources;



- Soil degradation and erosion;
- Less water availability and poorer quality;
- Pollution (point sources such as emission to air and discharge of effluent), and
- Waste management.

The social risks and potential impacts of especially large agribusinesses are caused by three main factors: problematic land administration system resulting into insecure land tenure and many land conflicts; remote location of many poor people, especially the indigenous peoples (IPs), and poor road system; and lack or inadequate access to basic services, including education. Given these factors, identified social risks and potential impacts are:

- Displacement of indigenous people;
- Involuntary resettlement given the need for land of large agribusiness;
- Increase in land conflicts;
- Insignificant economic improvement due to low wage rate and land rent;
- Less participation and benefit of women and other vulnerable people; and
- Further disempowerment of the poor if without an effective system for receiving and redressing grievances from the communities.

Positive social impacts identified were:

- Generated jobs and increased economic opportunities in poor communities;
- Restored productivity of lands abandoned because of armed conflicts;
- Enhanced confidence in farming due to improved farming technology and sure market introduced by large agri-business companies; and
- Added social services provided to host communities.

In view of the above, the project is assessed to trigger six safeguards policies of the World Bank – Environmental Assessment (WB OP/BP 4.01); Pest Management (OP 4.09); (Natural Habitats (OP/BP 4.04); Forests (OP/BP 4.36); Indigenous Peoples (OP/BP 4.10); and Involuntary Resettlement (OP/BP 4.12) – and related policies of Japan International Cooperation Agency (JICA) and the Government of the Philippines (GPH).

### 1.3 General Objectives

The Environmental and Social Management Framework (ESMF) establishes the objectives, procedures, the institutional framework, and implementation arrangements for the identification, management and monitoring of potential environmental and social impacts. It has been developed to ensure compliance with government rules and regulations, including Land Bank of the Philippines' (LBP) rules and regulations, as well as the World Bank (WB) and the Japan International Cooperation Agency (JICA) safeguards policies. The objective of the ESMF is to ensure that activities under the proposed projects will:

- Protect human health and well-being;
- Prevent or compensate any loss of assets or access to livelihood;
- Minimize environmental degradation as a result of either individual projects or their cumulative effects;
- Minimize impacts on cultural property; and
- Enhance positive environmental and social outcomes.

The ESMF serves as an instrument to guide the proponents in ensuring that environmental and social impacts are identified and assessed and that appropriate mitigation, management, and monitoring measures are incorporated and applied in implementation of the proposed project activities. It also addresses mechanisms for

public consultation, participation, and disclosure of project documents as well as for redress of possible grievances and management of project-related issues which may arise during implementation.

#### 1.4 General Principles

The ESMF is based on the following principles:

- Each project to be funded by HARVEST needs to go through an environmental and social screening process, consistent with Philippine Government, Land Bank of the Philippines, World Bank and JICA environmental and social safeguards policies.
- To ensure effective application of safeguards policies, the ESMF provides guidance on the approach to be taken during implementation of HARVEST in particular, the selection and design of projects and the planning of mitigation measures.
- Land acquisition for the different types of agribusiness investments proposed under the project may give rise to displacements of people. If these occur, Resettlement Action Plans (RAPs) for specific projects shall be prepared.
- Indigenous Peoples (IP) may be present in some of the project areas. If so, Indigenous Peoples Plans (IPPs) for specific project may be prepared.
- Employment shall be based on the principle of equal opportunities, on the basis of professional competence, irrespective of gender, ethnicity or religious affiliation. In all projects, which require consultations with local communities or beneficiaries, consultations will be conducted to elicit the views of the male and female population.
- Consultation and disclosure requirements will be tailored to meet the specific needs of these operations. This ESMF will be disclosed in the Land Bank of the Philippines library, in the WB Info Shop and JICA website.

#### 1.5 Use of this Framework

The ESMF is designed to ensure due diligence and avoid causing harm or exacerbating social tensions, and to make consistent the treatment of social and environmental issues by LBP. This ESMF will assist LBP, particularly the Environmental Program Management Department (EPMD), in screening all the projects for their likely social and environmental impacts, identifying documentation and preparation requirements, and prioritizing investments. This ESMF provides specific instructions and methodologies for use by the LBP and its borrowers under HARVEST.

The provisions of this ESMF are consistent with LBP's Corporate Environmental Policy and the WB and JICA environmental and social safeguard policies to support environmental protection and promote sustainable development, while mitigating credit risks arising from adverse environmental and social impacts on projects. This ESMF is organized into two main sections: (1) main text, summarizing the overall environmental and social safeguards procedures and arrangements; and (2) annexes, sample documents and technical guidelines on the preparation of the environmental and social safeguards reports.

Important parts of this document have been extracted from the DENR DAO 2003-30 Procedural Manual as supplemented by the latest DENR Administrative Order 2014-005. In case of any discrepancies exist among the WB safeguards policies, JICA Social and Environmental Considerations, and current DENR regulations, the more stringent requirement prevails.

The ESMF proposed methodology is mainly based on and combines the following guidelines and documents:

- LBP's Environmental Policy Relative to Credit Delivery (CPI 2009-002);
- Presidential Decree (PD) No. 1586 (EIS System, 1978);
- Presidential Proclamation No. 2146 (Critical Projects/Areas);
- DENR Administrative Order No. 2003-30: Implementing Rules and Regulations (IRR) for the Philippines EIS System (2003); Procedural Manual for DAO 2003-30, and EMB MC 2014-005 (amending relevant portions of MC 2007-002);
- World Bank environmental and social safeguards guidelines, in particular on Environmental Assessment (OP 4.01), Pest Management (OP 4.09), Involuntary Resettlement (OP 4.12), Indigenous Peoples (OP 4.10) and possibly on Forest (OP 4.36), Natural Habitats (OP 4.04), and Physical Cultural Resources (OP 4.11).
- JICA's Guidelines for Environmental and Social Considerations (2010)

The environmental and social safeguards policies that are applicable under HARVEST are described in the succeeding table. JICA's guidelines are consistent with these policies. The third column provides guidance on specific measures and actions required by each party to comply with the specific WB and JICA policies, and lists the range of safeguards instruments that may be adopted and the manner in which to integrate and verify environmental and social due diligence requirements.

*Table 1. Detailed Description of Environmental and Social Safeguards Policies*

Policy	Objectives	Procedures
<b>Environmental Safeguards</b>		
Environmental Assessment (OP 4.01) / JICA's Guidelines for Environmental and Social Considerations	To assist LBP borrowers on the screening of projects proposed for financing to help ensure that they are environmentally sound and sustainable, and thus improve decision-making.	<p>1. Project Screening using the Negative List. LBP will do the initial screening of proposed activities. Activities are initially screened through the "negative list of activities." Refer to ESMF-1 for the List of Negative Project Attributes.</p> <p>2. Screening for Environment Category of projects. Project staff will screen projects early in the identification stage, determine project boundaries, and classify projects into appropriate safeguards categories using the Environmental and Social Screening Checklist (ESSC). The ESSC is included as annex (Refer to ESMF-2).</p> <p>3. Determining Safeguards Instruments to be used. The</p>

Policy	Objectives	Procedures
		requirements under the Philippine environmental regulations are then determined. An EA may be required depending on the scale and nature of the project. An ESMP is included as part of the bidding documents and will be included as contractual obligations of the winning contractor that will carry out works under the project.
Pest Management (OP 4.09)	To assist LBP borrowers to minimize the environmental and health hazards related to pesticide usage and to ensure that pest management activities follow an Integrated Pest Management (IPM) approach.	<p>1. Pest and pesticide management issues relevant to the project must be initially addressed in the Environmental Assessment (EA).</p> <p>2. A separate Pest Management Plan (PMP) will be developed when there are significant pest management issues as a result of project activities. PMP will be required when: specific environmental or health concerns are raised (i.e., proximity of protected areas or water supply sources; worker safety); new land-use development or changed cultivation practices in an area; diversification into new crops in agriculture or intensification of existing low-technology systems.</p>
Forest (OP 4.36)	To assist LBP borrowers to harness potential of forests to reduce poverty, and to integrate forests effectively into sustainable economic development.	<p>1. The EA must assess the potential impact of the project on forest and on the rights and welfare of local communities (those living in or near a forest).</p> <p>2. Plantation projects must consider the potential for introducing invasive species.</p> <p>3. Projects involving the management of forests must incorporate, as appropriate, measures to address the respective roles and legal rights of the government, the private sector, and the local people.</p>
Natural Habitats (OP 4.04)	To assist LBP borrowers to support the protection, maintenance, and rehabilitation of natural habitats.	1. The policy shall apply to any project with the potential to cause significant conversion (loss) or degradation of natural habitats, whether directly (through construction) or indirectly (through

Policy	Objectives	Procedures
		<p>human activities) induced by the project.</p> <p>2. This policy will have a precautionary approach in determining application. This will be applied when the project would harm natural habitat significantly, and mitigation measures will be needed or even the project might possibly harm natural habitats significantly and further information must be collected to ascertain the impact.</p>
Physical Cultural Resources (OP 4.11)	To assist LBP borrowers consider physical cultural resources in their environmental and social context and to enhance positive effects of development activities through identification of cultural resources as economic and social assets.	The policy will apply to projects classified during screening as Category A or B. These may be projects involving significant excavations, demolition, movement of earth, flooding or other environmental changes; those located in, or in the vicinity of, physical cultural resources sites recognized by the borrow.
<b>Social Safeguards</b>		
Involuntary Resettlement (OP 4.12) / JICA's Guidelines for Environmental and Social Considerations	<ul style="list-style-type: none"> <li>• Involuntary resettlement should be avoided where feasible, or minimized, exploring all viable alternative project designs.</li> <li>• Where it is not feasible to avoid resettlement, resettlement activities should be conceived and executed as sustainable development programs, providing sufficient investment resources to enable the persons displaced by the project to share in project benefits.</li> <li>• Project Affected Persons should be meaningfully consulted and should have opportunities to</li> </ul>	<p>1. Project Screening for Involuntary Resettlements. Screening of impacts on involuntary resettlement on the basis of the land required by the project and its architectural and engineering designs.</p> <p>2. Preparation of RAPs. RAPs will be prepared taking into consideration the magnitude of impacts. Full RAPs will be prepared if 200 persons or more are expected to be displaced by a project, and abbreviated RAPs will be carried out if less than 200 persons are expected to be displaced by a project or if impacts are "minor", i.e., if the affected people are not physically displaced and less than 10 percent of their productive assets are lost. The screening checklist for the LAAR is found in the Annexes as ESMF-2.III.10-14 and Table 1 in page 15 of the main text. This will be used to determine the magnitude of</p>

Policy	Objectives	Procedures
	<p>participate in planning and implementing resettlement programs.</p> <ul style="list-style-type: none"> <li>• Project Affected Persons should be assisted in their efforts to improve their livelihoods and standards of living or at least to restore them, in real terms, to pre-displacement levels or to levels prevailing prior to the beginning of project implementation, whichever is higher.</li> </ul>	<p>impact, types of affected land, and required safeguards instruments. Its formulation should be done in a participatory manner starting with meaningful consultations with communities who will help in seeking the participation of landowners.</p> <p>3. RAP Review. The WB and JICA will jointly undertake prior review and clear all full RAPs and the first three abbreviated RAPs submitted.</p> <p>4. RAP Implementation. The LBP borrower will carry out implementation ensuring that all RAP deliverables especially compensation are completed at least a month prior to the commencement of civil works in the particular project component that caused displacement. Payments for uncollected compensation due to lack of clarity of an authorized representative of a landowner shall be put in trust by the LBP borrower</p>
Indigenous Peoples (OP 4.10) / JICA's Guidelines for Environmental and Social Considerations	<p>This policy contributes to the Bank's mission of poverty reduction and sustainable development by ensuring that the development process fully respects the dignity, human rights, economies, and cultures of Indigenous Peoples.</p>	<p>1. Determine IP presence. Following this ESMF and the IP Framework, project proponents screen IP presence or any ancestral domain (title or claim) in project sites.</p> <p>2. Free and Prior Informed Consent (FPIC). Consensus of all IP members affected must be determined in accordance with their respective laws and practices, free from any external manipulation, interference and coercion, and obtained after fully disclosing the intent and scope of the project activity, in a language and process understandable to the community. The conduct of field-based investigation and the process of obtaining the Free and Prior Informed Consent (FPIC) shall take into consideration the primary and customary practices of consensus-building, and shall conform to Section 14 (Mandatory Activities for</p>

Policy	Objectives	Procedures
		<p>Free and Prior Informed Consent) of NCIP Administrative Order No.3, series of 2002, and A.O. #3 Series of 2012 (Revised Guidelines on FPIC and related processes).</p> <p>3. Development of IP Plan. Based on social assessment and the FPIC process, the LBP borrower prepares the IPP to document measures to enhance positive effects by ensuring its cultural responsiveness and mitigate adverse effects.</p> <p>4. Implementation/ Monitoring. Monitoring and supervision of projects will be carried out in a culturally sensitive manner paying close attention to complaints and grievances being resolved. As part of the technical assistance to the project, the services of anthropologist may be needed. The assistance of the NCIP shall be mobilized.</p>

## 2.0 Institutional Arrangements for Environmental and Social Safeguards

### 2.1 The Land Bank of the Philippines

The Land Bank of the Philippines (LBP), as a government financial institution, implements an Environmental Due Diligence (EDD) process for all projects that it finances and including the collaterals offered as security, pursuant to CPI 2009-02 (Revised Environmental Policy on Credit Delivery). The EDD system of LBP is based significantly on the Philippine EIS System (PEISS) particularly on project classification, coverage, and compliance requirements. The Environmental Compliance Certificate (ECC) is a pre-release condition of the loans and non-compliance with identified applicable environmental laws and regulations is considered as a condition for default.

The EDD is carried out by the Environmental Program and Management Department (EPMD) of LBP with ten personnel. The EPMD undertakes environmental assessments, performance monitoring and audits as well as environmental compliance report of projects based on environmental risks.

Unlike its practice on environmental safeguards, LBP develops social safeguards policy and installs the necessary social safeguards guidelines and mechanisms only when required by partner donor agencies, such as the World Bank and the Japan International Cooperation Agency. The task of managing social safeguards is not yet institutionalized and merely added to the functions of the EPMD when required. The LBP has been engaged as a financial intermediary of various projects by the World Bank and JICA and is expected to have a good level of understanding of the

environmental and social safeguards requirement of the two institutions. Specifically when it comes to its engagement with the World Bank, LBP capacity in implementing social and environment safeguards was assessed to be satisfactory in the implementation of two projects – the Water Districts Development Project (WDDP) and the Support for Strategic Local Development Investment Project (SSLDIP).

## 2.2 Roles of LBP, World Bank and JICA

LANDBANK shall assume the responsibility of implementing HARVEST, in accordance with Loan Agreements and the Operational Policy Guidelines for the project.

LANDBANK shall set up a Project Management Office (PMO), which will be responsible for (a) monitoring the progress of the project, (b) identifying issues and engaging in problem-solving with necessary parties, (c) preparation of progress and financial reports, (d) establishing a database or processes to capture the results and impacts of the sub-projects assisted by the project, (e) maintain regular reports agreed with JICA and World Bank, (f) preparing progress and monitoring reports as required by the relevant national agencies or by Loan Agreements.

LANDBANK shall ensure compliance with the environmental laws and regulations of the Philippine Government and the environmental and social safeguards policies of the WB and JICA using this Environmental and Social Management Framework (ESMF) developed to provide general objectives, policies and guidelines.

The World Bank and JICA shall advise and support the PMO in carrying out its responsibilities. Within the WB and JICA, operational staff will provide information to the PMO and ascertain whether policy requirements have been met. WB and JICA will also conduct a review on a number of environmental and social safeguards documents.

## 3.0 ESMF Guidelines for Harvest

### 3.1 Project Preparation

#### 3.1.1 Timing of safeguards in project preparation

The basic approach in the preparation of an environmental and social assessment report is to have it simultaneously and closely coordinated, and integrated with the preparation of the project feasibility study. In doing this, all environmental and social aspects and impacts will be included right from the beginning to facilitate the proper selection of project alternatives that will bear the minimal amount of risks or negative impacts.

#### 3.1.2 Environmental safeguards procedures

The selection, design, contracting, monitoring and evaluation of projects will be consistent with the following guidelines and requirements. The safeguard screening and mitigation process will include:

- (i) *List of negative characteristics rendering a proposed project ineligible for support, (ESMF-1);*

The initial screening of all projects is done using the negative list.



- (ii) *Proposed checklist of likely environmental and social impacts to be filled out for each project or group of projects. Environmental and Social Screening Checklist ESSC. (ESMF-2);*

Projects which are not included in the negative list are then screened using the ESMF-2 or the Environmental and Social Screening Checklist, as a first stage of screening to determine EA category and instruments. The project will also be screened for coverage under the Philippine EIS System. If the project is covered, the type of document/instrument required may vary from IEE checklist or EIS depending on the project's environmental category. Refer to ESMF-4 for the *Environmental Category and Documentary Requirements of Projects (i.e., agribusiness which may be proposed under the HARVEST)*.

A scoping meeting may be organized with the DENR to determine requirements under Philippine regulations. If under Philippine regulations an EIS or full EA is required for the project, this document will serve also the purposes of WB/JICA safeguards requirements. The ESMP, which is part of the EIS will also be included as part of the contractual obligations of the LBP borrower and its contractors.

In the event a project is not covered under the Philippine EIS System, the project is screened using the Environmental and Social Screening Checklist ESSC (ESMF-2). The safeguards category is determined using the checklist and the appropriate safeguard instrument is prepared, as follows:

Documents required per category

Category	Documents	
A		
B		
C		

- (iii) *Inclusion of ESMPs in technical specifications of contracts to help prevent and mitigate potential environmental impacts.*

The assessment of predicted environmental impacts shall be the basis for the LBP borrower and the design consultants/contractors in the selection of appropriate project alternatives.

### 3.1.3 Social Safeguards Procedures

Review will commence with the enumeration by the Lending Centers, with assistance from the PMO, when necessary, of the extent of land acquisition, project-affected population and asset losses that may result from a project's implementation, using a checklist. To facilitate review, LBP borrowers may complete the checklist. Reviewers will verify the information put in by LBP borrowers from the submitted project documents, and/or from project site visit. See Table 2 below.

*Table 2: Checklist of Project-Affected Persons and Assets*

Social Impact	Yes	No	Specify Details
a) Land acquisition necessary			Size and use of land
b) HHs / Persons will be displaced			Total number of HHs /persons
c) Presence of informal settlers			Total number of informal HHs / settlers
d) Legal structures acquired / damaged			Number, size, and built of structures

e)	Informal structures being removed			Number, size, and built of structures
f)	People losing means of livelihood			Total number of HHs /persons
g)	Basic services will be inaccessible			Type/s of basic services
h)	Crops / trees being damaged / lost			Number and type of crops / trees
i)	Tenants / Lessees losing crops / trees			Number of tenant HHs losing how many, what type of crops / trees
j)	Informal settlers losing crops / trees			Number of informal HHs losing how many, what type of crops / trees
k)	Presence of indigenous peoples in project area			Total number of indigenous HHs /persons
l)	Cultural property affected			Number, size, and type of cultural property

Social safeguards requirements will be triggered when any one of the above social impacts is positively identified/confirmed. Based on the information derived from the checklist, the following are validated (See Table 3):

- Appropriateness of the prepared/submitted social safeguard document for the social category of the project; and
- Conformity of the prepared social safeguard documents to the provisions of the HARVEST Resettlement and Compensation Framework.

*Table 3: Required Social Safeguards Document*

No. of Displaced Persons	Required Document/s
> 200 persons displaced	Full Resettlement Plan (Attachment RCF-3)
Presence of IPs or ancestral domain	Indigenous People Development Plan (Attachment IPF-1)
1-200 persons or “minor impacts”, i.e. if the affected people are not physically displaced and less than 10 percent of their productive assets are lost.	Abbreviated Resettlement Plan (Attachment RCF-4)
0 person	None

The presence of IPs within the project's area of influence as residents or as food gatherers and/or places considered sacred makes a project socially critical (Refer to Table 4).

*Table 4: Criteria for Review of Social Aspect*

	Criteria	Means of verification
1	Extent of consultation and participation of adversely affected persons in the project area	<ul style="list-style-type: none"> <li>- Minutes of Public Consultations</li> <li>- Expression of Support of stakeholders, particularly those adversely affected</li> <li>- Survey Report on Acceptability / Willingness</li> <li>- Free &amp; Prior Informed Consultation, for DPs that are IPs</li> </ul>

2	Compensation & transition assistances & rehabilitation programs provided according to the provisions in HARVEST Resettlement Policy Framework	<ul style="list-style-type: none"> <li>- RAP</li> <li>- Compensation Table</li> <li>- Rehabilitation Program/s</li> <li>- Resettlement Implementation Schedule, in relation to overall Project Implementation</li> </ul>
3	Resettlement site of adversely affected persons with conditions equal to, or better than, that in existing sites	<ul style="list-style-type: none"> <li>- RAP</li> <li>- Resettlement Site Development Plan &amp; Vicinity Map</li> <li>- Description of available / accessible basic infrastructure and services in resettlement sites</li> <li>- Visit to resettlement site/s</li> </ul>
4	IPDP and/or RAP Implementation in relation to overall Project Implementation Schedule	<ul style="list-style-type: none"> <li>- RAP/IPDP</li> <li>- Project implementation schedule</li> </ul>
5	If applicable, due diligence on land acquisition especially land donations of affected lands for project implementation	<ul style="list-style-type: none"> <li>- Land acquisition documents including documentation of meetings</li> <li>- For land donation/s – need to assess agreement to donate, i.e., was there informed consent and power of choice? Also, need to ensure that there is a legal transfer of the asset (signing, registration, taxes/fees paid, etc). Or, if land already donated, documentation of donation/s (note the total land area from which portion needed by project is taken) and assess whether donation is legally valid (e.g. identify right being transferred, no lien on asset, occupants in affected portion, wife consent to transfer, agreement to transfer, legal transfer of title and registration, costs of transfer).</li> <li>- Assessment report on the donor's economic viability and economic sustainability of transferred asset (resources to maintain and support asset)</li> </ul>
6	Management of cultural properties within, or in close proximity to, the project area	<ul style="list-style-type: none"> <li>- Report on presence/absence of a cultural property</li> <li>- Brief reconnaissance report of competent authority to determine what is known of the cultural property aspects of the project site.</li> </ul>
7	Provision for M&E by an External (Independent) Monitoring Agency	<ul style="list-style-type: none"> <li>- Resettlement Action Plan</li> <li>- Resettlement Plan Cost Estimates</li> </ul>

### 3.2 Levels of Project Review

*Table 5: Institutional roles and responsibilities in preparation of projects*

Project ESA process	Project Proponent/LBP Borrower	LBP
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Project ESA process	Project Proponent/LBP Borrower	LBP
Identification/ Screening	<p>Conducts initial screening and scoping of project in coordination with relevant agencies. Determines category of projects as A, B or C.</p> <p>Determines level of impact and mode of land acquisition; identifies key stakeholders; undertakes public consultations.</p>	Validates and confirms results of environment and social screening/scoping, informs the WB & JICA.
Project preparation/ documentation	<p>Prepares and submits to LBP for review the following documents:</p> <ul style="list-style-type: none"> <li>• Cat A: ESIA that includes Contingency Plan and EMP.</li> <li>• Cat B: ESIA or IEE and EMP</li> <li>• Cat C: Project description and EMP depending on size and nature of activities</li> </ul> <p>Due Diligence on Resettlement &amp; Compensation and Indigenous People; Abbreviated RAP and or full RAP, and IP Plan, if applicable.</p>	Reviews documents for acceptability and submits to the WB & JICA, if required.
Review and clearance of documentation prior to appraisal by Bank.	<p>Transmits approved Environmental Clearance Certificates (ECCs) and other relevant government permits and clearances to the LBP.</p> <p>Submits social safeguard documents (RAP, Abbreviated RAP, to LBP.</p>	Exercises environmental due diligence Reviews documents acceptability, submits to the WB & JICA.
Implementation - Supervision, Monitoring and Evaluation	<p>Implements/monitors project compliance as per ECC and EMP, RAP/ARAP and IP Plan, if applicable</p> <p>Prepares Semi-Annual Environmental and Social Performance Audit Report.</p> <p>Provides resources for all activities related to the resettlement planning and implementation / Ensures projects are in compliance with the ESMF / Provides periodic Progress reports, incorporating monitoring results, to LBP.</p>	<p>Monitors project implementation and submits SECR to the WB &amp; JICA on a semi-annual basis</p> <p>Reviews Environment and Social Audit Report,</p> <p>Conducts regular monitoring of safeguards implementation for submission to the WB &amp; JICA.</p>

### 3.2.1 DENR Review

The environmental safeguards for projects must undergo project level and agency review to ensure that the necessary environmental safeguards are considered.

