



Project Information Document (PID)

Concept Stage | Date Prepared/Updated: 27-Aug-2020 | Report No: PIDC27953

**BASIC INFORMATION****A. Basic Project Data**

Country Philippines	Project ID P171556	Parent Project ID (if any)	Project Name Philippines - Sustainable Inclusive and Resilient Tourism Project (P171556)
Region EAST ASIA AND PACIFIC	Estimated Appraisal Date Jan 15, 2021	Estimated Board Date Mar 26, 2021	Practice Area (Lead) Urban, Resilience and Land
Financing Instrument Investment Project Financing	Borrower(s) Republic of the Philippines	Implementing Agency Department of Tourism	

Proposed Development Objective(s)

The Development Objective is to (i) improve access to infrastructure services, (ii) promote local tourism development, and (iii) strengthen capacity for disaster and crisis preparedness in select tourism destinations in the Philippines.

PROJECT FINANCING DATA (US\$, Millions)**SUMMARY**

Total Project Cost	170.50
Total Financing	170.50
of which IBRD/IDA	150.00
Financing Gap	0.00

DETAILS**World Bank Group Financing**

International Bank for Reconstruction and Development (IBRD)	150.00
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Non-World Bank Group Financing

Counterpart Funding	20.50
Local Govts. (Prov., District, City) of Borrowing Country	20.50



Environmental and Social Risk Classification

Substantial

Concept Review Decision

Track II-The review did authorize the preparation to continue

B. Introduction and Context

Country Context

- 1. As a strong and resilient economy in the Asia Pacific, Philippines strength lies on its rich natural resources and diverse cultural heritage.** The Philippines is among the 17 megadiverse countries, containing two-thirds of the earth's biodiversity and between 70 and 80 percent of the world's plant and animal species.¹ These natural resources are of critical importance as they provide food, fresh water, livelihoods and climate resilience to more than 100 million Filipinos. There are more than 7.76 million hectares of protected areas which have attracted 1.4 million tourists while generating revenues close to PhP 63 million (USD 1.27 million) through entrance fees and use of facilities.² From a cultural dimension, the Philippines has traditional and intangible forms of arts, dances, music, and languages, as well as built structures such as monuments, houses, and buildings which provide an important facet of its great history. The country has six (6) UNESCO Heritage Sites while some 19 sites are in the process of nomination and documentation.³
- 2. The Philippines has emerged as one of the fastest growing economies in Asia with its strong growth momentum from the second half of 2019 into early 2020.**⁴ After a relatively sluggish start to 2019, economic growth rebounded strongly in the second half of the year, increasing by 6.5 percent, year-on-year, up from 5.6 percent in the first half of 2019, driven by increased public spending and robust consumption growth. It has achieved impressive gains in growth between 2010-2018, with Gross Domestic Product (GDP) growing annually at an average of 6.3 percent.⁵ The strong performance of the Philippine economy in recent years can be traced from the robust domestic demand amidst a weak external environment. As one of the most dynamic economies in the Asia Pacific region, the Philippines is experiencing fast urbanization, a steady growing population, and has a strong consumer demand facilitated by a young labor market and middle class with strong disposable income, as well as robust remittances from overseas, which accounted for an average of 11 percent of GDP from 2000-2016.
- 3. The eruption of Taal Volcano in early January 2020 and the coronavirus disease 2019 (COVID-19) pandemic have severely impacted the economic outlook of the Philippines.** Due to the strict community quarantine that commenced in March 2020, several sectors including manufacturing, agriculture, tourism and hospitality, construction, and trade have faced severe disruptions. According to the World Bank (WB)⁶, the economy contracted by 0.2 percent year-on-year in the first quarter of 2020. This is the first contraction in over two decades and showed a sharp reversal from the 5.7 percent growth over the same period in 2019. As most regions of the country entered an enhanced community quarantine (ECQ) in mid-March, the GDP growth rate dropped by 16.5 percent in the second quarter of 2020. This is the lowest recorded quarterly growth starting 1981 series.⁷

¹ UN Convention on Biological Diversity, Philippines, <https://www.cbd.int/countries/profile/?country=ph>

² Biodiversity Management Bureau, Report of Protected Areas in the Philippines, 2018

³ UNESCO-Philippines website

⁴ World Bank, Philippines Economic Update: Braving the New Normal, June 2020 edition

⁵ World Bank Website, <https://www.worldbank.org/en/country/philippines/overview>

⁶ World Bank, Philippine Economic Update Braving the New Normal, June 2020 edition

⁷ Philippine Statistics Authority, Press Release No. 2020-191, 6 August 2020



4. **The tourism sector was one of the top contributors to the country's GDP in 2019⁸ at 12.7 percent, employing close to 6 million people.**⁹ The Philippines ranked 7th among countries that have seen the largest growth in travel and tourism, based on contribution to GDP from 2011 to 2017.¹⁰ Nearly 60 percent of foreign tourists visit the Philippines for leisure, staying an average of nine (9) nights with average spending of USD 1,000.¹¹ However, Philippines continues to lag behind key regional competitors in reaching its full tourism potential -- it only ranked 6th (out of the 11 Southeast Asian countries) in the international tourist arrivals with 7.1 million visitors in 2018 while Thailand had 38.3 million, Malaysia had 25.8 million and Singapore had 18.5 million international tourists.¹² Moreover, environmental degradation, destruction, and exploitation of these assets over the past decades are threatening the capability of the Philippines to become a major tourism player in the Asia Pacific. If the country's rich tourism endowments are not managed in a sustainable way, Philippines risks depleting critical natural and cultural resources. Furthermore, the trend has drastically changed in the time of COVID-19, wherein the industry has experienced a decrease of nearly 40 percent of foreign tourist arrivals, accounting for loss of revenue of USD 1.10 billion for the first quarter of 2020 over the same period in 2019.
5. **Philippines' high exposure and vulnerability to natural hazards, particularly flooding, earthquake and volcanic eruption as well as health shocks, pose principal threat to economic and social inclusion.** On average, more than 1,000 lives are lost every year in the Philippines, with typhoons accounting for 74 percent of the fatalities, 62 percent of the total damages, and 70 percent of agricultural damages. Expected average annual asset losses for the Philippines are PhP 233 billion (USD 4.71 billion), 75 percent of which are due to typhoons and 25 percent to earthquakes.¹³ With COVID-19, there is an increased urgency to develop integrated crisis management that covers health and disaster emergencies. As a country highly dependent on tourism, the Philippines needs to take extra measures to ensure that visitors have access to high quality health facilities and also safety protocols in place for health and disaster preparedness.

Sectoral and Institutional Context

6. **Tourism destinations in Philippines are facing diverse challenges.** *First*, the rapid growth of destinations due to improved connectivity and affordability of destination for Asian tourists is placing increased stress at the local level to meet the increasing demand for basic infrastructure like water supply, wastewater and solid waste management. *Second*, the tourism destinations are facing increased environmental stress. In April 2018, President Rodrigo Roa Duterte ordered the closure of Boracay Island for six months due to environmental pollution. El Nido in Palawan, Panglao in Bohol, and Siargao Island in Surigao Del Norte were also subjected to the same closure order to safeguard their natural environment. *Third*, the current boom in tourism prior to COVID-19 was not benefiting local communities due to lack of local economic