As a basic requirement for ECC, projects have to successfully pass the DENR screening system. Screening of projects is typically confirmed by the DENR-EMB (i.e., ARMM or Region 12) for Category B projects and at the EMB Central Office for Category A projects.

### 3.2.2 LBP Review

As an ISO 14001 certified institution, the LBP specifically through the EPMD will exercise environmental due diligence by keeping records of project EA reports, feedbacks/technical information, and ECCs/CNCs. Environmental safeguards documents may undergo substantive review by the EPMD, particularly if pressing environmentally critical issues exist.

The conduct of review by EPMD is part of its oversight function and task enumerated in the LBP CPI 2009-002 to verify that projects are in compliance with environmental standards and regulations. This type of review performed by either the EPMD or WB/JICA is entirely independent and does not conflict with the nature of evaluation the DENR performs.

### 3.2.3 World Bank Review

Apart from the DENR review of the EA report, WB will also conduct a review on a number of safeguards documents prior to the issuance of a No-Objection Letter (NOL). Among the safeguards documents that WB will review are:

#### *Environmental Safeguards*

- First EIS report for projects (Category B Projects).
- First IEE checklist report prepared for projects; and
- All Category A projects.

Any Category A project that has undergone appraisal/review shall only be allowed to proceed with the construction phase after the release of the environmental clearances from the DENR-EMB and the NOL from the WB.

#### *Social Safeguards*

- All full RAPs;
- All IPPs; and
- First three (3) abbreviated RAPs.

### 3.2.4 JICA Review

JICA will also conduct a review on the ESIA, RAP and IPP for the sub-project that is to be prepared based on the ESMF. LBP shall submit relevant documents such as result of categorization and environmental review, approved ESIA and its certification, RAP and IPP, if applicable, to JICA. JICA shall disclose the result of categorization on its website.

JICA shall conduct its environmental review of the sub-project based on such documents, and seek advice from the Advisory Committee for Environmental and Social Considerations in accordance with the JICA Guidelines, prior to JICA's concurrence with approval of the sub-project.

### 3.3 Retroactive Financing

Retroactive financing, as defined in the Loan Agreement between the WB, JICA and LBP is possible under the project. For a project to be considered for retroactive financing, the subproject financing criteria, including those related to environment and social safeguards have to be met.

Retroactive financing is possible as long as the procurement procedures followed are in line with that of the project and the sub-project eligibility criteria are satisfactorily met. Payments made within 12 months before the signing of the Loan Agreement would be eligible for retroactive financing and the total retroactive financing can be up to 20% of the value of the Bank loan. For sub-projects that are retroactively financed, a due diligence post-review will be carried out for both environmental and social impacts as follows:

- **Environmental impacts.**

LBP will review the LANDBANK Borrower project implementation to ensure compliance with environmental management requirements under the ESMF. If there are any outstanding environmental issues, necessary mitigation measures will be agreed and implemented to address them.

- **Social impacts.**

In projects where land has already been acquired, LANDBANK Borrower will review the project to determine compliance with applicable national laws and provisions of this ESMF, including consultation and disclosure requirements. LBP, on its part, will carry out due diligence to determine how the land was acquired and whether or not there are any outstanding claims, issues or risks associated with land acquisition, compensation or ownership. If necessary, additional mitigation measures will be developed and implemented. For purposes of due diligence, LBP will consider two levels of assessment:

- i) for land acquired two years prior to the first identification mission by the WB and JICA to determine whether or not the acquisition of land and resettlement was carried out in accordance with the national laws and regulations land whether there are any pending claims and legal issues; and
- ii) for land acquisition from the date of the first identification mission by the WB and JICA or where land acquisition activities are currently undergoing or recently been completed, the provisions of the World Bank's OP 4.12, and the ESMF will be applicable.

The Social and Environmental Compliance Report (SECR) will be prepared by the LANDBANK Borrower to briefly describe the safeguards aspects of each retroactively financed sub-project. The post-review reports and necessary mitigation measures will be reviewed by the LBP, WB and JICA. Compliance with the ESMF requirements is a condition for retroactive financing under the project.

### 4.0 Public Disclosure

This ESMF will be disclosed locally through the public library of LBP. It will be disclosed in English and be made available at the WB InfoShop. WB also require all other safeguards documents including project specific documents/mitigation plans prepared subsequently to be disclosed at the LBP public library. The LANDBANK Borrower prepares these as separate and freestanding documents. All Category A projects' safeguards documents will be disclosed in the WB Infoshop.

JICA shall disclose the approved ESIA and its certification for at least 120 days before JICA's concurrence with approval of the sub-project, and the RAP and IPP

before JICA's concurrence with approval of the sub-project. JICA shall also disclose the result of environmental review on its website after the concurrence with approval of the sub-project.

LBP will consult project-affected groups and local non-governmental organizations on the project's environmental and social aspects, and will take their views into account. LBP through the LBP borrower will initiate these consultations as early as possible, and for meaningful consultations, provide relevant material in a timely manner prior to consultation, in a form and language(s) understandable and accessible to the groups being consulted.

## 5.0 Project Monitoring and Supervision

### 5.1 Monitoring and Follow-Up

Monitoring of project compliance with safeguards requirements will be done by the EPMD in parallel with DENR monitoring. An LBP Environmental Compliance Report (ECR) shall be prepared by the EPMD to determine the project's compliance with the environmental requirements. The LBP ECR shall be submitted by EPMD to LBP's Program Management Department-I (PMD-I) and concerned Lending Center (LC) with recommendations to the LBP borrower on noted deficiencies in the required environmental documents.

Monitoring and validation of the project shall be undertaken annually by the EPMD until project completion to document the environmental performance of the project and note irregularities/ inconsistencies/non-conformities, if there will be any. An Environmental Performance Monitoring and Audit Report (EPMAR) to include recommendations to the LBP borrower on noted observations/non compliances on their operations, shall be prepared annually by EPMD and submitted to PMD-I and concerned LC. Thereafter, EPMD will continue monitoring of environmental compliance of the project consistent with its environmental policy on credit delivery, until the loan is fully paid.

EPMD will submit a safeguards compliance report to the WB and JICA teams during the bi-annual supervision support missions. WB and JICA safeguards specialists will also conduct a review of selected projects to make sure the LBP is implementing the framework adequately. WB and JICA staff will advise and support the LBP in carrying out its responsibilities. Within the WB and JICA, operational staff will provide information to the LBP and ascertain whether policy requirements have been met.

Also, projects that are covered by the Philippine EIS System are required by DAO 2003-30 to conduct regular self-monitoring of parameters as indicated in the project's ESMP. The LBP borrower must satisfy this requirement by submitting an Environmental and Social Monitoring Report (ESMR) on a semi-annual frequency, i.e., within January and July of each year, to the concerned DENR-EMB regional office. Copies of the submitted ESMR must be provided in three (3) sets to the PMO for reference and review purposes. The two (2) sets of the ESMR received by LBP will be transmitted to WB and JICA for record keeping.

The primary purpose of compliance monitoring is to ensure the implementation of sound and standard environmental and social procedures as defined during project preparation. Specifically, it aims to:

- Monitor project compliance with the conditions set in the ECC;
- Monitor compliance with the ESMP and applicable laws, rules and regulations;

- Provide a basis for timely decision-making and effective planning and management of environmental measures through the monitoring of actual project impacts vis-a-vis the predicted impacts in the EIS/IEE checklist;
- Monitor compliance to RAP and/or IPP;
- Monitor changes of risks/conflict drivers and actions for mitigation; and
- Provide basis for timely decision making and effective planning for measures that will ensure attainment of the objectives of social safeguards as indicated in the RAP and/or IPP.

There are also instances (critical environmental aspects) that the ECC sets the conditions for the activities to be monitored and the monitoring schedule.

## 5.2 Report/Document Monitoring

The submission of EA documents shall be monitored to keep track of the pace of processing the ECC/NOL so that project physical implementation is not prolonged. This activity shall serve as a barometer that will push the agency responsible to work on the needed deliverables.

*Table 6: Checklist of Environmental Documents*

LBP borrower	Environmental Document					Date Submitted	Remarks
	EIS	IEE-R	IEE-C	PD	ESMP		
1							
2							
3							
4							

*Table 7: Checklist of Social Safeguards Documents*

LBP borrower	Type of RAP (abbreviated/full)	IPP	Date submitted	Remarks
1.				
2.				
3.				
4.				

## 5.3 Implementation Support Mission (ISM)

There will be on the average two ISM a year. Safeguards compliance reports are to be submitted to WB and JICA by LBP before such missions. Regular monitoring of safeguards compliance will be carried out by LBP and any deviation from the agreed safeguards arrangements or critical issues immediately communicated to WB and JICA. Pending issues should be followed up until a resolution is reached.

## 6.0 Grievance Redress Mechanism

A Grievance Redress Mechanism (GRM) for the project is necessary for addressing legitimate concerns of affected individuals and groups who raise issues of concern during project implementation. Effective management of grievances is especially



important in the context of resettlement, where issues concerning entitlements may arise.

LBP will establish a grievance redress mechanism to address and resolve any project-related grievances from project-affected people or other members of the public. It will be managed by the Program Officer of HARVEST PMO. As a matter of policy, the project will not prevent any party from seeking legal remedies from any government judicial body or proper courts.

The GRM will be detailed out in the project operational manual with the following principles:

- **Simplicity** – procedures in filing complaints is understandable to users and easy to recall.
- **Accessibility** – filing complaints is easy through means that are commonly used by stakeholders, especially by the project-affected people.
- **Transparency** – information about the system is made widely available to all stakeholders and the general public.
- **Timeliness** – grievances are attended to and resolved in a timely manner.
- **Fairness** – feedback or complaints are validated thoroughly and subjects of complaints are given due process and opportunities for appeal.
- **Confidentiality** – identity of complainants remains confidential.

To achieve these principles, the GRM will be set up with the following features:

- *Multiple Uptake Points:* To build trust and confidence in the GRM, complainants will be provided with multiple channels to submit their complaints. These include, among others, postal mail, electronic messages, telephone, SMS, personal delivery/walk-in, or through the mainstream and social media. A project GRM hotline will be established to be managed by the PMO Program Officer.

- *Timely resolution at the lowest possible level:* The project will strive to attend to complaints in a timely manner. To do this, it will designate a GRM contact person at the project level. In addressing and resolving complaints, the project will build on existing mechanisms in the community (community leaders, barangay officials, barangay justice system, etc.). It is only when the complaint is not resolved at this level that the complaint goes to the next level of the GRM for resolution.

- *System for receiving, sorting, verifying, and tracking.* A simple system will be developed for more effective management of complaints to guide the PMO on the steps and arrangements from receiving, sorting, verifying, acting and tracking complaints. These will be detailed out in the operational manual. Complaints will be categorized and actions on the complaints will depend on the complaint category. The project will maintain a database documenting the salient details of complaints, including the dates they were received and when and what actions were taken. These documents will be available to the external monitoring team, World Bank and JICA. The project will monitor complaints and coordinate with the concerned LGUs and relevant government agencies as needed to resolve them adequately and expeditiously. LBP will keep the World Bank and JICA informed about significant complaints and the steps taken to resolve them through routine supervision and provide details in progress reports.

- *Publicly disclosed and easily accessible.* The complaints / grievance redress arrangements will be publically disclosed so that people are aware of where and how

complaints will be managed. The GRM contact person assigned to the project will further ensure that people in the project's area of influence are aware of grievance management arrangements. Ideally complaints should be written, but if received verbally, the project contact person will ensure written documentation is made and that the complaint is dated and recorded.

Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns.

Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond.

For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit [www.worldbank.org/grs](http://www.worldbank.org/grs).

For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

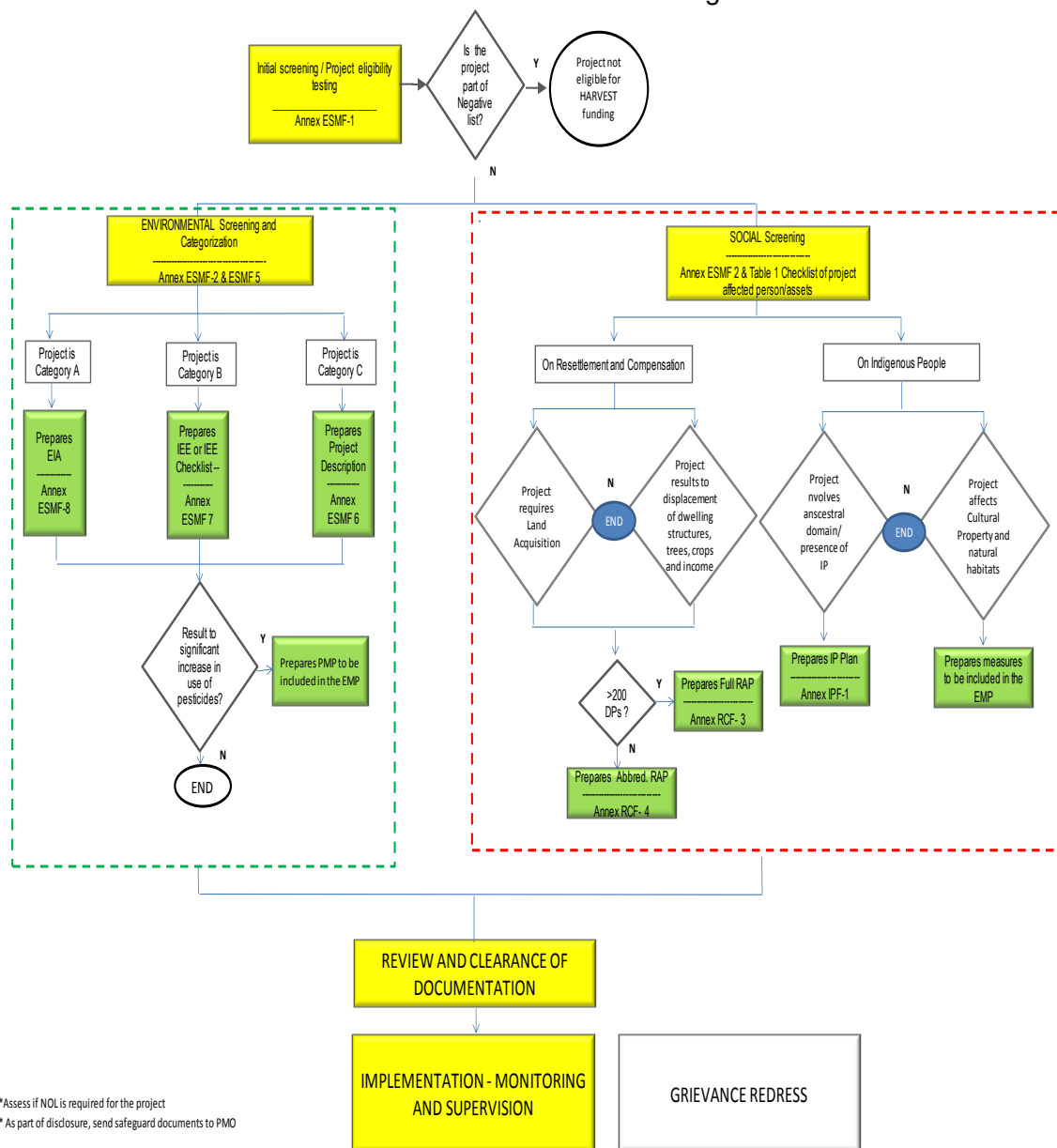
The focal person shall be the Program Officer of HARVEST as designated by Lending Programs Management Group (LPMG) of LANDBANK whose address and contact numbers are as follows:

The Program Officer  
HARVEST  
Programs Management Department – I  
27<sup>th</sup> floor, LANDBANK Plaza, 1598 M.H. del Pilar corner Dr. J. Quintos Sts.  
Malate, Manila 1004  
Tel Nos: 522-0000 local 7450  
E-mail address: [lbpprogramsmanagement1@yahoo.com](mailto:lbpprogramsmanagement1@yahoo.com)

Documentation of complaints and its resolution shall be properly done and its summary shall be part of the regular monitoring of the project.

LBP will require project proponents to set up a functional GRM in their respective organizations following the salient features of the LBP GRM.

Figure ESMF-1  
The HARVEST Environmental & Social Management Framework



CNC Certificate of Non Coverage  
DP Displaced Person  
EA Environmental Assessment  
ECC Environmental Compliance Certificate  
EIA Environmental Impact Assessment  
EIS Environmental Impact Statement

EMP Environmental Management Plan  
ESMF Environmental & Social Management Framework  
IEE Initial Environmental Examination  
IEE-C IEE Checklist  
IEE-R IEE Report  
IP Indigenous People

IPP Indigenous Peoples Plan  
PD Project Description  
PMP Pest Management Plan  
RCF Resettlement & Compensation Framework  
RAP Resettlement Action Plan

## II. Resettlement and Compensation Framework

### 1.0 Introduction

This Resettlement and Compensation Framework (RCF) shall provide mitigation measures to address adverse impacts on affected households. The RPF also specifies appropriate roles and responsibilities for managing and monitoring social concerns related to the projects. The objectives, principles and measures proposed to mitigate adverse social impacts are made consistent with the provisions of the GOP regulations, WB and JICA policies. Furthermore, this shall serve as guidelines in the preparation of Resettlement Action Plans (RAPs) and other related documents to be required by the Land Bank of the Philippines, the World Bank and JICA from Project Proponents.

### 2.0 Definition of Terms

**Compensation** means payment in cash or in kind for an asset to be acquired or affected by project at replacement cost (as defined below).

**Cut-off Date** is the date prior to which the occupation or use of the project area makes residents / users of the project area eligible to be categorized as affected persons. The cut-off date coincides with the commencement of the census of affected persons within the project area boundaries. Persons making claims based on subsequent occupation after the cut-off date are not eligible for claims for compensation and other entitlements.

**Displaced Person (DP)** includes any person or persons, household (sometimes referred to as project affected family), a firm, or a private or public institution who, on account of the acquisition of assets in a project, would have their right, title or interest in all or any part of a house, land (e.g., residential, agricultural, and industrial, including pasturelands, fishponds, communal forest, etc), fish pens, communal fishing grounds, annual or perennial crops and trees, or any other fixed or moveable asset acquired or possessed, in full or in part, permanently or temporarily, and who might suffer income or business loss as a consequence thereof. Eligible DPs may fall under any of the following three groups:

- Those who have formal legal rights to land including customary and traditional rights;
- Those who do not have formal legal rights to land at the time of the cut-off date but have a claim to rights to such land or assets; and
- Informal settlers who satisfy the condition for eligibility to compensation as provided in the definition of 'cut-off-date' above.

**Non-eligible DPs** include those making claims based on subsequent occupation after the cut-off date.

**External Monitoring Agency (EMA)** is the entity designated by Project Proponent to monitor the implementation of its Resettlement Plan.

**Financial Assistance** is the cash amount given to tenants/settlers/occupants of severely affected land on top of cash payment/compensation of their crops and other

fixed assets actually damaged by a project. It will also be given to owners of land acquired under Commonwealth Act 141 for the area of the affected portion subject to Section 112 thereof, which grants government easement right over a 60-meter wide corridor. Financial assistance will be determined based on applicable laws, in consultation with stakeholders and relevant government agencies, and thus given to:

- *Marginally and severely affected structures used for business, with or without title to the land, to cover for income loss;*
- *Marginally and severely affected farmlands, fishponds and fish pens that are not covered by any acceptable proof of ownership, including portions of property acquired through CA 141, Section 112, to cover for improvements introduced to make the property productive;*
- *Severely affected farmlands, fishponds and fish pens that are covered by a title or other acceptable proof of ownership (e.g. ancestral claim, usufruct, ancestral land claim, etc.);*
- *A displaced person (DP) who holds full title, tax declaration or some proof of traditional ownership (such as usufruct when the DP belongs to an indigenous community), to the land where his/her severely affected dwelling stands and who has to shift elsewhere; and*
- *An informal settler who has to shift elsewhere for food subsidy.*

**Independent Shops** are commercial stalls, such as groceries, vulcanizing shops, tailoring shops, beauty parlors, market stalls, hotels, movie houses, and similar establishments that serve as the owner's principal source of income. Sari-sari stores, i.e., variety shops that are usually attached to a dwelling unit, may fall in the same category of independent shops.

**Indigenous People (IPs) or Indigenous Cultural Communities (ICC)** refer to a group of people or homogenous societies identified by self ascription and ascription by others, who continuously live as an organized community on communally bounded and defined territory, and who have, under claims of ownership since time immemorial, occupied, possessed customs, traditions and other distinctive cultural traits, or who have through resistance to political, social and cultural inroads of colonization, non-indigenous religions and culture, became historically differentiated from majority of Filipinos. ICC/ IPs shall likewise include people who are regarded as indigenous on account of their descent from the populations which inhabited the country, at the time of conquest or colonization, or at the time of inroads of non-indigenous religions and cultures or the establishment of the present state of boundaries, who retain some or all their own social, economic, and political institutions, but who may have been displaced from their traditional domains or who may have resettled outside their ancestral domains.

**Informal Settlers** (a.k.a. informal dwellers or squatters) are persons who have occupied lands where they have no legal title of, tax declaration that can be perfected into a title, or those who are not covered by customary law (e.g., possessory rights, usufruct) or other acceptable proof of ownership. Informal settlers who are not professional squatters are eligible for compensation for lost assets and incomes, including entitlements.

**Land Acquisition** in this program means the process of obtaining the right to use the land whereby an owner or would-be-owner/registered claimant alienates permanently or temporarily all or part of the land he/she owns, claims or possesses to ownership and possession of other parties including the Government for public purpose. The modes of acquiring private assets are enumerated in Section 6.0 of this RCF.

**LBP Borrower** refers to large agribusiness enterprise/corporation, small and medium enterprise, cooperatives, private financing institutions and conduits of micro enterprises. It is also termed as Project Proponent in some portion of this document.

**Marginally Affected land or structure** means less than 20% of the land or structure is affected and where the remaining unaffected portion is still viable for continued use.

**Program** refers to credit facility funded by World Bank and JICA being tagged here as HARVEST Program

**Professional Squatters**, the term applies to persons who have previously been awarded home lots or housing units by the Government but who sold, leased or transferred the same to settle illegally in the same place or in another urban area, and *non-bona fide* occupants and intruders or lands reserved for socialized housing. This definition excludes individuals or groups that simply rent land and housing from professional squatters or squatting syndicates.

**Project** refers to the activity financed by LBP under the World Bank and JICA-funded HARVEST Program.

**Project Proponent** refers to the LBP borrower which could be a large agribusiness enterprise/corporation, small and medium enterprise, cooperatives, private financing institutions and conduits of micro enterprises

**Rehabilitation Support** means additional assistance given to DPs whose source of income is severely impacted by the loss of productive assets, incomes, employment or sources of living, thereby requiring them to engage in some other income-earning activities. Rehabilitation support is intended to supplement payment of compensation and financial assistance as provided in 2.b. and 2.e for acquired assets in order to achieve full restoration of living standards and quality of life. The specific rehabilitation support to be given may be in the form of special skills training, project-related employment micro-credit and other self-help socio-economic measures.

**Relocation** means the physical shifting of DPs from their pre-project place to a new place of residence.

**Replacement Cost** is the method of valuation of assets that helps determine the amount sufficient to replace lost assets and cover transaction costs. In applying this method of valuation, depreciation of structures and assets should not be taken into account. The computation of replacement cost is determined by an independent appraiser hired by the Project Proponent or by a court of law as compensation for:

- Agricultural lands, fishponds and fish pens based on productive value or residential land based on replacement value (for properties with similar location attributes plus transaction cost);

- Houses and other related structures based on current market prices of materials and labor without depreciation and deductions for salvaged building materials plus costs of getting permits and other transaction expenses;
- Crops based on current value;
- Trees and other perennials based on the estimates of the Department of Environment and Natural Resources or those of the independent appraiser's;
- Other fixed assets such as mosques, churches, burial grounds, community wells, barangay halls and health centers based on replacement cost or cost of mitigating measures; and
- Businesses based on opportunity loss in income due to disturbance and business replacement prices of materials and labor without depreciation and deductions of salvaged materials.

**Resettlement Action Plan (RAP)** refers to all measures to be taken by the Project Proponent in consultation with the community or the DPs and approved by the Lender, to mitigate any adverse social and economic impacts that are direct consequences of the acquisition of assets; and the provision of other entitlements, income restoration assistance, and relocation, as needed.

**Rental Allowance** is cash assistance given to house tenants of affected structures who will have to find a new place on account of the project, for the period between project site clearing and transfer to their new home.

**Severely Affected Land / Structure** means 20% or more of the land or structure is affected or when less than 20% is affected, the remaining portion is no longer viable for use.

**Squatting Syndicates** as defined by RA 7279 refers to groups of persons who are engaged in the business of squatter housing for profit or gain.

### 3.0 Overriding Development Objective

In the design and implementation of the projects, efforts must be exerted to ensure that all adverse impacts of acquisition of assets and properties are avoided. In the event displacements cannot be avoided, impacts shall be fully mitigated and that displaced persons (DPs) are benefited and not worse off. Toward this end, the following fundamental measures will be ensured:

- Effect on income and resources will be avoided or minimized in assets acquisition that result in displacement of people;
- No demolition of assets and/or entry to properties will be done until a DP is fully compensated, except when a court of law grants a Writ of Possession to the Project Proponent for the subject property in expropriation cases as explained in Section 5 of this Framework;
- DPs are provided with sufficient compensation and assistance for lost assets, income sources, and livelihood that will assist them to improve, or at least maintain, their pre-project standard of living;

- Special attention is paid to affected vulnerable groups, such as poverty groups, the handicapped, women-headed households, people with weak or absent tenure rights, etc.; and
- All project stakeholders, including DPs, are consulted and are encouraged to participate in varying practicable ways in the design, implementation and operation of the project.

#### 4.0 Institutional and Legal Framework

##### 4.1 Institutional Framework

The key players and their roles and responsibilities in resettlement planning, implementation and monitoring are presented below. Table RCF-2 in Section 6 breaks down the roles and responsibilities of other participants in the resettlement planning, implementation and monitoring process.

###### 4.1.1 The World Bank (WB) and JICA

The WB will review this HARVEST Resettlement and Compensation Framework (RCF) to ensure its compliance with OP 4.12. It will agree with LBP on the adoption of the RCF as the set of guidelines on social safeguards for the Project. The WB and JICA will review all full RAPs and first three (3) Abbreviated RAP prepared under the Program.

###### 4.1.2 Land Bank of the Philippines (LBP)

Through its Lending Centers, assisted by the PMO, LBP will review all project RAPs, whether full or abbreviated, to check its compliance with the agreed RCF.

###### 4.1.3 Project Proponent

Through its PMO, the Project Proponent will be responsible for the overall planning, implementation, coordination and monitoring and evaluation of land acquisition and resettlement activities under the project:

- It will ensure that RAPs are prepared, implemented and monitored and evaluated in accordance with the agreed RCF.
- The Project Proponent will set up a Resettlement Implementation Committee (RIC) for the implementation of the RAP. The specific responsibilities of the RIC include:
  - Assist the PMO in validating the list of DPs and inventory of affected assets and in finalizing the compensation and other entitlements due to the DPs;
  - Assist the PMO in the conduct of land research to determine the type of land affected and conflicts in law that should be resolved (e.g. water easement versus land titles, tenurial rights on CARP-covered properties, land titling and others);
  - Assist in the conduct of public information campaign and consultation and help ensure the participation of the public, especially the DPs;



- Assist the PMO in the payment of compensation and other entitlement to DPs;
  - Receive complaints and grievances from DPs and other stakeholders and act on them accordingly;
  - Maintain a record of all public meetings, complaints, and actions taken to address complaints and grievances; and
  - In coordination with concerned government authorities, assist in the enforcement of laws / ordinances regarding encroachment into the project site or its ROW.
- The PMO Head will designate a staff to work closely with the RIC. The Project Proponent may engage the services of a Consultant, a Resettlement Specialist, to provide technical support to the PMO on resettlement planning.
  - The Project Proponent will ensure that sufficient budget and resources are provided to the PMO for resettlement planning and implementation.
  - The Project Proponent will be responsible for encouraging the active participation of stakeholders, particularly the displaced and host communities, in resettlement planning, implementation and M&E.

#### 4.1.4 Affected Communities

It is also the responsibility of affected communities, particularly the DPs and host community/ies, to participate in consultations and in resettlement planning, implementation and M&E.

### 4.2 Legal Framework

#### 4.2.1 Government of the Philippines (GOP) Regulations

This RCF is anchored on the principle derived from the Bill of Rights of the Constitution of the Republic of the Philippines, which states:

- In Article II, Section 9, *“Private property shall not be taken for public use without just compensation.”*
- In Article III, Section 1, *“No person shall be deprived of life, liberty, or property without due process of law, nor shall any person be denied the equal protection of the laws.”*

This RCF shares the same concern for due process and the right to just compensation for everybody. Adverse impacts by a project must be avoided or minimized, with the appropriate resettlement measures, and that DPs are given the opportunity to share project benefits with the rest of the population, are the guiding principles of this Framework.

Other relevant GOP laws and orders pertaining to land acquisition and compensation shall be adopted and observed by the Project Proponent. See Table RCF-1 below.

#### 4.2.2 World Bank Policy

OP/BP 4.12 on Involuntary Resettlement provides the guidelines for the resettlement of project-affected population with the primary objective of assisting DPs in their efforts to improve their incomes and living standards, or at least restore them to pre-displacement levels. This policy is triggered when there is involuntary taking of land and other assets, or when involuntary restriction of access to legally designated and protected areas results in adverse impact on the livelihoods of the displaced persons. Only direct economic and social impacts resulting from “taking of land” are covered.

#### 4.2.3 GOP and WB/JICA Policy, and RCF for HARVEST

Where there is a discrepancy in the resettlement and compensation standards of the existing laws in the Philippines and of the standards of the WB and JICA, the Project Proponent will comply with whichever is the higher standard.

*Table 8: GOP Laws and Orders on Land Acquisition*

Law / Order	Provisions
Executive Order 1035 (1985)	<p>Requires the conduct of:</p> <ul style="list-style-type: none"> <li>• Feasibility study</li> <li>• Public Information Campaign</li> <li>• Parcellary survey</li> <li>• Assets inventory</li> </ul> <p>Other features include</p> <ul style="list-style-type: none"> <li>• Land acquisition, based on fair market value to be negotiated between owner &amp; appraiser</li> <li>• Resettlement / relocation of tenants, farmers &amp; other occupants</li> <li>• Financial Assistance to displaced tenants, cultural minorities &amp; settlers equivalent to the average annual gross harvest for the last 3 years &amp; not less than P15,000 per ha.</li> <li>• Disturbance compensation to agricultural lessees equivalent to 5 times the average gross harvest during the last 5 years</li> <li>• Compensation for improvements on land acquired under CA 141.</li> </ul> <p>Government has power to expropriate in case agreement is not reached.</p>
Supreme Court Ruling (1987)	<ul style="list-style-type: none"> <li>• Defines just compensation as fair &amp; full equivalent for the loss sustained, taking into account improvements, location, capabilities, etc.</li> <li>• The value given by the appraiser can only serve as a guide for negotiation. The objective is to enable the DP to replace affected assets at current market price.</li> </ul>
DPWH DO 142 (1995)	<ul style="list-style-type: none"> <li>• Aims to avoid unnecessary delays in civil works.</li> <li>• Inclusion of parcellary plans &amp; cost estimates for ROW acquisition in detailed engineering stage.</li> <li>• EO 1035 &amp; MO 65 will still be followed in matters relating to the acquisition and compensation of private properties</li> </ul>
RA 6389	<ul style="list-style-type: none"> <li>• Provides for disturbance compensation to agricultural leases equivalent to 5 times the average gross harvest in the last 5 years.</li> </ul>

RA 7279, Urban Development and Housing Act of 1992	<ul style="list-style-type: none"> <li>• Provides guidelines for resettlement of persons living in danger areas, e.g., riverbanks, shorelines, &amp; waterways or areas where government infrastructure projects are about to be implemented. Guidelines cover the provision of basic services &amp; facilities in resettlement sites, livelihood support, meaningful participation &amp; adequate social preparation for the affected households, close coordination between sending &amp; host LGUs, grievance redress and related aspects.</li> <li>• Danger areas as enumerated in Article VII, Section 28 of RA 7279 includes Waterways but not specifically water/pipeline Right-of-Ways (ROW). The 2002 Bignay Incident of Manila Water showed that waterlines are potential danger areas.</li> <li>• Relocation involving court eviction cases shall be undertaken by the local government, agencies involved (in this case the MWSS) within forty-five (45) days from service of notice of final judgement by the court.</li> <li>• Informal settlers who built their house on or before the affectivity date (March 28, 1992) are entitled to all benefits and considerations prescribed in the said act. All those exempted or not covered by the said act will be dealt with accordingly (see Section 5.a).</li> </ul>
RA 8368 (1997)	<ul style="list-style-type: none"> <li>• Repealed PD 772 of 1975, which penalized squatting and similar acts.</li> <li>• All pending cases under the provisions of PD 772 are consequently dismissed.</li> </ul>
RA 8371 (1997)	<ul style="list-style-type: none"> <li>• Protects &amp; recognizes rights of indigenous cultural communities on their ancestral lands.</li> </ul>
RA 8974 (2000)	<ul style="list-style-type: none"> <li>• Aims at ensuring that owners of real property acquired for NG infrastructure projects are promptly paid just compensation. It also provides for the compensation of affected improvements &amp; structures at replacement cost (without depreciation &amp; inclusive of labor costs for reconstruction) &amp; the arrangement of independent appraisers for a more accurate determination of the market values of lands and improvements. Section 5 provides for standards in the determination of the fair market value of land:</li> </ul>

Table 8 (continued)

Law / Order	Provisions
	<ul style="list-style-type: none"> <li>•SECTION 5. Standards for the Assessment of the Value of the Land Subject of Expropriation Proceedings or Negotiated Sale — In order to facilitate the determination of just compensation, the court may consider, among other well-established factors, the following relevant standards:               <ol style="list-style-type: none"> <li>i. The classification and use for which the property is suited;</li> <li>ii. The developmental costs for improving the land;</li> <li>iii. The value declared by the owners;</li> <li>iv. The current selling price of similar lands in the vicinity;</li> <li>v. The reasonable disturbance compensation for the removal &amp;/or demolition of certain improvements on the land &amp; for the value of improvements thereon;</li> <li>vi. The size, shape or location, tax declaration &amp; zonal valuation of the land;</li> <li>vii. The price of the land as manifested in the ocular findings, oral as well as documentary evidence presented; and</li> <li>viii. Such facts &amp; events as to enable the affected property owners to have sufficient funds to acquire similarly-situated lands of approximate areas as those required from them by the government, &amp; thereby rehabilitate themselves as early as possible.</li> </ol> </li> </ul>
Commonwealth Act 141 (CA 141), Public Lands Act (1936)	<ul style="list-style-type: none"> <li>•Institutes classification &amp; means of administration, expropriation and disposition of alienable lands of the public domain.</li> <li>•Under Section 112, lands awarded for Free Patent are “subject to a right of right-of-way not exceeding sixty (60) meters in width for public highways, railroads, irrigation ditches, aqueducts, telegraph and telephone lines and similar works as the Government or any public or quasi-public service or enterprise, including mining or forest concessionaires, may reasonably require for carrying on their business, with damages for the improvements only.”</li> </ul>
NCIP Administrative Order No. 3, Series of 2002	<ul style="list-style-type: none"> <li>•Stipulates the processes necessary for securing FPIC from IP communities and EO 132 designating PCUP as clearing house for the conduct of demolition and eviction since both have bearing on actions related to IPs and RP</li> </ul>

## 5.0 Compensation and Other Entitlements

The following guidelines will be applied to mitigate the effects of involuntary resettlement:

- Only those DPs found to be residing in, doing business in, or cultivating land, or having rights over resources within, the project area as of the cut-off date (e.g., date of start of census surveys) are eligible for compensation at full replacement cost for lost assets (i.e., land, structures and other fixed assets) and for other assistance. DPs will be compensated for affected land, based on their tenure status, e.g., legitimate owner, lessee, etc. Proof of ownership shall include full title, tax declaration of settlers in public land, possessory rights or usufruct, ancestral land claims, among others. However, in cases where a tax declaration

over assets that are inalienable or those that cannot be titled as prescribed by law (e.g., river easement, forest reserve) is the only proof of ownership, only structures and other improvements found therein should be compensated.

- The Project Proponent shall compensate the DPs for land, structures and other fixed assets at “replacement cost” as defined in Section 2.
- DPs losing all of their lands and structures (e.g., farmland, house), or incurring partial loss but where the remaining assets and properties are determined by competent authorities as not viable anymore for continued use will be paid full compensation for the entire asset at replacement cost. The compensation for the entire asset at replacement cost may be given in cash or in kind. The Project Proponent will assume ownership of the said asset upon payment of full compensation thereof.
- In the case of DPs whose assets are “marginally affected” as defined in Section 1, compensation for the affected assets will be paid in cash.
- Informal settlers who are affected by the project and who are not “professional squatters”, as defined Section 1, are entitled to compensation at replacement cost for affected structures and other losses but not for land.
- Swap for “severely affected land” as defined in Section 1 will be in the form of land of equivalent productive value and/or characteristics at a location acceptable to the DPs, or if replacement land is not available, cash representing the current replacement value of the land. Replacement of residential and agricultural lands will be as close as possible to the land that was lost. All replacement lands for residence, commerce and agriculture will be provided with secured tenure status.
- In addition to compensation for crops or property acquired or damaged by the project, the Project Proponent will provide the following resettlement assistance to eligible DPs:
  - “Financial assistance” to tenants/settlers/occupants as provided in Section 1;
  - Rental allowance for house tenants of affected main structures who will have to find a new place on account of the project, equivalent to the period between project site clearing and transfer to their new home but not to exceed a period of three (3) months; and
  - Transportation assistance (in cash or in kind, depending on the mutual agreement of the DP and the Project Proponent) to DPs who are relocating, including displaced shanty dwellers in urban areas who opt to go back to their places of origin (e.g., province) or to shift to government relocation sites.
- Granting of rehabilitation support in the form of special skills training, project-related employment, micro-credit or other self-help socio-economic support to DPs who are severely affected due to the loss of productive assets and/or their primary source of income and which will require them to engage in some other income-earning activities. If needed, the Project Proponent will coordinate closely with concerned government agencies that have the mandate and the expertise to undertake the needed rehabilitation assistance.

- Rehabilitation support will also be granted to severely affected vulnerable groups such as indigenous groups, single parent households, the handicapped, the elderly, etc., who have the least capacity to cope with the adverse social and economic impacts of development projects.
- For married couples, payment of compensation and other entitlements (i.e., financial assistance and rehabilitation support) will be given in the names of both husband and wife.
- Where relocation is considered necessary, the lot owner of the proposed relocation site will also be entitled to compensation for his/her land, and depending on his/her choice, the compensation may be in cash or in the form of replacement land, of the same value, within or outside the relocation site.
- The Project Proponent shall provide the relocation site for residential or commercial purposes with such basic services as electricity, water, drainage, sewer system, road system, etc.
- Plans for the acquisition of land and other assets will be carried out in consultation with the DPs who will receive prior information of the compensation, relocation and other assistance available to them.
- Any acquisition of, or restriction on access to resources owned or managed by DPs as a common property, e.g., communal forest, communal farm, or communal fishing ground, will be mitigated to ensure access of those DPs to equivalent resources on a continuing basis, where feasible, or other alternative measures to be determined in consultation with the DPs.
- Resettlement programs will include adequate institutional arrangements to ensure effective and timely design, planning, consultation and implementation of compensation and resettlement. The Project Proponent will ensure effective coordination with relevant agencies for the RP preparation and implementation.
- The resettlement transition period will be minimized and the acquisition of assets, compensation, resettlement and rehabilitation for a segment/section or phase (except where long-term rehabilitation measures, such as vocational training recommended) will be completed at least one (1) month prior to the initiation of preparation for construction work under the respective segment/section or phase thereof.

Entitlements and compensation for the types of loss shall be guided by the Compensation Table in this Framework. See Annex RCF-1

Technically, all informal settlers found to be at the project site at the time of the census, will be entitled to a specific compensation depending on the laws and standards being enforced at the beginning of the project. All possible means to alleviate the DPs will be exhausted to restore or even improve their level of living to the pre-resettlement level.

## 6.0 Modes of Acquiring Private Assets

Private assets, e.g., land, structures and other improvements, may be acquired for the project through:

- Donation and/or grant of ROW;

- Negotiated purchase;
- Expropriation;
- Usufruct; and
- Lease agreement.

In the case of donation, meetings held regarding land donation/s will be documented. For donated land/s, documentation of donation must be signed by all legal owners, must note the total land area from which portion needed by project is taken, and must state the legal tenability of the donation (e.g. no lien, occupants in affected portion). An assessment report on the donor's economic viability will also be needed.

In the case of negotiated purchase, the Project Proponent will offer as the purchase price an amount equal to the replacement cost of the assets, as determined by an independent appraiser using internationally accepted procedures. See Annex RCF-2

The Project Proponent will make the offer in writing and give the property owner 15 days within which to accept the amount offered as payment for his/her property. If the property owner agrees, he or she will issue to the Project Proponent a written permit to enter the property. A contract of sale will be subsequently executed between the property owner and the Project Proponent.

The Project Proponent may also acquire a property through Usufruct. The property owner retains the naked ownership of the land, while the Project Proponent enjoys the benefit of the use of land. The Project Proponent and the property owner will execute a usufruct agreement. The agreement will cover the rights and responsibilities of the two parties, including the duration of the usufruct.

The Project Proponent may also acquire lands through lease agreements with the rightful property owner. The Project Proponent and the property owner will execute a Lease Contract. The contract will cover the rights and responsibilities of the two parties, including the duration of the lease.

The Project Proponent may resort to the imposition of an Easement of Right-of-Way provided for under the Philippine Civil Code. In such cases, a ROW easement agreement will be executed by the property owner and the Project Proponent, whereby the former will grant the latter the right to use the affected portion of the lot as ROW, but the owner retains ownership of the said portion of the lot. In these cases, the Project Proponent will pay the owner the value of the affected portion of the lot based on an independent appraiser carried out according to internationally accepted norms. In addition, the Project Proponent shall compensate the property owner at replacement cost for any improvements and/or structures on the land affected by the ROW. The Project Proponent will enter the easement area after the provision of the full payment for the easement to the property owner. The ROW easement agreement will be immediately registered with the Registry of Deeds.

All land transaction should be registered with the Registry of Deeds for annotation in the title of subject property.

If the property owner contests the compensation payment, the Court will determine the just compensation to be paid to the owner within sixty (60) days from the date of the filing of the expropriation case. When the decision of the Court becomes final, the Project Proponent will pay the owner the difference between the amount already paid and the just compensation determined by the Court (see Implementing Rules



and Regulations, RA 8974, Section 14). The DP will receive the additional payment within one (1) month following the decision of the court.

## 7.0 Application of the Participatory Process

The participatory process shall commence as early as during the project preparation stage and shall continue through to post-implementation evaluation. Key stakeholders will have valuable roles to play in each of the activities in the process. Table RCF-2

### 7.1 Setting up of Resettlement Implementation Committee (RIC)

The RIC will be established to assist in RAP implementation, to be composed of:

- Head of the Project Proponent, or his designated representative, to serve as chair;
- If applicable, a representative of the NCIP or OSCC;
- Representative of the Barangay of affected communities (DP and host);
- Representative of the DPs in each affected barangay (to be elected by simple majority by DPs present in a meeting to be held for the purpose);
- If applicable, leader/s or elder/s of each affected IP group;

Representative of a non-government organization (NGO) or people's organization (PO) actively operating in the project area (to be elected by simple majority by DPs present in a meeting to be held for the purpose)

- The RIC will meet regularly to record milestones and update the members on the progress of the RAP. The following items may also be included in the agenda:
- Designation of specific assignments;
- RAP timetable;
- Submittals to concerned agencies; and
- Other matters.

The RIC will have to work closely with the LGU , as the government's clearinghouse of resettlement for the urban poor to ensure that the RAP is properly implemented. They can also assist the PMO in accomplishing the requirements for the Certificate of Compliance to be issued by the LGU before any clearing operation takes place.

## 7.2 Project Preparation Stage

### 7.2.1 Pre-feasibility

The Project Proponent will conduct a stakeholder consultation about the project and its components:

- Explain the general concept of the project;
- Discuss and explain the requirements of the project and its perceived impacts;
- Present tentative schedule of activities;
- Create awareness and appreciation about the project;
- Identify various project stakeholders;
- Present the HARVEST RCF; and
- Discuss the composition of the Resettlement Implementation Committee.

Other target participants to this meeting are:

- Heads of LGU departments relevant to the project; and
- Captain/s of the affected Barangay/s.

#### General Orientation of the Community

Before undertaking any survey activity in the community, the Project proponent will conduct a thorough barangay meeting to orient and ensure that the community understands the nature and extent of the proposed project, as well as the rights and entitlements of those who may be affected or displaced as a result of the project. Awareness of the project will hasten the data-gathering process and ensure quality of data.

The RCF will also be discussed with the communities to have an appreciation of the processes and procedures. The RCF will be publicly posted / disclosed and will be available to the community if they want to discuss it further with the community members.

Community orientation will be facilitated by barangay officials and assisted by the PMO to ensure correctness of information to be relayed to each member of the community. The agenda for this community orientation could be:

- Project overview including overall objectives and merits;
- Identification and discussion of the likely impacts of the project;
- Activities to be undertaken, including the project schedule;
- Roles of the community with regards to the long-term sustainability;
- Resettlement and Compensation Framework; and
- Other matters.

#### Social Assessment

The Project Proponent will conduct an assessment of the positive and negative impacts of the project especially to the affected community, identifying all types of possible risks involved. This will be most critical in deciding whether to push through the project or not. Often, projects though initially conceived as beneficial, may in turn have to adverse socio-economic, environmental and cultural impacts, which are easily overlooked. The assessment will be carried out with the participation of various stakeholders (through consultations, focused group discussions and key informant interviews) especially those that will be adversely affected from the project and the concerned barangay. Where IP settlements / communities are affected, assessment activities should be coordinated with the National Commission on Indigenous Peoples (NCIP) or the Office of Southern Cultural Communities (OSCC) in the ARMM, prior to the field investigation. Results of such investigation will form part of the assessment. The Social Assessment will be incorporated in the ESIA.

### 7.2.2 Feasibility

#### Draft RAP Preparation

Based on the results of the Social Assessment, a full-blown socio-economic survey of the DPs, including an inventory and valuation of affected assets, will be conducted to arrive at an appropriate Resettlement Plan (RAP). The RAP should include the amounts and the process to be used in the payment of compensation to the DPs.

A separate survey should be conducted for IPs or cultural minorities especially when they are not closely attached to the mainstream society. In such cases, a separate RP should be prepared for the group. (Refer to Section 9 of this Framework.)

The RCF applies to all resettlement impacts, regardless of the number of people involved or the level of severity experienced. However, the level of details contained in the RAP will vary according to the target group, complexity, scale, and severity of resettlement. A full RP will be required where 200 or more persons are affected. If less than 200 persons are affected or impacts are “minor” (i.e., people are not physically displaced and less than 10 percent of their productive assets are lost), an abbreviated RP may be prepared. Annexes RCF-3 and RCF-4

### Presentation of the Draft RAP

Upon completion of the draft RAP, the Project Proponent will present it to the Resettlement Implementation Committee (RIC) with a view that a consensus will be achieved on the following:

- Resettlement program;
- Relocation sites;
- Roles and responsibilities in the RAP implementation; and
- Identified members of RIC.

### Community Consultation

Community consultation should be conducted continuously throughout the RAP preparation and implementation cycle. Specifically during preparation stage, consultation should continue until a RAP acceptable to the DPs is arrived at. All aspects of the project should be known to the affected community and if necessary, leaflets and brochures be distributed for greater information coverage.

Affected communities will also be informed on the mechanics and procedures for consultations, grievance redress mechanism, and the overall resettlement program.

For indigenous groups, the NCIP/OSCC will be tapped to lead the consultations and to have a more in depth analysis of the socio-cultural implications of the project. All proceedings and consultations will be recorded and form part of the RAP.

## 7.2.3 Finalization of the RAP and the Technical Design

All suggestions and relevant information introduced by the DPs should be included in the RAP. The PMO will again meet the RIC and selected members of the community, particularly the People’s Organization (PO) leaders, Purok leaders or other recognized leaders representing the DPs to orient them with the results of all studies and assessments made to ensure that the project will proceed as agreed upon.

A copy of the final RAP and the technical design will be given to each affected barangay for reference purposes to ensure all procedures and agreements are included and met.

## 7.3 Project Implementation Stage

### Participation in the Implementation

Whenever possible, DPs will be contracted in the implementation of various activities in the project.

### Monitoring of the RAP

The PMO, assisted by the RIC will enlist the participation of the DPs in the internal monitoring of the RAP. Representation of the DPs in the monitoring of the implementation will provide a more accurate reading of the community's feelings and reactions. The internal monitoring will focus specifically on the following:

- Seeing to it that the RAP is implemented as designed and approved; and
- Verifying if funds for implementation are provided by the Project Proponent in a timely manner and in amounts sufficient for their purposes and that the funds are used in accordance with the provisions in the RAP.

In addition to the internal monitoring, an independent External Monitoring Agency (EMA) will be hired by the Project Proponent, to carry out a separate M&E program of the RAP. This agency may be an NGO, an academic research institution, an independent consulting firm, with qualified and experienced staff or a combination of these. Criteria for selecting the appropriate agency shall be based on competence, experience and general advocacy of the group. The selection process will undergo the usual procurement procedures. See Annex RCF-5.

## 7.4 Post Project Implementation Stage

### Evaluation of the RAP Implementation

Upon completion of the RAP implementation, RIC will evaluate the different stages of the RAP preparation and implementation, and the various processes and methodologies used. Areas for improvement and best practices will be identified for future use.

The EMA will give its independent evaluation of the RAP and its implementation, and document this as a Resettlement Completion Report. All recommendations and comments will be documented and archived for future reference.

## 8.0 COSTS AND BUDGETS

The Project Proponent will be responsible for providing needed resources for all activities related to the RAP planning and implementation, including the operation of the RIC. Each RAP will include detailed cost estimates for compensation and relocation of DPs, if that be the case, with a breakdown by category of DPs, agricultural, residential and business lands; houses, structures and other fixed assets affected; transport assistance when shifting DPs; etc. Cost estimates will make adequate provisions for contingencies.

*Table 9: Roles and Responsibilities*

Project Stage	Participatory Activities	Participants	Responsible Office/ Institution
Project Preparation			

Pre-Feasibility Study	Preliminary meeting within the Project Proponent for the overview of the proposed project	Project Proponent management committee,	Project Proponent &/or its Consultant, a Resettlement Specialist (RS)
	General orientation-meeting, barangay level, preparatory to conduct of technical, social & environmental studies	Project Proponent, concerned barangay officials, DPs, affected communities	Project Proponent &/or its RS
	Conduct of Social Impact Assessment	Project Proponent, DPs, affected communities	Project Proponent &/or its RS
Feasibility Study	RAP preparation, census & socio-economic survey	Community heads, concerned barangay officials, DPs	Project Proponent &/or its RS, Community heads
	Project draft RAP orientation	Project Proponent-attached units, affected barangay captain/s	Project Proponent &/or its RS
	Community consultation on draft RAP	Community heads, DPs, affected communities	Affected barangay officials, Project Proponent &/or its RS
Finalization of RAP and Technical Design	RAP finalization	Community heads	Project Proponent &/or its RS
	Final RAP orientation for LGUs, DPs & affected communities	Project Proponent-attached units, affected barangay officials, community heads, DPs, affected communities	Project Proponent &/or its RS
Implementation			
	Implementation of RAP	Affected barangay officials, community heads, DPs, Project Proponent, RIC	Project Proponent &/or its RS & RIC

	Internal monitoring of RAP implementation	RIC, Project Proponent, community heads, DPs	LBP-PMO, Project Proponent &/or its RS, LGUs and Community Heads
	External Monitoring	EMA	EMA
Post-Implementation	Evaluation of RAP, processes and methodologies	RIC, DP reps, EMA, Project Proponent, reps of relevant NGO & PO	LBP-PMO, Project Proponent &/or its RS & EMA

### III. Indigenous Peoples Framework

#### 1.0 Background

HARVEST is a demand-driven project and in cases where indigenous peoples (IPs) are affected during project implementation, there is a need to protect their rights. To ensure that indigenous peoples communities are present, the Project should deliberately seek their genuine involvement in project decision-making. These Procedural Guidelines seek to ensure that affected Indigenous Peoples communities are informed, meaningfully consulted and mobilized to participate in the planning, implementation and monitoring of projects to be supported by HARVEST. The Guidelines support the priority given to Indigenous Peoples by the Government of the Philippines (Republic Act 8371-Indigenous Peoples Rights Acts Law), the United Nations Concept of Native Title, and the World Bank's Operational Directive 4.10 (Indigenous Peoples)

#### 2.0 Objectives

The Indigenous Peoples Framework (IPF) seeks to ensure that where indigenous peoples are found as a community within the areas affected by program intervention, they are informed, meaningfully consulted and mobilized to participate in the project decision-making. By doing so, the following specific objectives are expected to be met:

- a) Positive effects to their cultural communities shall be enhanced;
- b) Potentially adverse effects on their communities shall be avoided whenever feasible;
- c) Unavoidable adverse effects shall be minimized, mitigated or compensated, and
- d) Benefits for IPs are received with more certainty and that project design is culturally appropriate and gender and inter generationally inclusive.

#### 3.0 Definition of Indigenous Peoples

**"Indigenous Peoples"** will be used to refer to cultural communities, tribal groups that can be identified in particular geographical areas by their presence in varying degrees of the following characteristics:

- Self identification as member of a distinct indigenous cultural group and recognition of this identity by others;
- Collective attachment to geographically distinct habitats or ancestral territories in the project area;
- Customary cultural, economic, social or political institutions that are separate from those of the dominant society; and
- An indigenous language, often different from the official language of the country or region.

#### 4.0 Social Assessment and Need for IP Plans.

A Social Impact Assessment (SIA) will be conducted once the project is enrolled under HARVEST to determine if there are project-affected population, land acquisition and asset loss/es that may result from the project's implementation. The results from the assessment will form part of the ESIA.

Since there could be a possibility of IP communities that can get positively or negatively affected during project implementation, this Framework is provided to

ensure that potential impacts on the cultural way of life among IP communities are avoided or mitigated if effects are negative, and that positive impacts are maximized by ensuring that they are culturally appropriate.

IP Plans shall be formulated and guided by this Framework to help ensure the meaningful participation of the affected IP community. It shall also document the incorporation of social assessment to help ensure cultural appropriateness of project benefits and how these may be better accessed by IPs. Also, it will incorporate measures to avoid, mitigate and/or compensate for adverse impacts.

## 5.0 Legal and Institutional Guidelines

The Philippines is recognized for its progressive policy and legal support for Indigenous Peoples rights. It has supported various international agreements and conventions to protect the rights and culture of IPs, among them: Declaration on the Rights of Persons Belonging to National or Ethnic, Religious and Linguistic Minorities; United Nations Draft Universal Declaration on the Rights of Indigenous Peoples.

The 1987 Constitution, laid the foundation for the recognition of the rights of the IPs to their ancestral domains and their power of dominion over their lands and resources. Among its pertinent provisions are:

- a) Section 17, Art. XIV: *"customary laws governing property rights or relations shall be applied in determining the ownership and extent of ancestral domains; and*
- b) Section 22, Art. II, Section 5, Art. XII: *"...the rights of indigenous peoples to natural resources pertaining to their lands shall be specially safeguarded..."* These rights include the right of the IPs to participate in the use, management and conservation of natural resources.
- c) The right to stay in their territory and not be removed from there except when relocation is necessary as an exceptional measure, as in the case of an ecological disaster or armed conflict. IPs have a right to return to their territories once the ground for relocation ceases.

Congress passed Republic Act No. 8371, the Indigenous Peoples Rights Act of 1997. The law states certain requirements in activities and programs affecting Indigenous Peoples. Some relevant provisions include:

- a) Chapter III, Section 7b: *"...IPs have the right to an informed and intelligent participation in the formation and implementation of any project, government or private that will impact on their ancestral domain..."*
- b) Chapter IV, Section 16: *"...IPs have the right to participate in decision-making, in all matters which may affect their rights, lives and destinies, through procedures determined by them as well as to maintain and develop their own indigenous political structures..."*

Under this law, IPs are vested with the right to self-governance and empowerment. This is operationalized through the mechanism of Free and Prior Informed Consent (FPIC). The NCIP is mandated to ensure that IP rights and concerns are protected and advanced in projects proposed that affect their ancestral domains.

Pursuant to Section 80 of the IPRA law, some relevant implementing rules and regulations are used for guidance:



a) Right to Stay in Territories and Not to be Displaced Therefrom (Rule 3, Part II Sec.4 (a,b, c) . The rights of ICCs/IPs to stay in their territories shall remain inviolate. No ICCs/IPs shall be relocated without their free and prior informed consent or through any means other than eminent domain.

b) All persons or entities allowed under the Act to participate in land development, utilization, exploitation, and extraction of natural resources, and government offices or agencies allowed to undertake or implement infrastructure projects within ancestral lands/domains, shall submit to the NCIP, through the concerned Regional Office, a culture-sensitive Environmental Conservation and Protection Program (ECPP) stating in detail the environmental impact of such activities or projects proposed, control and rehabilitation measures and financial resource allocations therefore, implementation schedules, compliance guarantees and evaluation and monitoring schemes (Rule 3,Part II Sec 6 (b).

c) Rule 4, Part 3, Sec 7 (a, b, c), Development and Cultural Activities Subject to Free and Prior Informed Consent (FPIC). Policies, programs, projects, plans and activities in ancestral domains subject to free and prior informed consent shall include but not be limited to the following

- Exploration, development, exploitation and utilization of natural resources within ancestral domains/lands;
- Research in indigenous knowledge, systems and practices related to agriculture, forestry, watershed and resource management systems;
- Displacement and Relocation

d) NCIP AO #3 Series of 2012 Revised Guidelines on Free and Prior Informed Consent and Related Processes. Of particular interest in this issuance are 1) recognition of the possibility of and the need to guarantee protection of displaced and relocated IPs (Section 2, Objective g); 2) a more liberal procedure for getting FPIC for non extractive projects (Section 24); and 3) requiring validation procedure instead of FPIC requirements for foreign funded projects undertaken in cooperation with NCIP (section 41), and 4) dispensing with FPIC requirements for emergency projects.

e) WB OP/BP 4.10 (Indigenous Peoples). This policy contributes to the Bank's mission of poverty reduction and sustainable development by ensuring that the development process fully respects the dignity, human rights, economies, and cultures of Indigenous Peoples. For all projects that are proposed for Bank financing and affect Indigenous Peoples, the Bank requires the borrower to engage in a process of free, prior, and informed consultation. The Bank provides project financing only where free, prior, and informed consultation results in broad community support to the project by the affected Indigenous Peoples. Such Bank-financed projects include measures to (a) avoid potentially adverse effects on the Indigenous Peoples' communities; or (b) when avoidance is not feasible, minimize, mitigate, or compensate for such effects. Bank-financed projects are also designed to ensure that the Indigenous Peoples receive social and economic benefits that are culturally appropriate and gender and intergenerationally inclusive.

f) JICA's Guidelines for Environmental and Social Considerations.

## 6.0 Guiding Principles

a) HARVEST shall ensure that poor communities of Indigenous Peoples are given dedicated consultation and decision-making processes, especially when projects pose potential adverse impacts to them as a community. The Project must assure that IPs do not suffer adverse effects during and after project implementation as well as receive culturally compatible social and economic benefits.

b) LGUs must ensure at all times that development processes implemented by the Project foster full respect for the Indigenous Peoples' dignity, human rights and cultural uniqueness.

c) Consensus of all IP members affected must be determined in accordance with their respective laws and practices, free from any external manipulation, interference and coercion, and obtained after fully disclosing the intent and scope of the project activity, in a language and process understandable to the community. The conduct of field-based investigation and the process of obtaining the Free and Prior Informed Consent (FPIC) shall take into consideration the primary and customary practices of consensus-building, and shall conform to Section 14 (Mandatory Activities for Free and Prior Informed Consent) of NCIP Administrative Order No.3, series of 2002, and A.O. #3 Series of 2012 (Revised Guidelines on FPIC and related processes).

d) HARVEST must ensure that none of its infrastructure or related projects will damage non-replicable cultural property. In cases where infrastructure projects (i.e. roads, irrigation, etc.) will pass through sites considered as cultural properties of the IPs, HARVEST must exert its best effort to relocate or redesign the projects, so that these sites can be preserved and remain intact in situ.

e) The Indigenous Peoples should be consulted to ensure that their rights are not violated and that they be compensated for the use of any part of their domain in a manner that is acceptable to the tribe. *The compensation for affected land and assets will follow the Resettlement Compensation Framework prepared by the Project*

f) In the event that a project involves land acquisition or use of other resources which may adversely affect Indigenous Peoples, HARVEST shall:

- Require that the agreed upon policy framework for compensation for land and other asset acquisition be followed;
- Not to allow work to start on the project unless the documentation of the consultations and the corresponding agreements are submitted; and
- Not to allow work to start on the project until compensation and/or other required rituals have been completed to the satisfaction of the indigenous tribes affected (and the same should likewise be documented).

#### 7.0 Partnership-Building with LGUs and IP Institutions

HARVEST will facilitate the productive partnerships between the local government, IP communities (as represented by their tribal councils), and National Commission on Indigenous Peoples (NCIP) or Office of the Southern Cultural Communities (OSCC) whether these are found at the community, barangay, municipal or ancestral domain levels.

#### 8.0 Use of Appropriate Communication Media, Strategies and Tactics for IP Mobilization

a) Presentation meetings must be conducted in the local or native language. In addition, facilitators must use simple and uncomplicated process flows during these interactions with IPs. Local patterns of social organization, religious beliefs and

resource use must be reckoned with in the process of preparing any development response affecting the IPs.

b) Adherence by Project Implementers and Project Proponents to Documentation of Interactions with IP Communities and Compliance to Agreements Made. Project implementers must adhere to the requirements for documentation of meetings conducted with IP communities, especially those which pertain to acquisition by project proponents of the Free and Prior Informed Consent of IPs. The Executing Agencies, together with the provincial, municipal and barangay LGUs shall not proceed with project implementation unless the corresponding documentation of meetings with the IP communities are submitted to HARVEST-PMO and have been reviewed and evaluated.

#### 9.0 Participation in Development, Monitoring and Evaluation of Mitigation Measures

- a) Where projects pose potential adverse impacts on the environment and the socio-economic-cultural-political lives of these IP communities, IPs must be informed of such impacts and their rights to compensation. Compensation for land and other assets to be acquired will follow the Project's Resettlement and Compensation Framework.
- b) Should IPs grant their approval for such projects with adverse impacts, Executing Agencies must ensure that affected IP communities must be part of the development of action plans to ensure their involvement in the implementation, monitoring and evaluation of mitigation measures agreed upon.
- c) Should potential effects be positive or beneficial to the IPs, specific plans shall be made to ensure that benefits are enhanced by ensuring its cultural responsiveness.
- d) Project implementers must adhere to the requirements for documentation of meetings conducted with IP communities, especially those which pertain to acquisition by project proponents of the Free and Prior Informed Consent of IPs. The Project Proponent shall not proceed with project implementation, unless the corresponding documentation of meetings with the IP communities are submitted to LBP-PMO and have been reviewed and evaluated.

#### 10.0 Coordination, Supervision and Monitoring:

- a) The barangay or municipal tribal council will be the liaison between the Project Proponent in all activities relating to the HARVEST
- b) Supervision meetings/visits of project or project activities will be done periodically (frequency to be established during project implementation) by the Executing Agencies through their representatives, who will involve the local IP representatives in these meetings/visits. Documentation of such visits/meetings must be furnished to the nearest service center of the NCIP or OSCC, or its Provincial or Regional Office. The respective Focal Persons will monitor or help facilitate required follow-up actions to ensure that projects benefit the IPs according to the agreements made, and that compensation or mitigation measures as documented are completed on time.
- c) Supportive Monitoring will be done regularly, involving affected IP communities and NCIP representatives, with emphasis on the following concerns: benefits received by IPs and resolution of issues lodged by them.

#### 11.0 Grievance and Redress Mechanism

A Grievance Redress Mechanism (GRM) for the project is necessary for addressing legitimate concerns of affected individuals and groups who raise issues of concern during project implementation. Effective management of grievances is especially important in the context of resettlement, where issues concerning entitlements may arise.

LBP will establish a grievance redress mechanism to address and resolve any project-related grievances from project-affected people or other members of the public. It will be managed by the Program Officer of HARVEST PMO. As a matter of policy, the project will not prevent any party from seeking legal remedies from any government judicial body or proper courts.

The GRM will be detailed out in the project operational manual with the following principles:

- Simplicity – procedures in filing complaints is understandable to users and easy to recall.
- Accessibility – filing complaints is easy through means that are commonly used by stakeholders, especially by the project-affected people.
- Transparency – information about the system is made widely available to all stakeholders and the general public.
- Timeliness – grievances are attended to and resolved in a timely manner.
- Fairness – feedback or complaints are validated thoroughly and subjects of complaints are given due process and opportunities for appeal.
- Confidentiality – identity of complainants remains confidential.

To achieve these principles, the GRM will be set up with the following features:

- Multiple Uptake Points: To build trust and confidence in the GRM, complainants will be provided with multiple channels to submit their complaints. These include, among others, postal mail, electronic messages, telephone, SMS, personal delivery/walk-in, or through the mainstream and social media. A project GRM hotline will be established to be managed by the PMO Program Officer.
- Timely resolution at the lowest possible level: The project will strive to attend to complaints in a timely manner. To do this, it will designate a GRM contact person at the project level. In addressing and resolving complaints, the project will build on existing mechanisms in the community (IP leaders, community leaders, barangay officials, barangay justice system, etc.). It is only when the complaint is not resolved at this level that the complaint goes to the next level of the GRM for resolution.

Specifically for issues involving IPs, there are three levels of issue resolution and these are:

- a) Barangay Level: All complaints shall be discussed and negotiations must be carried out in the specific communities where affected indigenous peoples live. The barangay and the tribal council concerned should facilitate this process and the PMO must ensure that affected IPs are properly represented. Resolution of conflicts should be encouraged at the lowest possible level, thru the facilitation of Municipal and Community Tribal Councils. Such meetings and interactions with affected IP households/communities must be documented and distributed to relevant stakeholders
- b) Regional Level: if not resolved, this will be elevated to the Regional NCIP for resolution

c) Central NCIP- Should the IP community still find the decisions rendered at the regional level unacceptable, they can elevate the issue to the central level office of the National Commission on Indigenous Peoples. The NCIP shall be tasked to coordinate with the project's PMO to ensure that the issue is resolved to the best interest of the affected IP community.

- System for receiving, sorting, verifying, and tracking. A simple system will be developed for more effective management of complaints to guide the PMO on the steps and arrangements from receiving, sorting, verifying, acting and tracking complaints. These will be detailed out in the operational manual. Complaints will be categorized and actions on the complaints will depend on the complaint category. The project will maintain a database documenting the salient details of complaints, including the dates they were received and when and what actions were taken. These documents will be available to the external monitoring team, World Bank and JICA. The project will monitor complaints and coordinate with the concerned LGUs and relevant government agencies as needed to resolve them adequately and expeditiously. LBP will keep the World Bank and JICA informed about significant complaints and the steps taken to resolve them through routine supervision and provide details in progress reports.

- Publicly disclosed and easily accessible. The complaints / grievance redress arrangements will be publically disclosed so that people are aware of where and how complaints will be managed. The GRM contact person assigned to the project will further ensure that people in the project's area of influence are aware of grievance management arrangements. Ideally complaints should be written, but if received verbally, the project contact person will ensure written documentation is made and that the complaint is dated and recorded.

Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns.

Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond.

For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit [www.worldbank.org/grs](http://www.worldbank.org/grs).

For information on how to submit complaints to the World Bank Inspection Panel, please visit [www.inspectionpanel.org](http://www.inspectionpanel.org).

The focal person shall be the Program Officer of HARVEST as designated by Lending Programs Management Group (LPMG) of LANDBANK whose address and contact numbers are as follows:

The Program Officer  
HARVEST  
Programs Management Department – I  
27th floor, LANDBANK Plaza, 1598 M.H. del Pilar corner Dr. J. Quintos Sts.  
Malate, Manila 1004  
Tel Nos: 522-0000 local 7450  
E-mail address: [lbpprogramsmanagement1@yahoo.com](mailto:lbpprogramsmanagement1@yahoo.com)

Documentation of complaints and its resolution shall be properly done and its summary shall be part of the regular monitoring of the project.

## **IV. Institutional Arrangement**

### **1.0 Delineation of Roles and Responsibilities**

#### **1.1 General Overview**

It is the responsibility of the LBP borrower to carry out the necessary safeguards requirements under the ESMF to obtain the environmental and social clearances for each individual project before starting with the construction. Sound environmental and social practices have to be incorporated into the project design and implementation, and potential negative impacts will have to be mitigated to acceptable levels / standards.

The LANDBANK Borrower is responsible for the quality and accuracy of the information in the EA and social documents, as well as the transmission of the EA and social safeguards process i.e. interagency coordination, scoping, public hearings, document review at the Sanggunian level, and general oversight.

As the loans for investment financing are channelled to the LBP borrowers through the LBP, LBP shall require projects to comply with existing environmental and social laws. Therefore, a PMO is established within the LBP, which will include the environmental and social expertise to guide and provide LBP borrowers' PMOs and their consultants with the necessary assistance in carrying out the EA and attaining environmental and social compliance to the conditions and statement of the ECC/EMP, RAP and IPP.

WB staff will advise and support the PMO in carrying out its responsibilities. Within the WB, operational staff will provide information to the PMO and ascertain whether policy requirements have been met.

#### **1.2 HARVEST LBP Processing**

The roles and responsibilities of the LBP borrower, LBP and WB are determined to define the extent of tasks each institution must do so that the progress of a project is kept in the right track.

Table 1 Institutional Responsibilities in Environmental and Social Safeguards

Activity	LBP borrower	LBP	WB/ JICA
A Project Screening Stage	1 Submits project proposal to LBP LCs for financial assistance	2 LCs (if needed, PMO assists) determine if project is eligible and its environmental category, guided by the ESF.	
B Project Loan Approval Stage	5 Reviews & approves SLA (with environmental safeguards requirements)	3 LC prepares CFP, indicating project environmental category & submits CFP for approval by management.	
		4 Once approved, PMO drafts SLA (with environmental safeguards requirements)	
C Hiring of EA Consultant Stage, when needed	6 Hires Consultant for preparation of EA report. LBP borrower may opt to include in TOR of firm doing FS the needed EA report preparation. Or, LBP borrower hires an individual based on WB criteria on selection of individual consultants. Attachments ESMF-8 & ESMF-9	8 Provides technical & procedural advice during the process of hiring & review the results of LBP borrower's final evaluation for consistency with WB procurement guidelines. Transmits to WB (for issuance of NOL) the result of LGU evaluation together with a copy of the notice of award of the contract to the selected individual / winning firm.	9 WB reviews the transmitted documents, & within 7 days from receipt of the documentation, issues a comment or a NOL to PMO for the project.
	7 Submits final evaluation & copy of notice of award of the contract to the selected individual / winning firm to PMO.		
D Environmental Safeguards Preparation Stage	10 Hired EA consultant shall coordinate with the PMO for briefing on methodology of EA safeguards.	11 PMO provides technical & procedural advice to ensure that potential environmental impacts & procedures for environmental compliance are met.	



E ECC / NOL Application Stage	1 EA Consultant prepares /	1 PMO, or with assistance from	15 Reviews & issues NOL on the final EA report (only applies to classified Category A projects ). JICA's advisory committee will advise Draft EA report and RAP/IPP.
	2 submits the ff to DENR-EMB & PMO: a. Scoping report * b. Draft EA report & if applicable RP &/or IPP (see Sub-Annex 2) c. Final EA report Documents submitted to DENR- EMB are for the issuance of ECC / CNC.	3 LBP-EU, does substantive review on submitted EA documents to verify if necessary environmental safeguards are provided. 1 Transmits safeguards document 4 to WB for reference, or if applicable, comment (applies to selected Category A projects for NOL issuance).	

\* Technical requirements for EIS projects

Annex ESMF-1 (FOR DISCUSSION)  
List of Negative Project Attributes

This negative list has been compiled to exclude certain activities that fulfill one or more of the following criteria: (i) environmentally risky; (ii) have technical complexities and requirements that would go beyond the capacity normally available in-country; and (vi) are not aligned with public interests or do not benefit common goods or public services.

Applying the above criteria to the proposed projects under the HARVEST, the following list of activities has been compiled:

- Road construction into declared national protected areas;
- Dams higher than 5 meters;
- Purchase or use of environmentally hazardous materials such as chainsaws, explosives, asbestos and other potentially dangerous materials.
- Production of, trade in, or use of unbounded asbestos fibers;
- Salaried activities that employ children below the age of 16, and production or activities involving harmful or exploitative forms of forced labor or child labor;
- Production of or trade in any product or activity deemed illegal under the Philippines laws or regulations or international conventions and agreements or subject of international phase outs or bans, such as (a) pharmaceuticals,; (b) ozone-depleting substances, (c) polychlorinated biphenyls and other hazardous chemicals, (d) wildlife or wildlife products regulated under the Convention on International Trade in Endangered Species of Wild Fauna and Flora and (e) trans-boundary trade in waste or waste products;
- Production of or trade in weapons and munitions, including paramilitary materials;
- Production of or trade in alcoholic beverages, excluding beer and wine;
- Production of or trade in tobacco;
- Gambling, casinos and equivalent enterprises;
- Production of or trade in radioactive materials, including nuclear reactors and components thereof;
- Commercial logging operations or the purchase of logging equipment for use in primary tropical moist forests or old-growth forests; and
- Marine and coastal fishing practices, such as large-scale pelagic drift net fishing, harmful to vulnerable and protected species in large numbers and damaging to marine biodiversity and habitats.
- Sourcing materials for construction such as gravel and sand, from illegal quarries and sites which do not comply with the guidelines of the Government of the Philippines;
- Activities involving the use of fuel wood, including trees and bush;
- Activities involving the use of hazardous substances compounds which are toxic, explosive, flammable etc.);
- Repair of facilities storing hazardous substances (e.g. fuel depots), except simple clearing of debris or landslide materials on access roads and perimeters;
- Any “salvage logging” operations (which might be undertaken as a result of storm damage to forests);

- Any activity in a sensitive or protected natural habitat as defined by OP 4.04, except the removal of debris and the repair of pre-existing infrastructure, e.g. access roads or park ranger buildings;
- In compliance with the NCIP AO 3, series of 2012 - Part III, Section 25 on “Excluded Areas”, the following areas are likewise excluded from any activity except for the exclusive purposes for which they are identified.
  - Sacred grounds and burial sites of indigenous communities;
  - Identified international and local cultural and heritage sites;
  - Critical areas identified or reserved by the ICCs/IPs for special purposes, and;
  - Other areas specifically identified by ICCs/IPs in their Ancestral Domain Sustainable Development Protection Plan, or ADSDPP.

Annex ESMF-2  
Environmental and Social Screening Checklist (ESSC)

This Form is to be used by the Project Management Office (PMO) of LBP in screening proposed projects.

Note: One copy of this form and accompanying documentation is to be kept in the PMO and one each to be sent to WB and JICA.

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Name of Project:

Location:

I. Project Screening:

- a. Has the project been screened against the list of ineligible activities (negative list)? If yes and proposed activity is eligible, proceed. If no screening has been done, contact LBP-PMO to conduct screening.

II. Site Assessment:

- a. When considering the location of a project, rate the sensitivity of the proposed site in the following table according to the given criteria. Higher ratings do not necessarily mean that a site is unsuitable. They do indicate a real risk of causing undesirable adverse environmental and social effects, and that more substantial environmental and/or social planning may be required to adequately avoid, mitigate or manage potential effects.

Issues	Site Sensitivity			Rating
	Low	Medium	High	
Natural Habitats	No natural habitats present of any kind (terrestrial or aquatic). Site is sparsely vegetated and existing vegetation is commonly found throughout the area.	No critical natural habitats or other natural habitats occur.	Critical natural habitats present. Within declared protected areas or known to have high conservation value because of the presence of highly endangered species.	
Water quality and water resource availability and use	Available water is sufficient for existing demand; low intensity of water use; potential water use conflicts expected to be low; no potential water quality issues.	Medium intensity of water use; multiple water users; water quality issues are important.	Intensive water use; multiple water users; potential for conflicts is high; water quality issues are important.	
Natural hazards vulnerability, floods, soil stability/erosion	Flat terrain; no potential stability/erosion problems; no	Medium slopes; some erosion potential; medium risks from	Mountainous terrain; steep slopes; unstable soils; high erosion	

	known volcanic/seismic/flood risks.	volcanic/seismic flood/typhoons.	potential; volcanic seismic or flood risks.	
Physical Cultural Property (churches, archaeological sites, historical structures, sacred grounds)	No known or suspected physical cultural heritage sites	Suspected cultural heritage sites; known heritage sites in broader area of influence	Known heritage sites in project area.	
Involuntary Resettlement	Low population density; dispersed population; legal tenure is well defined.	Medium population density; mixed ownership and land tenure.	High population density; major towns and villages; low income families and/or illegal ownership of land; communal properties.	
Indigenous Peoples	No indigenous population.	Dispersed and mixed indigenous populations; highly acculturated indigenous populations.	Indigenous territories (CADT), reserves and /or lands; vulnerable indigenous populations.	

### III. Areas for Potential Environmental and Social Impact:

		Yes	No
Environment - Will the project:			
1	Risk the contamination of drinking water?		
2	Cause poor water drainage and increase the risk of water related diseases such as malaria or dengue		
3	Harvest or exploit a significant amount of natural resources such as trees, gravel, sand, wood for fuel or water? (e.g. use of illegal quarries)		
4	Be located within or nearby environmentally sensitive areas, protected areas (e.g. intact natural forests, mangroves, wetlands or threatened species?) or key biodiversity areas?		
5	Create a risk of increased soil degradation or erosion?		
6	Create a risk of increasing soil salinity?		
7	Produce, or increase the production of solid wastes (e.g. water, medical/healthcare, domestic or construction wastes)?		
8	Affect the quantity or quality of surface waters (e.g. rivers, streams, wetlands), groundwater (e.g. wells), or community pools?		
9	Result in the production of solid or liquid waste, or result in an increase in waste production, during construction or operation?		
10	Will the project result to use of pesticides?		
If the answer to any question from 1-9 is "Yes", please include an Environmental and Social Management Plan (ESMP) with the project application; For question 10, if Yes, PMP may be required.			
Land Acquisition and Access to Resources - Will the project:			

11	Require that land (public or private) be acquired (temporarily or permanently) for its development?		
12	Currently occupied or regularly used for productive purposes (e.g. gardening, farming, pasture, fishing, forests)		
13	Displace individuals, families, or businesses? Have any individuals, families, businesses been displaced up to 2 years prior to project enrolment?		
14	Result in the temporary or permanent loss of crops, fruit trees or household infrastructure such as crop storage facilities, outside toilets and kitchens		
15	Result in the involuntary restriction of access by people to legally designated parks and protected areas?		
16	May have adverse effects on the people with untitled lands?		
17	May have negative effects on the people with overlapping titles?		
18	Potentially has adverse effects on the existing land problems under CARP?		
19	May have adverse effects on the IDPs who are originally from the area, but have not yet repatriated?		
20	Can create a risk of increasing or aggregating land disputes or land related rido?		
21	Can created a risk of increasing illegal land transactions or grabbing?		
<i>If the answer to any of the questions 11 -15 is "Yes", please prepare appropriate documents required under the Resettlement and Compensation Framework. If the answer to any of the questions 16-21 is "yes", please include what has been done to mitigate or reduce the risks or negative impact in the social safeguards document.</i>			
<b>Indigenous Peoples - Will the project:</b>			
22	Require land used by IPs for productive (food gathering, gardening, farming, pasture, fishing, forests) and/or cultural purposes (sacred ground, place of rites, etc.)?		
23	Cover areas covered by a Certificate of Ancestral Domain Title or existing claim to one?		
24	Affect IPs in the project area (positive or negative)?		
25	Have a significant area that overlaps with the boundaries where IPs have a collective attachment to?		
26	Have IPs as among the potential beneficiaries of the project?		
<i>If the answer to any of the questions 22-26 is "Yes", please prepare IP Plan required under the Indigenous Peoples Framework.</i>			

#### IV. Categorization of Project:

In general these are the criteria for categorization of the project activities:

**Category A** The activity is likely to have significant adverse environmental and social impacts that are sensitive, diverse, or unprecedented.

- Scope of impacts is large in terms of area; and
- Impacts are difficult to mitigate.

**Category B** The activity has potential adverse environmental impacts on human populations or environmentally important areas – including wetlands, forests, grasslands, and other natural habitats, which are less adverse than those of Category A projects. These impacts are site-specific. Few if any of them

are irreversible and in most cases, mitigation measures can be designed more readily than for Category A projects.

- One or two site sensitivity ratings are medium or high;
- Three to four potential social and environmental impacts are identified in Section III of this annex; and
- Impacts are manageable to mitigate.

**Category C** The activity is likely to have minimal or no adverse environmental impacts. Beyond screening, no further EA action is required for a Category C project.

The proper categorization is left to the judgment of the PMO considering the guidelines above. The final objective of the categorization is to ensure that all social and environmental impacts are avoided, minimized or properly mitigated.

#### CERTIFICATION

We certify that we have thoroughly examined all the potential adverse effects of this project. To the best of our knowledge, the project plan as described in the application and associated planning reports (e.g. ESMP, RAP), if any, will be adequate to avoid or minimize all adverse environmental and social impacts.

Person who conducted the screening:

Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

PMO team representative:

Signature: \_\_\_\_\_  
Date: \_\_\_\_\_

Annex ESMF-3  
CREDIT POLICY ISSUANCE (CPI)

CPI No.	:	2009-002
Subject	:	REVISED ENVIRONMENTAL POLICY RELATIVE TO CREDIT DELIVERY
Remarks	:	Amendment of CPI No. 2004-002 entitled "Environmental Policy Relative to Credit Delivery"

**A. RATIONALE**

Credit Policy Issuance (CPI) No. 2004-002 entitled "Environmental Policy Relative to Credit Delivery" is hereby revised to enhance its effectiveness and ensure the achievement of the Bank's corporate environmental policy. Hence, identification, monitoring and mitigation of credit risks arising from the adverse impact on the environment of projects financed by the Bank as well as the identification of the environmental benefits of said projects shall be conducted.

**B. SCOPE AND COVERAGE**

All projects financed by the Bank and the collaterals being offered as security shall be covered by this issuance. However, only projects covered by the Philippine Environmental Impact Statement (EIS) System and only collaterals which are part of the project or used as project site shall require an environmental assessment.

**C. DEFINITION OF TERMS (See Annex A)**

**D. ACRONYMS (See Annex B)**

**E. STATEMENT OF POLICY**

1. The Lending Units (LUs) shall ensure that all projects of loan clients or borrowers shall conform to environmental protection regulations and requirements. Non-compliance with applicable environmental laws and regulations shall be considered a condition of default. (See Annex C)
2. To determine the accounts/projects needing environmental assessment, these shall be classified per the Revised DENR Administrative Order No. 2003-30 as updated by DENR Memo Circular 2007-002, as follows:
  - a) GROUP I – Environmentally Critical Projects (ECPs) with significant potential to cause negative environment impacts;
  - b) GROUP II – Projects that are not environmentally critical in nature, but which may cause negative environmental impacts because they are located in Environmentally Critical Areas (ECAs);
  - c) GROUP III – non-environmentally critical project in non-environmentally critical area;
  - d) Group IV – Co-located project under one or more proponents/locators which are located in a contiguous area. The co-located project may be an economic zone or industrial park, or mix of projects within a catchment, or any geographical, political or economic unit of area; and



- e) Group V – Unclassified projects or projects not listed in any of the groups. This is an interim category wherein the projects under it will eventually be classified into their appropriate groups after DENR evaluation.

Per DAO 2003-30, projects that were operational or implemented prior to 1982 are not covered by the Philippine EIS System unless it is modified or expanded after 1982 and met the threshold of Group I or II.

Annex D provides the matrix of projects with the corresponding group based on the Philippine EIS System.

3. For new account/project, an initial environmental assessment (IEA) to identify its potential aspects/impacts to the environment as well as its benefits shall be conducted. The environmental assessment shall not be limited to the object of financing but shall include the entire facility or business operation within the same or contiguous area. This shall be conducted as follows:
  - a) For Field Unit / Lending Center (LC) Accounts/Projects, the LC shall designate an Environmental Assessor from the Loan Administration Unit (LAU). The Environmental Assessor shall prepare and submit a copy of the IEA Checklist/Report to the Environmental Program & Management Department (EPMD) for further review/validation/reference. The IEA Checklist may also serve as reference of the AO in preparing the Credit Facilities Proposal (CFP). (See Annex E)
  - b) For Head Office Accounts, an IEA Checklist and/or Environmental Compliance Report (ECR) shall be prepared by the EPMD in accordance with the schedule stipulated in item E.6.
4. The AO shall indicate in the Environmental Impact Section of the CFP the following:
  - a) Project Group/Category based on the Philippine EIS System;
  - b) The Environmental Due Diligence conducted by the Project, which shall emphasize the proponent's effort to mitigate potential and significant environmental impacts of the project; and
  - c) The Environmental Benefits resulting from the project and its environmental initiatives. (See Annex F)
5. The Environmental Compliance Certificate (ECC) shall be a pre-release requirement for all covered projects. In lieu of the ECC, a proof of filing of application with the DENR and other authorized agencies of the government may be allowed, subject to the approval of next higher loan approving group, with the Investment and Loan Executive Committee (ILEC) as the highest approving authority. Provided further that: the project is not under Group I (ECP), it is not within a protected / contested area, and the proponent commits to provide resources through a Deed of Undertaking should the approved ECC require additional mitigating measures as part of its conditionalities.

For projects classified as Group III, a Certificate of Non-Coverage (CNC) from the DENR-EMB and an ECR from the EPMD shall not be required for the approval of the loan.

6. For new accounts, the EPMD shall conduct an environmental assessment and shall prepare/issue an Environmental Compliance Report (ECR) based on the following conditions/schedule:

- a) For projects under Group I, ECR shall be a pre-release requirement;
- b) For new projects under Groups II & IV, ECR shall be required one (1) year after the initial release of loan;
- c) For existing projects under Groups II & IV, ECR shall be required within six (6) months from the date of initial loan release;
- d) For projects operational prior to 1982 which have significant impact to the environment and / or have had expansion / modification after 1982, ECR shall be required within six (6) months from the date of initial loan release.

To facilitate the issuance of the ECR, the concerned LU will request EPMD for the conduct of environmental assessment at least 2 months before the due date. Timeframe for ECR preparation shall be as follows: maximum of five (5) working days for desk assessment, and ten (10) working days for site assessment. (See Annexes G & H)

- 7. Compliance with the submission of the pre-release documentary requirements specified in Items E.5 & E.6 as well as with the applicable environmental laws & regulations required during the operation of the project shall be incorporated in the Loan or Credit Line Agreement.
- 8. To determine the degree of assessment and prioritize monitoring of accounts/projects, the EPMD shall devise an environmental risk rating tool to classify accounts/projects according to their significance and potential to adversely affect the environment. (See Annexes I & J)
- 9. The AO shall monitor compliance of the account/project with applicable environmental laws and regulations until such time that it is fully paid. To guide the AO and facilitate monitoring of compliance, the EPMD shall conduct annual Environmental Performance Monitoring & Audit for projects/accounts earlier issued with ECR. EPMD shall also issue reminder/list of projects with pending environmental requirements to concerned LU. (See Annexes K & L).
- 10. For foreclosed properties that are covered by the Philippine EIS System, the designated Pollution Control Officer (PCO) of the Bank shall be held responsible for conducting Environmental Due Diligence for the said properties that includes reporting and compliance to permit requirements.
- 11. The EPMD shall conduct roadshows/trainings for LU personnel to effectively implement this environmental policy, in coordination with the Credit Policy and Risk Management Department and Organizational Development Department.

## **F. LIST OF ANNEXES**

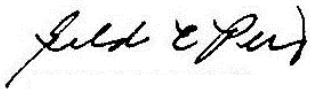
- A - Definition of Terms
- B - Acronyms
- C - Environmental Permitting Requirements
- D - Project Groups and Required Environmental Documents Based on the Philippine EIS System
- E - IEA Checklist / Report
- F - Matrix of Environmental Impact, Mitigating Measures and Benefits per Activity/Type Industry
- G - G.a Flowchart on Environmental Assessment of New LBP Field Unit Accounts

G.b Flowchart on Environmental Assessment of New LBP Head Office Accounts

- H - ECR template
- I - I.a Initial Environmental Risk Rating Score Sheet  
I.b Latest Environmental Risk Rating Score Sheet
- J - Environmental Due Diligence System (Summary of Procedure based on Risk Rating)
- K - Flowchart on Environmental Performance Monitoring & Audit of Existing Term Loans
- L - EPMAR template

#### G. EFFECTIVITY

All issuances/orders that are inconsistent herewith are deemed superseded or amended accordingly. These guidelines shall take effect immediately.



GILDA E. PICO  
President and CEO

Annex ESMF-4 (for revision)

ENVIRONMENTAL CATEGORY AND DOCUMENTARY REQUIREMENTS OF VARIOUS TYPES OF POSSIBLE HARVEST PROJECTS

Projects/Description	Covered (Required to secure ECC)			Not Covered (May Secure CNC)	Project size parameters/Remarks
	Category A: ECP	Category B: Non-ECP		Category D	
	EIS	EIS	IEE Checklist	PD (Part I only)	
1. HEAVY AND OTHER PROCESSING/ MANUFACTURING INDUSTRIES					
1.1 Non-Ferrous Metal Industries	≥30,000 MT	≥ 10,000 MT but < 30,000 MT	>200 MT but < 10,000 MT	≤ 200 MT annually	Annual Production Rate
1.2 Iron and Steel Mills					
1.3 Petroleum and Petrochemical Industries (This category includes hydrocarbon products such as LNG/CNg, etc.)					
1.3.1 Petrochemical or petroleum-based products	≥ 30,000 MT	≥ 10,000 MT but < 30,000 MT	> 200 MT but < 10,000 MT	≤200 MT annually	Annual Production Rate
1.3.2 Refineries	≥ 30,000 barrels	≥ 10,000 barrels but < 30,000 barrels	> 200 barrels but < 10,000 barrels	≤ 200 barrels annually	Annual Production Rate
1.3.3 Recycling of oil and other petroleum-based chemicals	≥ 10 MT	≥ 5 MT but < 10 MT	> 1 MT but <5 MT	≤ 1 MT	Daily production rate
1.3.4 LPG/LNG/CNG/similar product storage and refiling	None	≥ 10MT	< 10MT	None	Total storage capacity
1.3.5 Storage of petroleum, petrochemical, or related products (including blending)	None	≥ 20,000 kL	> 20 kL but < 20,000 kL	≤ 20 kL	Total storage capacity
1.3.6 Refilling station projects/ gasoline station projects	None	≥ 20,000 kL	>20 kL but < 10,000 MT	≤ 200 MT annually	Annual Production Rate
1.4 Smelting Plants	≥ 15,000 MT	≥ 10,000 MT but <15,000 MT	> 200 MT but < 10,000 MT	≤ 200 MT annually	Annual Production Rate
1.5 Chemical Industries					

Projects/Description	Covered (Required to secure ECC)			Not Covered (May Secure CNC)	Project size parameters/Remarks
	Category A: ECP	Category B: Non-ECP		Category D	
	EIS	EIS	IEE Checklist	PD (Part I only)	
1.5.1 Manufacturing, processing and/or use of substances included in the Priority Chemical List (PCL) and Chemical Control Order (CCO) per RA 6969 IRR	None	≤ 1.0 MT	< 1.0 MT	None	Annual Production Rate
1.5.2 Manufacture of agri-chemicals, industrial chemicals and other substances not in the PCL or CCO	None	≥ 30,000 MT	>200 Mt but < 30,000 MT	≤ 200 MT annually	Annual Production Rate
1.5.3 Manufacture of explosives, propellants and industrial gases	None	≥ 5 MT	< 5.0 MT	None	Annual Production Rate
1.5.4 Pharmaceutical industries and manufacture of soap and detergents, health and beauty products, and other consumer products	None	≥ 50,000 MT	> 200 MT but < 50,000 MT	≤ 200 MT annually	Annual Production Rate
1.5.5 Surface coating industries (paints, pigments, varnishes, lacquers, anti-capacity fouling coating, printing inks)	None	≥ 30,000 MT	>200 Mt but < 30,000 MT	≥ 200 MT annually	Annual Production Rate
1.6 Agriculture, Food and related Industries					
1.6.1 Animal products processing (fish/,meat processing, canning, slaughterhouses, etc)including other marine products, crabmeat, etc)	None	≥ 2,500 MT	> 200 MT but < 2,500 MT	≤ 200 MT	Annual Production Rate
1.6.2 Coconut processing plants (including production of other coconut based products)	None	≥ 25,000 MT	> 200 MT but < 25,000 MT	≤ 200 MT	Annual Production Rate
1.6.3 Distillation and Fermentation Plants (e.g. Bio-ethanol project)	None	≥ 50,000 MT	> 200 MT but < 50,000 MT	≤ 200 MT	Annual Production Rate

Projects/Description	Covered (Required to secure ECC)			Not Covered (May Secure CNC)	Project size parameters/Remarks
	Category A: ECP	Category B: Non-ECP		Category D	
	EIS	EIS	IEE Checklist	PD (Part I only)	
1.6.4 Food preservation (e.g. Drying, freezing) and similar methods aside from canning	None	None	None	Regardless of capacity	None
1.6.5 Ice Plant/Processing	None	None	Regardless of capacity	None	
1.6.6 Agricultural processing including rice, corn, vegetables, fruits and other agricultural products	None	≥ 50,000 MT	> 5,000 MT but < 50,000 MT	≤ 5,000 MT	Annual Production Rate
1.6.7 Rice/corn mill	None	None	> 1 ton/hr or mill with polishing (regardless of production rate if with polishing)	≤ 1 ton/hr	Hourly production rate
1.6.8 Other types of food (and other food by-products, additives, etc.) processing industries	None	≥ 50,000 MT	> 200 MT but < 50,000 MT	≤ 200 MT	Annual Production Rate
1.6.9 Processing of dairy products	None	≥ 10,000 L (liquid) or ≥ 100 MT (solid)	> 100 L but < 10,000 L (liquid) or > 1 MT but < 100 MT (solid)	≤ 100 L (liquid) or ≤ 1 MT (solid)	Monthly production rate
1.6.10 Sugar mills	None	≥ 50,000 MT	> 200 MT but < 50,000 MT	≤ 200 MT	Annual (rated) production rate
1.7.1 Leather and related industries	None	≥ 2,500 MT	> 200 MT but < 2,500 MT	≤ 200 MT	Annual Production Rate

Projects/Description	Covered (Required to secure ECC)			Not Covered (May Secure CNC)	Project size parameters/Remarks
	Category A: ECP	Category B: Non-ECP		Category D	
	EIS	EIS	IEE Checklist	PD (Part I only)	
1.7.2 Textile, wood, rubber and fiber glass industries	None	≥ 50,000 MT	> 1,000 MT but < 50,000 MT	≤ 1,000 MT	Annual Production Rate
1.7.3 Wood and Metal Furniture Assembly	None	None	with processing (bleaching,sanding, etc)	without processing	Regardless of capacity or area
1.7.4 Glass-based products manufacturing	None	None	> 30,000 MT	≤ 30,000 MT	Annual Production Rate
1.7.5 Metal-based products manufacturing (including semiconductors, electronics)	None	Regardless of production capacity if involving the use of ≥ 1.0 MT per year of substances included in the PCL and CCO	≤ 15,000 MT or Regardless of production capacity if involving the use of < 1.0 MT per year of substances included in the PCL and CCO	≤ 15,000 MT and does not involve in th PCL and CCO	Annualuse of substances in PCL or CCO (EIS) Annual production rate (IEEC& Category)
1.7.6 Garment manufacturing/ Industries	None	None	With dyeing	w/o dyeing and only involves spinning, cutting and sewing	Regardless of capacity or area
1.7.7 Pulp and Paper Industries	≥ 50,000 MT	≥ 10,000 MT but < 50,000 MT	> 200 MT but < 10,000 MT	≤ 200 MT annually	Annual Production Rate
1.7.8 Paper and plastic-based products	None	None	> 15,000 MT	≤ 15,000 MT	Annual Production

Projects/Description	Covered (Required to secure ECC)			Not Covered (May Secure CNC)	Project size parameters/Remarks
	Category A: ECP	Category B: Non-ECP		Category D	
	EIS	EIS	IEE Checklist	PD (Part I only)	
					Rate
1.7.9 Car and Trucks Assembly	None	≥ 2.5 ha	≥ 2.5 ha	None	Total/gross floor area including parking, open space and other areas
1.7.10 Shipbuilding, boatbuilding and other marine vessel manufacturing/fabrication (including ship breaking and salvaging)	None	≥ 500 DWT	> 5 DWT but < 500 DWT	≤ 5 DWT and can handle 1 boat at a time	Boat/ship capacity (based on maximum capacity of ship and boat that can be fabricated by the facility)
2.1 Mining and Quarrying Projects					
2.1.1 Coal mining	≥ 70,000 MT	> 20,000 MT but < 70,000 MT	≤ 20,000 MT	None	Annual extraction rate
2.1.2 Extraction of metallic ores/minerals (on shore)	≥ 100,000 MT or Area ≥ 25 ha (regardless of capacity)	> 20,000 MT but < 100,000 MT and Area is < 25 heactares	≤ 20,000 MT and Area is < 25 hectares	None	Annual extraction rate or/and project area (material recovery from TSF and similar facility are included in this category)



Projects/Description	Covered (Required to secure ECC)			Not Covered (May Secure CNC)	Project size parameters/Remarks
	Category A: ECP	Category B: Non-ECP		Category D	
	EIS	EIS	IEE Checklist	PD (Part I only)	
2.1.3 Extraction of Non-metallic Minerals such as - Limestone/shale /silica/clay/placer/and other non-metal mineral/ores -Aggregates (sand, stone, gravel including dredging with/intended for recovery/ use of materials)	≥ 75,000 or Area ≥ 20 hectares (regardless of capacity)	> 200,000 MT but < 75,000 MT and Area is < 20 hectares	≤ 20,000 MT and Area is < 20 hectares	Dredging only (of river,bay & other natural water bodies as environmental enhancement)	Annual extraction rate or/and project area
2.1.4 Extraction of Oil and Gas (Land-based)	The reckoning of *commercial extraction* of onshore and offshore oil & gas projects shall be after DOE's approval of the Service Contrator's Declaration of Commerciality.				
• Commercial extraction of oil	≥ 4,000 barrels (or equivalent)	> 500 but < 4,000 barrels (or equivalent)	≤ 500 barrels (or equivalent)	None	Daily extraction rate
• Commercial extraction of gas	≥ 250,000 m3	> 50,000 but < 250,000 m3	≤ 50,000 m3	None	Daily extraction rate
2.1.5 Extraction of metallic and non-metallic minerals including extraction of oil and gas, deuterium (off-shore)	Regardless of commercial capacity or area	None	None	None	
2.1.6 Mineral Processing Projects					
a) Metallic Mineral or ore processing	≥ 70,000 MT	≥ 10,000 MT but < 70,000 MT	> 200 MT but < 10,000 MT	≤ 200 MT annually	Annual Production Rate

Projects/Description	Covered (Required to secure ECC)			Not Covered (May Secure CNC)	Project size parameters/Remarks
	Category A: ECP	Category B: Non-ECP		Category D	
	EIS	EIS	IEE Checklist	PD (Part I only)	
b) Precious /Noble Retal refinining (including jewelry making      None	None	Regardless of production capacity if involving the use of ≥ 1.0 MT per year of substances included in the PCL and CCO	Does Not use chemicals		
c) Non-metalic mineral processing plants like cement, other cement products like limestone,ceramic industries, manufacture of glass and glass products, manufacture and processing of calcium	≥50,000 MT	≥10,000 MT but <50,000 MT	>200 MT but <10,00 MT	≥200 MT annual	Annual production rate
d) Natural stone (e.g.,marble) processing plant	None	None	>10,000 MT	≤ 200 MT annually	Annual Production Rate
e) Batching and crushing plant; sand & gravel washing	None	None	>10,00 MT	≤10,000 MT	Annual Production Rate
2.2 Foresty Projects					
2.2.1 Community Based Forest Resources Utilization (CBFRU); Integrated Forest Management Agreement (IFMA) projects; Timber license Agreement (TLA); Private land timber utilization (PLTU); Other Forestry Project; Forestry Project co-manage with DENR;	≥10,000 m³	≥5,000 m³ but >10,000 m³	>100 m³ but < 5,000 m³	≤ 100 m³	Annual volume of tress to be cut for equal to or more than 5,000 m³ processing shall be done at the EMB Regional Office as per Memorandum from the secretary dated December 13,2006

Projects/Description	Covered (Required to secure ECC)			Not Covered (May Secure CNC)	Project size parameters/Remarks
	Category A: ECP	Category B: Non-ECP		Category D	
	EIS	EIS	IEE Checklist	PD (Part I only)	
2.2.2 Wood Processing Projects	≥10,000 m³	>4,000 m³ but < 10,000 m³	>100 m³ but ≤ 4,000m³	≤ 100 m³	Equivalent products per year for more than 4,000m³- processing shall be done at the EMB Regional Office, however, approval will be at EMB Central Office as per Memorandum from the secretary dated December 13,2006
2.2.3 Introduction of Exotic Fauna and Flora in Public and Private Forests	Introduction of exotic fauna regardless of number of area in <u>public</u> or private land	Introduction of exotic fauna regardless of number of area in public or <u>private</u> land	Introduction of exotic fauna regardless of number of area in public or private land	None	
2.2.4 Grazing Projects	≥ 500 Animal Unit (AU)	≥ 100 AU but <500 AU	< 100 AU	≤10 AU AND <1 AU per hectare	Grazing capacity for Category D; Animal Unit (AU) for another categories

Projects/Description	Covered (Required to secure ECC)			Not Covered (May Secure CNC)	Project size parameters/Remarks
	Category A: ECP	Category B: Non-ECP		Category D	
	EIS	EIS	IEE Checklist	PD (Part I only)	
2.2.5 Wildlife Farming or any related projects as defined by BMB	Establishments or facilities for wildlife farming, protection, conservation, commercial purposes	None	None	Regardless of area except for butterfly farming	Butterfly farming
2.2.6 Breeding/propagation of any Philippine threatened species, exotic species, or non-threatened/indigenous species	None	Parental stock over 50 heads/species	None	Parental stock over 50 heads/species	
2.2.7 Livestock Animal Industries					
a) Livestock/piggery Projects - (e.g. pigs/goats)	None	≥5,000 heads	>100 but <5,000 heads	≤100 heads	Stocking population
b) Ostrich Farming	None	≥1,000 heads OR ≥1 ha	< 1,000 heads	≤ 100 heads AND ≤ 1 ha	
c) Living Stock poultry Projects - (eg.- birds)	None	≥100,000 heads	>10,000 but < 100,000 heads	≤ 10,000 heads	Stocking population
d) Other Livestock Projects	None	≥50 Animal Unit (AU)	>10 AU but <50 AU	≤10 AU	Stocking population
2.2.8 AGRICULTURE INDUSTRY					
a) Agricultural plantation (e.g. Orchards, including rubber plantation)	None	≥500 hectares	>50 hectares but <500 hectares	≤50 hectares	Aggregated by municipality-based on contracting party

Projects/Description	Covered (Required to secure ECC)			Not Covered (May Secure CNC)	Project size parameters/Remarks
	Category A: ECP	Category B: Non-ECP		Category D	
	EIS	EIS	IEE Checklist	PD (Part I only)	
b) Animal feed mill	None	≥2,500 MT	>200 MT but < 2,500 MT	≤200 MT	Annual production rate
2.3 Fishery Projects - Dikes For/ And Fishpond Development projects					
2.3.1 Fishery/Aquaculture Projects using fresh or brackish water including pearl farm and similar activities	≥ 25 hectares	≥5 hectares but <25 hectares	>1hectares but <5 hectares	≤ ha OR seaweed farming	Based on project area (e.g.,title, lease contract)
3. INFRASTRUCTUTRE PROJECTS					
3.1 Dams,Water Supply and Flood control Projects					
3.1.1 DAMS (including for those irrigation, flood control, water source and hydropower projects) including run- of-river type	≥25 hectares OR ≥ 20 million m³	>5 hectares but < 25 hectares OR >5 million m³ but <20 million m³	≤ 5 hectares AND ≤5 million m³	None	reservoir flooded/inundated area or/and water storage capacity
3.1.2 Irrigation Projecs (distribution system only)	None	≥1,000 hectares service area)	>300 but <1,000 hectares	≤300 hectares	Service area
3.1.3 Water supply projects (without dam)	None	With water source (e.g. Infiltration galery, etc.) and water treatment facilities including desalination, reverse osmosis (RO)	Levels III (Distribution system only)	Level II/ Level I Water refilling station	
3.2 POWER PLANTS					

Projects/Description	Covered (Required to secure ECC)			Not Covered (May Secure CNC)	Project size parameters/Remarks
	Category A: ECP	Category B: Non-ECP		Category D	
	EIS	EIS	IEE Checklist	PD (Part I only)	
3.2.1 Gas-fired thermal power plants	≥ 50 MW	≥10 MW but <50 MW	>1 MW but <10 MW	≤ 1 MW	Total power generating capacity
3.2.2 Geothermal facilities	≥50 MW	≥ 1 MW but <10 MW	>1 MW but <10 MW	≤ 1 MW	Total power generating capacity
3.2.3 Hydropower facilities	≥50 MW	≥ 10 MW but <50 MW OR with tunneling (regardless of capacity)	>1 MW but <10 MW AND without tunneling	≤ 1 MW without tunneling	Total power generating capacity for projects with weir/dam/other impounding facility, refer to dam as additional criteria for multi component project screening
3.2.4 Other thermal Power Plants (e.g coal, diesel,bunker, etc.)	≥ 30 MW	≥10 MW but <30 MW	>1 MW but<10MW	≤ 1 MW	Total power generating capacity
3.2.5 Power Barges	≥ 50 MW	≥ 10 MW but 50 MW	>1 MW but < 10 MW	≤ 1 MW	Total power generating capacity
3.2.6 Fuel cell	≥100 MW	None	>5 but <100 MW	≤ 1 MW	Total power generating capacity
3.2.7 Renewable energy projects such as ocean,solar,wind,tidal power execept waste-to-energy and and biogas projects	None	≥ 100 MW	>5 but < 100 MW	≤ 5 MW	Total power generating capacity
3.2.8 Waste-to-energy- power projects	None	≥ 50 MW	> 1 MW but <50 MW	≤1 MW	Total power generating capacity

Projects/Description	Covered (Required to secure ECC)			Not Covered (May Secure CNC)	Project size parameters/Remarks
	Category A: ECP	Category B: Non-ECP		Category D	
	EIS	EIS	IEE Checklist	PD (Part I only)	
3.2.9 waste-to-energy-biogas projects	None	≥ 5 MT	>1 MW but <50 MW	≤1 MW	Total rated capacity of all processing and storage facilities
3.2.9 Power transmission lines	None	None	>138 KV	≤ 138 KV	Total power generating capacity
3.2.10 Substation/switchyard	None	None	>220 KV	≤220 KV	Total power generating capacity
3.3 RECLAMATION and other land restoration PROJECTS	≥ 25 hectares	≥ 5 hectares but < 25 hectares	< 5 hectares	None	Area reclaimed/restored
3.4 ROAD AND BRIDGES					
3.4.1 Roads New construction	NATIONAL ROAD : ≥20.0 km (length with no critical slope) OR ≤ ≥10.0KM (length with critical slope)	PROVINCIAL ROAD and OTHER TYPES OF ROADS: ≥20.0 km (length with no critical slope) OR ≤ ≥10.0KM (length with critical slope)	ALL TYPES OF ROADS : >2 km but <20.0 km,(length with no critical slope) OR >2 km but < 10.0 km (length with critical slope)	≤2 km	

Projects/Description	Covered (Required to secure ECC)			Not Covered (May Secure CNC)	Project size parameters/Remarks
	Category A: ECP	Category B: Non-ECP		Category D	
	EIS	EIS	IEE Checklist	PD (Part I only)	
3.4.2 Roads, widening, rehabilitaion and/ or improvement	None	>50% increase in capacity (or in terms of length/width) AND ≥20.0 km,(length with no critical slope) OR ≥10.0 km (length with critical slope)	>50 increase in capacity (or interms of lngth/width) AND >2 km but <10.0 km(length and critical slope)	≤50% increase in capacity (or in terms of length/width ) but ≤2 km increase in length	
3.4.3 Bridges and viaducts (including elevated roads), new construction	≥10.0 km	≥5 km but < 5.0 km	>50 m but < 5.0 km	≤50 m regardless of length for footbridges or for pedestrian only	
3.4.4 Bridges and viaducts (including elevated roads), rehabilitaion and and/or improvement	None	≥50 % increase in capacity (or in terms of length/width) OR ≥10 km	>50 % increase in capacity (or in terms of length/width) but <total length of 10 km	50 % increase in capacity (or in terms of length/width ) but ≥2 km increase in length	
3.4.5 Roads- flyover/cloverleaf/interchanges	None	None	regardless of length and width	None	



Projects/Description	Covered (Required to secure ECC)			Not Covered (May Secure CNC)	Project size parameters/Remarks
	Category A: ECP	Category B: Non-ECP		Category D	
	EIS	EIS	IEE Checklist	PD (Part I only)	
3.4.6 Pedestrian passages	None	None	All underpass projects	All overpass projects	
Tunnels and sug-grade roads and railways	≥1.0 km	<1.0 km	None	None	
On-grade railways system, new	regardless of length and width	None	None	None	
Other Transport Facilities					
3.5.1 Airports	None	International Airport	Domestic Aiport	Private airstrips	
3.5.2 Land transport terminal (for buses, jeepneys,and other modes of transportation	None	None	>1hectares Or regardless of size if with service facilities	≤1 hectare without service facilities	Based on project area (e.g.,title,lease contract
3.5.3 Sea port, causeways,and harbors(including RO- RO facilities	None	≥15.0 hectatres with reclamation OR ≥25.0 hectates(w/o reclamation)	<15 hectares with reclamation OR >1 hectare but < 25.0 hectares(w/o reclamation)	≤1.0 hectare (w/o reclamation)	Based on project area (e.g.,title,lease contract
3.6 Buildings including Housing,Storage Facilities and other Structures					

Projects/Description	Covered (Required to secure ECC)			Not Covered (May Secure CNC)	Project size parameters/Remarks
	Category A: ECP	Category B: Non-ECP		Category D	
	EIS	EIS	IEE Checklist	PD (Part I only)	
3.6.1 Commercial [Business centers with residential units (mixed use), malls,supermarkets,public markets] •Fast food/Restaurant Projects •Commercial Establishments (i.e. Showrooms)	None	≥5.0 hectares	≥5.0 hectares	≤1 hectare	Total/gross floor area including parking, open space and other areas
3.6.2 All office and residential building such as motels,condominiums,school etc.including storage facilities with no hazardous or toxic materials	None	≥5.0 hectares	≥5.0 hectares	≤1 hectare	Total/gross floor area including parking, open space and other areas
3.6.3 Institutional and other structures with laboratory facilities	None	None	Primary, Secondary , Tertiary hospital or medica facilities	Clinics (out-patient,health centers,dental clinics) including rural health units; X-ray clinic, diagnostic laboratory,as say laboratory	
3.6.4 Storage facilities for toxic or hazardous materials,substancesor products(including for those in PLC)	None	≥1,000 MT	<1,000 MT	None	Storage capacity

Projects/Description	Covered (Required to secure ECC)			Not Covered (May Secure CNC)	Project size parameters/Remarks
	Category A: ECP	Category B: Non-ECP		Category D	
	EIS	EIS	IEE Checklist	PD (Part I only)	
3.6.5 Industrial Parks (horizontal development) with critical slope	None	≥ 5 hectare	< 5 hectare	None	Based on project area (e.g.,title,lease contract
3.6.6 Industrial Parks (horizontal development)in flat areas	None	≥25 hectare	< 25 hectare	None	Based on project area (e.g.,title,lease contract
3.6.7 Subdivision and other housing projects in area with critical slopes	None	≥5 hectare	> 1 hectare but <5 hectare	≤1 hectare	Based on project area (e.g.,title,lease contract
3.6.8 Subdivision and other housing project in flats area	None	≥25 hectare	> 1 hectare but <25 hectare	≤1 hectare	Based on project area (e.g.,title,lease contract

Annex ESMF-5  
RECOMMENDED FORMAT for PROJECT DESCRIPTION

- I. INTRODUCTION
- II. PROJECT DESCRIPTION
  - A. Project Rationale
  - B. Proposed Project Location
  - C. Description of Project Operations
    - 1. Process Flow
    - 2. Material and Energy Balance
    - 3. Production capacity and descriptions of raw materials, by-products, products and waste materials
  - D. Description of Project Phases
    - 1. Pre-construction/Operational phase
    - 2. Construction phase
    - 3. Operational phase
    - 4. Abandonment phase
  - E. Project Capitalization and Manpower Requirement
- III. ENVIRONMENTAL AND SOCIAL MANAGEMENT PLAN (discussion of the residual management scheme among others)
  - A. Air
  - B. Water
  - C. Land
- IV. ATTACHMENTS

(It should be noted that CNC applications do not require any other attachments aside from those needed to provide additional information or details on project descriptions. Specifically, barangay clearances or permits, LGU endorsements, and similar documents are not required.)

Annex ESMF-6  
RECOMMENDED FORMAT for an EXPANDED IEE REPORT

- I. TABLE OF CONTENTS
- II. EXECUTIVE SUMMARY
- III. INTRODUCTION
  - A. Project Background
  - B. ESIA Process Documentation
  - C. ESIA Methodology
  - D. ESIA Team
  - E. ESIA Study Schedule
- IV. PROJECT DESCRIPTION
  - A. Project Rationale
  - B. Project Location
  - C. Project Information
  - D. Description of Project Phases
    - 1. Pre-Construction / Operational Phase
    - 2. Construction Phase
    - 3. Operational Phase
    - 4. Abandonment Phase
- V. DESCRIPTION OF ENVIRONMENTAL SETTING AND RECEIVING ENVIRONMENT
  - A. Physical Environment
  - B. Biological Environment
  - C. Socio-Cultural, Economic and Political Environment
  - D. Future Environmental Conditions without the Project
- VI. IMPACT ASSESSMENT AND MITIGATION
  - A. Summary Matrix of Predicted Environmental Issues/Impacts and their Level of Significance at Various Stages of Development
  - B. Brief Discussion of Specific Significant Impacts on the Physical and Biological Resources
  - C. Brief Discussion of Significant Socio-Economic Effects / Impacts of the Project
- VII. ENVIRONMENTAL MANAGEMENT PLAN
  - A. Summary Matrix of Proposed Mitigation and Enhancement Measures, Estimated Cost and Responsibilities
  - B. Brief Discussion of Mitigation and Enhancement Measures
  - C. Monitoring Plan
  - D. Contingency Plan (if applicable)
  - E. Institutional Responsibilities and Agreements
- VIII. BIBLIOGRAPHY / REFERENCES

Annex ESMF-7  
RECOMMENDED FORMAT for an ESIA

- I. TABLE OF CONTENTS
- II. EXECUTIVE SUMMARY
  - A. Brief Introduction
  - B. Brief Description of Methodology and Profile of ESIA Team
  - C. Scope and Limitation of the ESIA Study
  - D. Brief Project Description
  - E. Brief Description of Baseline Environmental Conditions
  - F. Matrix of Issues and Impacts Raised During the Scoping and Consultations
  - G. Matrix of Major Impacts, and Mitigation/Enhancement Measures with Summary Discussion
  - H. Matrix of Environmental Management Plan with Summary Discussion
  - I. Matrix of Environmental Monitoring Plan with Summary Discussion
  - J. Proposal of Environmental Guarantee and Monitoring Fund Scheme (when applicable)
  - K. Summary of Process Documentation Report, and
  - L. Summary of Commitments, Agreements (or both) and Proofs of Social Acceptability
- III. INTRODUCTION
  - A. Project Background
  - B. ESIA Approach and Methodology
  - C. ESIA Process Documentation
  - D. ESIA Team
  - E. ESIA Study Schedule
- IV. PROJECT DESCRIPTION
  - A. Project Rationale
  - B. Project Alternatives
  - C. Project Location
  - D. Project Information
  - E. Description of Project Phases
    - 1. Pre-Construction / Operational Phase
    - 2. Construction Phase
    - 3. Operational Phase
    - 4. Abandonment Phase
- V. BASELINE ENVIRONMENTAL CONDITIONS
  - A. Physical Environment
    - 1. Geology and Geomorphology
    - 2. Hydrology and Hydrogeology
    - 3. Pedology and Land Use
    - 4. Water Quality and Limnology
    - 5. Meteorology
    - 6. Air and Noise Quality
    - 7. Oceanography
  - B. Biological Environment
    - 1. Terrestrial Flora and Fauna
    - 2. Marine Biology
  - C. Socio-Cultural, Economic and Political Environment
- VI. FUTURE ENVIRONMENTAL CONDITIONS WITHOUT THE PROJECT

## VII. IMPACT ASSESSMENT AND MITIGATION

- A. Physical / Chemical Effects
  - 1. Land
  - 2. Water
  - 3. Air
- B. Biological/Ecological Effects
  - 1. Terrestrial Flora and Fauna
  - 2. Aquatic Flora and Fauna
- C. Aesthetic and Visual Effects
- D. Socio-Cultural and Economic Effects
  - 1. Population composition
  - 2. Land tenure/use pattern
  - 2. Labor and Employment
  - 3. Housing and Social Services
  - 4. Infrastructure and Public Utilities
  - 5. Health and Education
  - 6. Culture and Lifestyle
  - 7. Livelihood and Income
  - 8. Archeological / Anthropological / Historical Sites
  - 9. Land ownership
  - 10. IP ancestral domain land
  - 11. Implementation of CARP
  - 12. Occurrences of rido, especially land-related rido
  - 13. Clan (dominant clan, inter-clan relationship)
  - 14. Displaced IDPs from the area, but not yet repatriated
  - 15. Existing land conflict resolution mechanisms
- E. Mitigation and Enhancement Measures
- F. Residual and Unavoidable Impacts

## VIII. ENVIRONMENTAL RISK ASSESSMENT (WHEN APPLICABLE)

## IX. ENVIRONMENTAL MANAGEMENT PLAN

- A. Construction / Contractors Environmental Program
- B. Social Development Program
- C. Contingency / Emergency Response Plan
- D. Risk Management Program
- E. Abandonment Plan (when applicable)
- F. Environmental Monitoring Plan

## X. RAP (STAND ALONE)

## XI. ENVIRONMENTAL GUARANTEE AND MONITORING FUND PROPOSAL

## XI. COMMITMENTS AND AGREEMENTS

## XII. BIBLIOGRAPHY / REFERENCES

- A. Attachments
- B. List of EIS Preparers (with specified field of expertise)
- C. Original Sworn Accountability Statement of Key EIS Consultants
- D. Original Sworn Accountability Statement of Proponent
- E. Photos (or plates of proposed project site, impact areas and affected areas and communities)
- F. Process Documentation Report
- G. Scoping Report
- H. Summary of Proof of Social Preparation Process Conducted

All projects or undertakings covered by the EIS System and classified by the Department of Health (DOH) as Health Sensitive Projects or located in Health Sensitive Areas shall include a chapter on Environmental Health Impact Assessment (EHIA). The EHIA Chapter shall contain, among others, the following information:

- Health and Sanitation Information of the Affected Community
- Environmental Health Impact Analysis/Assessment
- Proposed Control and Mitigating Measures for the Environmental Health Impacts Identified



FOR REVISION Annex ESMF-8 FS for Agribusiness Projects  
SAMPLE TERMS of REFERENCE for PREPARATION OF FEASIBILITY STUDY  
(By Firm, EA/SA included in the TOR)

I. BACKGROUND

This Consultancy is for the preparation of the Feasibility Study of the agribusiness project in Name of LBP borrower. The HARVEST project implementation is a joint effort of the Land Bank of the Philippines (LBP) and the its borrower. The LBP is the executing agency responsible for the overall implementation of the Project. The LBP borrower will be responsible for the preparation and implementation of the project.

II. OBJECTIVES OF THE STUDY

The objectives of the Consultancy Services will include:

- (a) Determine the feasibility of the agribusiness project proposal of Name of the LBP borrower in conformity with LBP borrower priorities and budgetary constraints;
- (b) Evaluate land acquisition needs and applicable legal requirements for the project, perform environmental impact assessment to determine project alternatives, and collect socio-economic data on persons likely to be displaced by the proposed project; and
- (c) Act on the recommendations in the feasibility study, to complete preliminary design of the proposed project as well as necessary surveys and investigations.

III. SCOPE OF WORK

Feasibility Study which shall contain:

- (a) Rapid Assessment, of long-term development prospects of the agribusiness project; identification of first phase, implementation schedule and base cost estimates for major cost components with respective contingencies; assessment of proposed project feasibility; and recommendation concerning schedule and implementation methods.
- (b) Environmental and Social Impact Assessment, including Environmental Management Plan, of the planned or proposed project activities to facilitate the best selection of alternatives that will bear the minimum environmental impact. The ESIA shall follow the minimum format recommended by the DENR and shall cover the requirements outlined in the HARVEST Environmental and Social Management Framework. If the project exhibits potential health impact, supplemental and a separate Environmental Health Impact Assessment report shall be prepared.
- (c) Institutional Examinations, including review of existing agencies involved in agribusiness project; organization of key agencies, manpower strength, flow of management information, accounting and budget procedures; and audit procedures; legislation concerning agribusiness project; identification of bottlenecks, including proposals for improvement, streamlining and strengthening of agencies, their management information systems, sustainability of operations, O&M guidelines, budgets, affordability assessment, training programs, legislation and enforcement; projected income statements, source and application of funds and balance sheets for 200\_.

- (d) Finance / Economic Examinations, including assessments of project viability, justification and rates of return based on with and without project analysis; identification of least cost alternatives; assessment of direct and indirect project benefits including (a) health improvements; (b) environmental improvements; (c) agricultural productivity and (d) enhanced quality of life.
- (e) Resettlement Examinations, including Resettlement Action Plan (RAP) identifying land to be acquired and affected persons, their economic status and impact of loss of land; compensation and assistance policies; institutional arrangements for processing resettlement, compensation and settling grievances; costs, budgets and implementation schedule of resettlement; monitoring and evaluation of resettlement process. RAP shall comply with the Government of the Philippines (GOP), WB and JICA requirements specified in the HARVEST Resettlement and Compensation Framework.
- (f) Implementation Action Plan (IAP), describing the project with costs, schedule and financing plan; implementation arrangements with responsible agency and administrative arrangements for implementation; time-bound implementation plan, procurement schedule, financial and economic analysis with assessment of risks; monitoring and evaluation indicators to supervise physical progress and financial status. IAP shall comply with the WB requirements specified in separate guidelines.

Preliminary Designs, which shall contain:

- (a) Institutional Report, designing in detail the recommended institutional improvements, management procedures, including budgeting, and typical agribusiness model; key job descriptions, training system and procedures outline training curricular and other strengthening measures;
- (b) Resettlement Action Plan (as applicable), with updated costs, budgets and implementation schedule for implementing resettlement; responsibility; monitoring and evaluation of resettlement process;
- (c) Indigenous Peoples Plan (as applicable) - it documents the measures through which the project proponent will ensure that IPs affected by the project receive culturally appropriate social and economic benefits and incorporation in the project design of efforts to avoid, mitigate and compensate adverse effects of the project to way of life.
- (d) Environmental Management Plan, in tabular form showing the set of mitigation, monitoring, and institutional measures/responsibilities to be taken during the implementation and operation phase of project development for the predicted environmental impacts.
- (e) Implementation Action Plan, with updated schedule, costs, proposed financing and arrangements for implementation with dates for key actions and responsibility.

## V. METHODOLOGY

The methodology to be employed in this consultancy will consist of visits to the project, discussions with project proponent, LGU officials, situational reviews to confirm the

efficacy of technical proposals, and desk reviews of the existing relevant feasibility and first stage priority reports.

The Consultant shall perform the Environmental Impact Assessment (ESIA) and Environmental and Social Management Plan (ESMP). The FS Consultant will be responsible for maintaining overall consistency between the FS and the ESIA as well between the Project Design and the ESMP. The Consultant shall field an Environmental Specialist as part of the team to work together with the rest of the specialist in the team, under the overall coordination of the PMO.

The Consultant shall also be responsible for the preparation of bid documents and assistance in the bidding process.

Annex ESMF-9  
SAMPLE TERMS of REFERENCE for an ESIA PREPARER

1. INTRODUCTION / BACKGROUND INFORMATION

A brief introduction about the proposed project is given below:

2. OBJECTIVES

This Terms of Reference outlines the requirements for consultancy service for the preparation of an Environmental Assessment Report (Initial Environmental Examination - IEE), which will address the environmental and social impacts of the proposed project for the Name of the LBP borrower.

In general terms, the environmental assessment (IEE) report provides a linkage between the proposed project's overall social and environmental impacts and its physical development. The IEE report identifies spatial areas of a community where physical development is planned with its corresponding environmental impacts.

In more specific terms, the IEE preparer / consultants should come up with an Environmental and Social Assessment report and perform consultancy tasks by means of:

- (a) Proper identification, quantification, and qualification of the environmental and social impacts of the proposed project within the Name of the LBP borrower;
- (b) Formulation of an Environmental and Social Management Plan (ESMP) that will explain the cost-effective measures for the abatement of negative environmental impacts of the proposed development;
- (c) Formulation of a Resettlement Action Plan (RAP) for displaced persons in the event the need arises; and IP Plan (in case needed) to ensure that project design is culturally sensitive and that benefits are enhanced for the IPs.
- (d) Preparation of the environmental assessment (EA) report (IEE) for submission to LBP- PMO;
- (e) Representation in behalf of the Name of the LBP borrower during the technical review of the IEE by the Department of Environment & Natural Resources- Environmental Management Bureau (DENR-EMB) regional office for the issuance of an Environmental Compliance Certificate (ECC); and
- (f) Collaboration with the consulting firm making the Feasibility Studies (FS) by providing sound advice during the selection of project alternatives.

3. ENVIRONMENTAL AND SOCIAL ASSESSMENT REQUIREMENTS

- (a) All environmental and social assessments shall conform to the HARVEST ESMF furnished to the consultant and the guidelines of the Procedural Manual of DENR Administrative Order 2003-30 and NCIP Administrative Order No. 3 Series of 2012.

- (b) Other national laws and/or regulations on environmental and social reviews and impact assessments; regional, provincial, or city environmental assessment regulations.
- (c) The Consultants shall apply his own professional stamp or seal and signature to each pertinent document to identify his professional responsibility.

#### 4. STUDY AREA

A brief description of the study area is provided below:

#### 5. SCOPE OF WORK

The preparation of the IEE report requires close coordination with the proponent (PMO), FS consultancy firm, and LBP-PMO, and a consultation process with the stakeholders. The tasks in carrying out the IEE shall include the following:

- Task 1     Description of the Proposed Project. Provide a brief description of the relevant parts of the project, using maps (at appropriate scale/readable) where necessary, and including the following information: location; general layout; size, capacity, implementation activities, schedule; staffing and support; facilities and services; operation and maintenance activities.
- Task 2     Description of the Environment and Social Condition. Assemble, evaluate and present baseline data on the relevant environmental and social characteristics of the study area. Include information on any changes anticipated before the project commences.
  - (a) Physical environment: geology (secondary data); soils; climate and meteorology; ambient air quality; surface and ground water hydrology; existing water pollution discharges; receiving water quality.
  - (b) Biological environment: flora (secondary data); fauna (secondary data); rare or endangered species; sensitive habitats, including parks or preserves, species with potential to become nuisances, vectors or dangerous (secondary data).
  - (c) Socio-cultural environment (include both present and projected where appropriate): population; land use; planned development activities; community structure; employment; distribution of income, goods and services; public health; cultural properties (if there applicable). If IPs are present, include their leadership system, mechanisms for consultation and decision making and land ownership status.
- Task 3     Legislative and Regulatory Considerations Relative to the Project. Describe the pertinent regulations and standards governing environmental quality, health and safety, protection of sensitive areas, protection of endangered species, silting, land use control, etc., at national, regional and local levels
- Task 4     Determination of the Potential Impacts of the Proposed Project. In this analysis, distinguish between significant positive and negative impacts, direct and indirect impacts, and immediate and long-term impacts. Identify

impacts, which are unavoidable or irreversible. Wherever possible, describe impacts quantitatively, in terms of environmental costs and benefits.

Assign economic values when feasible. Characterize the extent and quality of available data, explaining significant information deficiencies and any uncertainties associated with predictions of impact.

- (a) Project Location: resettlement of people; presence of IPs and or ancestral domains; and impact on flora and fauna.
- (b) Project Design: (To be supplied depending on the type of project).
- (c) Project Construction/Establishment: soil erosion; construction spoils (disposal of); sanitary conditions and health risks associated with construction camp and workers coming into area; social and cultural conflicts between imported workers and local people.
- (d) Project Operation: (To be supplied depending on the type of project).

- Task 5     Development of Management Plan to Mitigate Negative Impacts. Recommend feasible and cost-effective measures to prevent or reduce significant negative impacts to acceptable levels. Estimate the impacts and costs of those measures, and of the institutional and trainings requirements to implement them. Consider compensation to affected parties for impacts, which cannot be mitigated. Consider the need to engage in free, prior and informed consultation with the indigenous peoples if present in project site. Prepare a management plan including proposed work programs, budget estimates, schedules, staffing and training requirements, and other necessary support services to implement the mitigating measures.
- Task 6     Identification of Institutional Needs to Implement Environmental and Social Assessment Recommendations. Review the authority and capability of institutions at local, provincial/regional, and national levels and recommend steps to strengthen or expand them so that the management and monitoring plans in the environmental assessment can be implemented. The recommendations may extend to new laws and regulations, new agencies or agency functions, inter-sectoral arrangements, management procedures and training, staffing, operation and maintenance training, budgeting, and financial support.
- Task 7     Development of a Monitoring Plan. Prepare a detailed plan to monitor the implementation of mitigating measures and the impacts of the proposed project during construction and operation. Include in the plan an estimate of capital and operating costs and a description of other inputs (such as training and institutional strengthening) needed to carry it out.
- Task 8     Assist in Inter-Agency Coordination, Public Participation and multi-stakeholder consultation in the target municipality. Scoping report and process documentation summarizing the presentation of participants; issues, concerns, and interest addressed; process by which agreements or resolutions were arrived, stakeholders who most actively participated; those who were present but were quiet, those who were not represented; and the outcome of the consultation activity.

Represent the LBP borrower in the technical and environmental and social review of the proposed development by the DENR-EMB and NCIP for the issuance of an Environmental Compliance Certificate (ECC) and Certificate of Precondition or Certificate on Non-Overlap respectively. Where required, additional data shall be analyzed and incorporated in the IEE / EA report. Prepare all additional information that may be requested by the environmental impact assessment review team for the expeditious release of the ECC.

Task 9     Development of a Resettlement Action Plan (RAP). When necessary, in the case of displaced communities a resettlement action plan should be incorporated in the IEE / EA report.

Task 10    Development of the Indigenous Peoples Plan. When necessary, should also be part of the EA Report.

## 6. REPORT SUBMISSIONS

The EA report should be concise and limited to significant environmental and social issues. The main text should focus on findings, conclusions and recommended actions, supported by summaries of the data collected and citations for any references used in interpreting those data.

The Consultant shall be responsible in maintaining overall consistency between the Rapid Assessment design outputs of the FS consulting firm. The Consultant and the FS Consulting Firm are expected to work closely together as a team, under the overall coordination of the PMO and guided by LBP-PMO.

The following services and facilities will be provided by the LBP borrower (through its PMO) without any costs to the Consultant.

Data            The LBP borrower will provide the Environmental and Social Consultants with access to all available data, information, maps, drawings and internal documents relevant to the consulting services. All reference material will be lent to the Consultants and shall be returned at the completion of the assignment or earlier as may be requested.

Access           The LBP borrower shall arrange the accessibility for the EA and Social Consultant to the project area's socio-economic profile, and other considerations that the Consultant deems necessary to visit concerning the function of their duties. The LBP borrower shall likewise arrange meetings with key officials in the City/Municipality/Province, public utilities and private sector group and relevant offices concerned with the implementation of the proposed project.

Services        The LBP borrower will provide the Consultant during his/her stay in the City with unlimited telecommunication facilities (telephone and fax service) within the City/Municipality/Province, project area and the Philippines and Internet and E-mail service as required for the services.

Annex RCF-1  
COMPENSATION TABLE

Page 1 of 5

Type of Loss	Application	Entitled Person	Compensation / Entitlement
1. Arable Land	Actual area needed by the project and the remaining land is still economically viable	<i>Category A</i> - Owners with full title, tax declaration or who are covered by customary law (e.g. Possessor's rights, usufruct) or other acceptable proof of ownership	For the portion of land needed: <ul style="list-style-type: none"> <li>▪ Cash compensation at replacement cost for the land as determined by a licensed independent appraiser using internationally recognized valuation standards</li> <li>▪ Subject to the provisions set forth in Section 5 of RA 8974.</li> <li>▪ Cash compensation for perennials of commercial value as determined by the DENR or concerned appraisal committee.</li> <li>▪ DP will be given sufficient time to harvest crops on the subject land.</li> </ul>
		<i>Category B</i> - DPs without title, tax declaration, or are not covered by customary law or other acceptable proofs of ownership	For the portion of the land needed: <ul style="list-style-type: none"> <li>▪ DP will be given time to harvest crops.</li> <li>▪ Cash compensation for perennials of commercial values as determined by DENR or the concerned appraisal committee.</li> <li>▪ Financial assistance to make up for land preparation, Php 150/m<sup>2</sup>.</li> </ul>



Type of Loss	Application	Entitled Person	Compensation / Entitlement
	Remaining land becomes economically not viable (i.e. DP losing >20% of land holding or even when losing <20% but the remaining land is not economically viable anymore)	<i>Category A</i>	<ul style="list-style-type: none"> <li>▪ Cash compensation at replacement cost for the land as determined by a licensed independent appraiser using internationally recognized valuation standards, or, if feasible, 'land for land' will be provided (a new parcel of land with an equivalent productivity, located at an area acceptable to the DP &amp; with long-term security of tenure.</li> <li>▪ Subsistence allowance, Php 15,000/ha.</li> <li>▪ DP will be given time to harvest crops.</li> <li>▪ Cash compensation for perennial of commercial value as determined by the DENR or concerned appraisal committee</li> <li>▪ If relocating, DP to be provided free transportation</li> <li>▪ Rehabilitation assistance (skills training and other development activities), Php 15,000, will be provided in coordination with other government agencies if the present means of livelihood is no longer viable &amp; DP will have to engage in a new income activity.</li> </ul>
		<i>Category B</i>	<ul style="list-style-type: none"> <li>▪ Financial assistance equivalent to the average annual gross harvest for the past 3 years but not less than Php 15,000.</li> <li>▪ DP will be given sufficient time to harvest crops.</li> </ul>

Type of Loss	Application	Entitled Person	Compensation / Entitlement
			<ul style="list-style-type: none"> <li>▪ Cash compensation for perennials of commercial value as determined by DENR or concerned appraisal committee</li> <li>▪ Financial assistance to make up for land preparation, Php 150/m<sup>2</sup>.</li> <li>▪ If relocating, DP to be provided free transportation.</li> <li>▪ Rehabilitation assistance, Php 15,000, will be provided in coordination with other government agencies if present means of livelihood is no longer viable &amp; DP will have to engage in a new income activity.</li> </ul>
		<i>Category C - Agricultural lessees</i>	<p>As per RA 6389 and EO 1035</p> <ul style="list-style-type: none"> <li>▪ Disturbance compensation equivalent to 5 times the average gross harvest on land holding during the 5 preceding years but not less than Php 15,000.</li> <li>▪ Rehabilitation assistance, Php 15,000.</li> </ul>
	Temporary use of land	All DPs	<ul style="list-style-type: none"> <li>▪ Compensation to be provided for loss of income during the period, standing crops, cost of soil restoration &amp; damaged structures.</li> </ul>
2. Residential land &/or Commercial land	Actual area needed by the project and the remaining land is still viable for continued use	<i>Category A</i>	<p>For the portion of the land needed:</p> <ul style="list-style-type: none"> <li>▪ Cash compensation at replacement cost for land as determined by a licensed independent appraiser using internationally recognized valuation standards.</li> <li>▪ Subject to the provisions set forth in Section 5 of RA 8974.</li> <li>▪ Cash compensation for perennials of commercial value as determined by the DENR of the concerned appraisal committee.</li> </ul>

	Remaining residential or commercial land becomes not viable for continued use	<i>Category A</i>	<ul style="list-style-type: none"> <li>▪ Cash compensation at replacement cost for and as determined by a licensed independent appraiser using internationally recognized valuation standards.</li> <li>▪ Subject to the provisions set forth in Section 5 of RA 8974, or if feasible, 'land for land' will be provided in terms of a new parcel of land of equivalent productivity, at a location acceptable to DP, &amp; with long-term security of tenure. The replacement land should be of acceptable size under zoning laws or a plot of equivalent value, whichever is larger, in a nearby resettlement with adequate physical, social infrastructure. When the affected holding is larger in value than the relocation plot, cash compensation will cover the difference in value.</li> <li>▪ Cash compensation for perennials of commercial value as determined by the DENR or concerned appraisal committee.</li> <li>▪ If relocating, DP to be provided free transportation</li> </ul>
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Type of Loss	Application	Entitled Person	Compensation / Entitlement
	Temporary use of land	All DPs	<ul style="list-style-type: none"> <li>Compensation to be provided for loss of income during the period, standing crops, cost of soil restoration and damaged structures.</li> </ul>
3. Main structures (e.g. house, shops etc)	Structure with or without a building permit, partially affected and the remaining structure is still viable for continued use.	Owners of structure with full title or tax declaration to the land or those who are covered by customary law	<ul style="list-style-type: none"> <li>Compensation in cash for affected portion of the structure including the cost of restoring the remaining structure as determined by the concerned appraisal committee with no deduction for salvaged building materials.</li> <li>DPs that have business affected due to partial impact on the structure are entitled to a subsistence allowance for the loss of income during the reconstruction period. (to be computed by RIC).</li> </ul>
		Owners of structures, including shanty dwellers in urban areas, have no title or tax declaration to the land or other acceptable proof of ownership.	<ul style="list-style-type: none"> <li>Compensation in cash for affected portion of the structure including the cost of restoring the remaining structure as determined by the concerned appraisal committee with no deduction for salvaged building materials.</li> <li>Shanty dwellers in urban areas opting to go back to their place of origin or to be shifted to government relocation sites will be provided free transportation.</li> <li>DPs that have business affected due to partial impact on the structure are entitled to a subsistence allowance for the loss of income during the reconstruction period. (to be computed by the RIC).</li> <li>Professional squatters will not receive compensation but they can collect their salvaged materials.</li> </ul>

		Renters of structures including renters of shanty dwellings in urban areas	<ul style="list-style-type: none"> <li>▪ Given 1 month notice on the schedule of demolition.</li> <li>▪ If shifting is required, DP is given transitional allowance equivalent to 3 months rent of a similar structure within the area.</li> <li>▪ For house tenants renting outside of, or within the ROW, and who have to transfer elsewhere, free transportation will be provided.</li> <li>▪ Renting shanty dwellers in urban areas who opt to go back to their place of origin in the province or be shifted to government relocation sites will also be provided free transportation.</li> </ul>
	Entire structure affected or when remaining structure becomes not viable for continued use with or without a building permit	Owners of structures with full title or tax declaration to the land or those who are covered by customary law.	<ul style="list-style-type: none"> <li>▪ Compensation in cash for the entire structure at replacement cost as determined by the concerned appraisal committee without deduction for salvaged building materials.</li> <li>▪ Inconvenience allowance of Php 10,000 per DP.</li> </ul>

Type of Loss	Application	Entitled Person	Compensation / Entitlement
			<ul style="list-style-type: none"> <li>▪ DPs that have business affected due to the severe impact on the structure are entitled to a subsistence allowance for the loss of income during the reconstruction period. To be verified and computed by the RIC.</li> <li>▪ Free transportation if relocation is necessary.</li> <li>▪ Rehabilitation assistance in the form of skills training and other development activities and equivalent to Php 15,000 will be provided in coordination with other government agencies if the present means of livelihood is no longer viable and the DP will have to engage in a new income activity.</li> <li>▪ Professional squatter will not receive compensation but they can collect their salvageable materials.</li> </ul>
		Renters of structures including renters of shanty dwellings in urban areas	<ul style="list-style-type: none"> <li>▪ Given 1 month notice on the schedule of demolition.</li> <li>▪ If shifting is required, DP is given transitional allowance equivalent to 3 months rent of a similar structure within the area.</li> <li>▪ For house tenants renting outside of, or within the ROW, and who have to transfer elsewhere, free transportation will be provided.</li> <li>▪ Renting shanty dwellers in urban areas who opt to go back to their place of origin in the province or be shifted to government relocation sites will also be provided free transportation.</li> <li>▪ Rehabilitation assistance in the form of skills training &amp; other development activities &amp; equivalent to Php 15,000 will be provided in coordination with other government agencies if the present means of livelihood is no longer viable and DP will have to engage in a new income activity.</li> </ul>

4. Independent shops	Shops with or without building permit, partially affected and the remaining structures are still viable for continued use.	Owners of structure with or without full title of tax declaration to the land or those who are covered by customary law.	<ul style="list-style-type: none"> <li>▪ Compensation is cash for affected portion of the structure, including the cost of restoring the remaining structure as determined by the concerned appraisal committee with no deduction to salvaged building materials.</li> <li>▪ As determined by the RIC, DPs will be entitled to transitional allowance to cover for their computed income loss during the demolition and reconstruction of their shops, but not to exceed a month period.</li> </ul>
		Renters (tenants) of affected shops	<ul style="list-style-type: none"> <li>▪ As determined by the RIC, shop renters will be entitled to a transitional allowance to cover for their computed income loss during the period that their business is interrupted.</li> </ul>

Type of Loss	Application	Entitled Person	Compensation / Entitlement
	Entire shop affected or when the remaining structure becomes not viable for continued use with or without building permit	Owners of structure with or without full title of tax declaration to the land or those who are covered by customary law.	<ul style="list-style-type: none"> <li>▪ Compensation in cash for the entire structure at replacement cost as determined by the concerned appraisal committee without deduction for salvaged building materials.</li> <li>▪ Subsistence allowance of Php 15,000 to each DP.</li> <li>▪ Free transportation if relocating</li> <li>▪ Rehabilitation assistance in the form of skills training and other development activities and equivalent to Php 15,000 will be provided in coordination with other government agencies if the present means of livelihood is no longer viable and DP will have to engage in a new income activity.</li> <li>▪ Professional squatter will not receive any compensation but they can collect their salvageable materials.</li> </ul>
		Renters (tenants) of affected shops	<ul style="list-style-type: none"> <li>▪ Given 3 months notice on the schedule of demolition</li> <li>▪ As determined by the RIC, shop renters will be entitled to a transitional allowance to cover for their computed income loss during the period that their business is interrupted, but not to exceed a 3-month period.</li> </ul>
5. Other fixed assets or structures	Loss of, or damage to, affected assets, partially or entirely	DPs	<ul style="list-style-type: none"> <li>▪ Cash compensation for affected portion of structure including cost of restoring remaining structure, as determined by the concerned appraisal committee, with no depreciation or deduction for salvaged building materials.</li> </ul>
6. Electric and/ or water connection	Loss of, or damage to, affected assets, partially or entirely ,	DPs	<ul style="list-style-type: none"> <li>▪ Compensation to cover cost of restoring the facilities</li> </ul>
7. Public facilities	Loss of, or damage to, public infrastructure	Concerned agencies	<ul style="list-style-type: none"> <li>▪ Compensation in cash at replacement cost to respective agencies</li> </ul>



Annex RCF-2  
SAMPLE TERMS OF REFERENCE FOR AN INDEPENDENT APPRAISER

The Independent Appraiser will play a key role during the Land Acquisition Assessment process. It will be hired by the Project Proponent. Criteria for selecting the appropriate agency shall be based on competence, experience and general advocacy of the group. The selection process will undergo the usual procurement procedures.

The licensed independent appraiser should use internationally recognized valuation standards to assess replacement cost and cash compensation for affected lands. More specifically, the Independent Appraiser may be tasked to perform any of the following:

1. Inspection and identification of the property:
  - Conduct title plotting to determine the configuration of the property and if there are any discrepancies from the technical description of the title
  - Survey of immediate neighborhood for present conditions and improvements
  - Title Verification
  - Owner Verification
  - Background information
2. Right-of-Way verification
3. Zonal classification of land
4. Zonal valuation for the area
5. Preparation of appraisal report to include the following:
  - Summary of property valuation
  - Complete description and details of the property
  - Photographs of subject property
  - Location and vicinity plan

Annex RCF-3  
ELEMENTS OF A FULL RESETTLEMENT ACTION PLAN<sup>1</sup>

The scope and level of detail of a Resettlement Action Plan (RAP) vary with the magnitude and complexity of resettlement. The RP is based on up-to-date and reliable information about the:

- Proposed resettlement and its impacts on the displaced persons and other adversely affected groups; and
- Legal issues involved in resettlement.

A full RAP covers the elements below, as relevant. When any element is not relevant to project circumstances, it should be noted in the RAP.

Elements of a Full Resettlement Action Plan

Page 1 of 3

- A. Project Description  
General description of project & identification of project area
- B. Potential Impacts
- Project component or activities that give rise to resettlement
  - Zone of impact of such component or activities
  - Alternatives considered to avoid or minimize resettlement
  - Mechanisms established to minimize resettlement, to the extent possible, during project implementation
- C. Objectives  
Main objectives of the resettlement program
- D. Socio-Economic Studies

Findings of socio-economic studies to be conducted in the early stages of project preparation & with the involvement of potentially displaced people, including the ff:

- Results of a census survey covering:
  - current occupants (with gender and age disaggregation) of affected area to establish basis for design of resettlement program & to exclude subsequent inflows of people from eligibility for compensation & resettlement assistance
  - standard characteristics of displaced HHs, including description of production systems, labor, HH organization; & baseline information on livelihoods (including, as relevant, production levels & income derived from both formal & informal economic activities) & standards of living (including health status) of the displaced population
  - magnitude of expected loss, total or partial, of assets, & extent of displacement, physical or economic;
  - information on vulnerable groups or persons (para. 8, OP 4.12), for whom special provisions may have to be made
  - provisions to update information on DP's livelihoods & standards of living at regular intervals so that the latest information is available at the time of their displacement
- Other studies describing the ff:
  - land tenure & transfer systems, including an inventory of common property natural resources from which people derive their livelihoods and sustenance, non-title-based usufruct systems (including fishing, grazing, or use of forest areas) governed by local recognized land allocation mechanisms, & any issues raised by different tenure systems in project area
  - patterns of social interaction in affected communities, including social networks & social support systems, & how they will be affected by the project
  - public infrastructure & social services that will be affected
  - social & cultural characteristics of displaced communities, including description of formal & informal institutions, e.g., community organizations, ritual groups, NGOs that may be relevant to the consultation strategy & to designing & implementing the resettlement activities

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<sup>1</sup> Para. 2-21, Annex A of OP 4.12

## E. Legal Framework

Findings of an analysis of the legal framework, covering:

- Scope of the power of eminent domain & nature of compensation associated with it, in terms of both valuation methodology & timing of payment
- Applicable legal & administrative procedures, including a description of remedies available to DPs in the judicial process & the normal timeframe for such procedures, & any available alternative dispute resolution mechanisms that may be relevant to resettlement under the project
- Relevant law, including customary & traditional law, governing land tenure, valuation of assets & losses, compensation, & natural resource usage rights; customary personal law related to displacement; & environmental laws & social welfare legislation
- Laws & regulations relating to the agencies responsible for implementing resettlement activities
- Gaps, if any, between local laws covering eminent domain & resettlement & WBs resettlement policy, & the mechanisms to bridge such gaps
- Any legal steps necessary to ensure the effective implementation of resettlement activities under the project, including, as appropriate, a process for recognizing claims to legal rights to land—including claims that derive from customary law & traditional usage (WB OP 4.12, para.15 b)

## F. Institutional Framework

Findings of an analysis of the institutional framework covering the ff:

- Identification of agencies responsible for resettlement activities & NGOs that may have a role in project implementation
- Assessment of the institutional capacity of such agencies & NGOs
- Any steps that are proposed to enhance the institutional capacity of agencies & NGOs responsible for resettlement implementation.

## G Eligibility

Definition of DPs & criteria for determining their eligibility for compensation & other resettlement assistance, including relevant cut-off dates

## H. Valuation of, and Compensation for, Losses

The methodology to be used in valuing losses to determine their replacement cost; and a description of the proposed types and levels of compensation under local law and such supplementary measures as are necessary to achieve replacement cost for lost assets.

## I. Resettlement Measures

Description of packages of compensation & other resettlement measures that will assist each category of eligible DPs to achieve the objectives of the policy (WB OP 4.12, para. 6). In addition to being technically & economically feasible, resettlement packages should be compatible with the cultural preferences of the DPs, & prepared in consultation with them.

## J. Site Selection, Site Preparation, and Relocation

Alternative relocation sites considered and explanation of those selected, covering:

- Institutional & technical arrangements for identifying & preparing relocation sites, whether rural or urban, for which a combination of productive potential, locational advantages, & other factors is at least comparable to the advantages of the old sites, with an estimate of the time needed to acquire & transfer land & ancillary resources
- Any measures necessary to prevent land speculation or influx of ineligible persons at selected sites
- Procedures for physical relocation, including timetables for site preparation & transfer
- Legal arrangements for regularizing tenure & transferring titles to resettlers

K. Housing, Infrastructure, and Social Services

Plans to provide (or finance resettlers' provision of) housing, infrastructure (e.g., water supply, feeder roads), & social services (e.g., schools, health services); plans to ensure comparable services to host populations; any needed site development, engineering & architectural designs for these facilities

L. Environmental Protection and Management

Description of boundaries of relocation area; & assessment of environmental impacts of the proposed resettlement & measures to mitigate & manage these impacts (coordinated as appropriate with the environmental assessment of the main investment requiring the resettlement)

**M. Community Participation**

Involvement of resettlers & host communities, including:

- Description of strategy for consultation with & participation of resettlers & hosts in design & implementation of resettlement activities
- Summary of views expressed & how these were taken into account in preparing the RP
- Review of resettlement alternatives presented & choices made by DPs regarding options available to them, including choices related to forms of compensation & resettlement assistance, to relocating as individuals, families or as parts of pre-existing communities or kinship groups, to sustaining existing patterns of group organization, & to retaining access to cultural property (e.g. places of worship, pilgrimage centers, cemeteries)
- Institutionalized arrangements by which DP can communicate their concerns to project authorities throughout planning & implementation, & measures to ensure that such vulnerable groups as indigenous people, ethnic minorities, the landless, & women are adequately represented

**N. Integration With Host Populations**

Measures to mitigate the impact of resettlement on any host communities, including:

- Consultations with host communities & local governments;
- Arrangements for prompt tendering of payment due the hosts for land or other assets provided to resettlers
- Arrangements for addressing any conflict that may arise between resettlers & host communities
- Any measures necessary to augment services (e.g., education, water, health, & production services) in host communities to make them at least comparable to services available to resettlers

**O. Grievance Procedures**

Affordable & accessible procedures for third-party settlement of disputes arising from resettlement; such grievance mechanisms should take into account availability of judicial recourse & community & traditional dispute settlement mechanisms

**P. Organizational Responsibilities**

Organizational framework for implementing resettlement, including identification of agencies responsible for delivery of resettlement measures & provision of services; arrangements to ensure appropriate coordination between agencies & jurisdictions involved in implementation; & any measures (including technical assistance) needed to strengthen implementing agencies' capacity to design & carry out resettlement activities; provisions for the transfer, to local authorities or resettlers, of responsibility for managing facilities & services provided under the project & for transferring other such responsibilities from the resettlement implementing agencies, when appropriate.

**Q. Implementation Schedule**

Implementation schedule of all resettlement activities from preparation through implementation, including target dates for the achievement of expected benefits to resettlers & hosts & terminating the various forms of assistance. Schedule should indicate how resettlement activities are linked to the overall implementation of the project.

**R. Costs and Budget**

Tables showing itemized cost estimates for all resettlement activities, including allowances for inflation, population growth, & other contingencies; timetables for expenditures; sources of funds; & arrangements for timely flow of funds, & funding for resettlement, if any, in areas outside the jurisdiction of LGUs.

S. Monitoring and Evaluation

Arrangements for monitoring of resettlement activities by the implementing agency, supplemented by independent monitors as considered appropriate, to ensure complete & objective information; performance monitoring indicators to measure inputs, outputs, & outcomes for resettlement activities; involvement of DPs in the monitoring process; evaluation of the impact of resettlement for a reasonable period after all resettlement & related development activities have been completed; using the results of resettlement monitoring to guide subsequent implementation.

Annex RCF-4  
ELEMENTS OF AN ABBREVIATED RESETTLEMENT PLAN<sup>2</sup>

An abbreviated plan covers the following minimum elements:

- A. Census survey of displaced persons and valuation of assets
- B. Description of compensation and assistance
- C. Consultations with displaced people about acceptable alternatives
- D. Institutional responsibility for implementation and procedures for grievance redress
- E. Arrangements for monitoring and implementation
- F. Timetable and budget

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<sup>2</sup> Para. 22, Annex A of OP 4.12



Annex RCF-5  
SAMPLE TERMS OF REFERENCE FOR AN EXTERNAL MONITORING AGENCY

A. Introduction

Monitoring and evaluation of resettlement is an integral part of the project cycle. One of the requirements of the RAP is that the implementing agency and project proponent will appoint an independent, qualified, and unbiased entity that could be a social science institute, an NGO, a specialist consulting firm or combination of these to conduct the external monitoring and evaluation. The external monitoring agency must ensure that the provisions of the RAP are adhered to, examine available data and information systems, and obtain complete and objective information. More specifically, the tasks of external monitors are:

1. Review and verify all existing data, data bases and information systems including census of families to be relocated; the data files for each relocated family and their entitlements, the census of families completed post relocation, and the Project Management Office data base on affected families.
2. Verify the results of internal monitoring being carried out and any other agencies involved in implementing the RAP and providing entitlements to DPs, and suggest improvement to those systems.
3. Assess whether the resettlement objectives, as set out in the RAP, have been met, with respect to living conditions and livelihood.
4. Ascertain whether the resettlement entitlements were appropriate to meeting the objectives of the RAP, and whether the objectives were suited to affected families' conditions.
5. Obtain data and assess the social impacts of resettlement (before and after conditions) and the effectiveness, impact and sustainability of the resettlement process in social terms.
6. Review the viability of housing schemes for DP's affordability to meet costs. Obtain data and assess the economic impacts of resettlement, including environmental cost/benefit analysis, and the effectiveness, impact and sustainability of the resettlement process in economic terms.
7. Review systems for management and financial monitoring of the RAP, audit internal management data relating to the RAP and recommended improvements.
8. Make recommendations regarding the implementation of the RAP and draw lessons as a guide to future resettlement policy making and planning.
9. Prepare and agree with PMO on a detailed work program that includes meetings, reports and schedules.
10. Confirms if DPs maintained their standard of living.
11. Review the absorptive capacity of relocation sites.
12. Identify total number of households that are entitled to benefits and determine if they are receiving entitlements.
13. Disaggregate data by gender and age to determine gender intergenerational impacts.

## B. Methodology

### Data Base Establishment

The implementing agency is developing a system for recording information about settler families and their entitlements. This database will be used to record basic information, determine whether affected persons are relocated to secure and affordable socialized formal housing sector; the receipt of entitlements under the RAP; whether livelihood and living standards have been restored or enhanced or not; and that an orderly and peaceful relocation of informal households has taken place. The data will include benefit monitoring and evaluation indicators.

Quantitative data from the annual survey will be analyzed and interpreted in conjunction with data obtained during quarterly monitoring including qualitative data.

## C. Ex-post Survey and Evaluation

The EMA will conduct one ex-post evaluation survey, at least one year after relocation. This evaluation will assess the achievement of the resettlement objective, the change in living standards and livelihood and progress in the restoration of the economic and social base of relocated families.

## D. Sampling Size

The EMA shall develop a methodology approved by the Project Proponent and Implementing Agency to determine appropriate sample size to ensure coverage of all relocation / resettlement sites. Data will be disaggregated by gender.

## E. Expertise Required

Expertise required will include:

- A sociologist / resettlement specialist with expertise in all areas of social research methodology, including consultation techniques and large-scale survey design and implementation, and a thorough understanding of issues of urban poverty. This person will be likely to act as team leader.
- An economist
- A financial monitoring specialist
- A database specialist
- A community development specialist

The team should be able to conduct the monitoring and evaluation in an objective manner, incorporating a wide range of viewpoints, to work closely with their counterparts and undertake training and capacity building in monitoring and evaluation. The team will also include necessary technical and administrative support staff such as statistical experts, field community / survey staff and office support staff.

## F. Reporting

The EMA will provide copies of comprehensive monitoring reports together with recommendations to improve implementation of the RAP to the Project Proponent and Implementing Agency one week after the above stated reports are due.

The EMA will set up a gender-disaggregated database for monitoring and evaluation building upon the pre- and post-relocation census data and the project's internal record-keeping system. This will be done as early as possible.

The database will be used to measure the impact of relocation, and change at the resettlement sites post relocation as the intended social and economic development takes place including appropriate benefit indicators. The database will also be used to monitor the receipt of entitlements by affected families and verify that the application of entitlements is appropriate and conforms to the RAP.

## G. Quarterly Monitoring

The EMA will conduct quarterly monitoring for as long as relocation activities are in progress. This is to ensure that conditions for resettlement as contained in the RAP are being followed and to verify the results of internal monitoring and the receipt of the entitlements. Specifically, quarterly monitoring will examine the resettlement budget and time frame, the entitlements provided, consultation with affected people and stakeholders and the application of grievance redress mechanisms. This ongoing monitoring will also assess broader social and economic impacts and benefits. It will specifically address issues and needs of both relocated families and families yet to relocate, including a commentary on the rate of relocation and implementation of the RAP.

Information required will be obtained from the internal monitoring database, including information from entitlement files of families receiving assistance, reports from the site management offices, and participatory rapid appraisal to allow wide public participation including focus group discussions and key informant interviews. In addition to DPs, respondents should include POs, NGOs, PMO, concerned LGUs (host and affected) and staff of the other implementing agencies.

## H. Annual Survey

The EMA is required to undertake an annual, sample survey of the relocated families, which will be undertaken in conjunction with every fourth quarter monitoring. This survey will be independent from the census to be undertaken by the Project Proponent and Implementing agency. The EMA's survey will compare "before and after" social and economic conditions and reassess the needs of resettled families.

Annex IPF-1  
ELEMENTS OF AN INDIGENOUS PEOPLES PLAN

The Indigenous Peoples Plan (IPP) is prepared in a flexible and pragmatic manner, and its level of detail varies depending on the specific project and the nature of effects to be addressed. The Project Proponent should ensure the integration of the IPP into the project design.

The IPP includes the following elements, as needed:

1. A summary of the information referred to in Annex A, paragraph 2, (a) and (b) of WB Policy:
  - a. A review, on a scale appropriate to the project, of the legal and institutional framework applicable to Indigenous Peoples; and
  - b. Gathering of baseline information on the demographic, social, cultural, and political characteristics of the affected Indigenous Peoples' communities, the land and territories that they have traditionally owned or customarily used or occupied, and the natural resources on which they depend.
2. A summary of the social assessment.
3. A summary of results of the free, prior, and informed consultation with the affected IPs' communities that was carried out during project preparation and that led to broad community support for the project.
4. A framework for ensuring free, prior, and informed consultation with the affected IPs' communities during project implementation (Section 9 of this Framework).
5. An action plan of measures to ensure that the IPs receive social and economic benefits that are culturally appropriate, including, if necessary, measures to enhance the capacity of the LGU.
6. When potential adverse effects on Indigenous Peoples are identified, an appropriate action plan of measures to avoid, minimize, mitigate, or compensate for these adverse effects.
7. The cost estimates and financing plan for the IPP.
8. Accessible and culturally appropriate procedures tailored to the project to address grievances by the affected Indigenous Peoples' communities arising from project implementation. When designing the grievance procedures, the LBP borrower takes into account the availability of judicial recourse and customary dispute settlement mechanisms among the Indigenous Peoples.
9. Mechanisms and benchmarks appropriate to the project for monitoring, evaluating, and reporting on the implementation of the IPP. The monitoring and evaluation mechanisms should include arrangements for the free, prior, and informed consultation with the affected Indigenous Peoples' communities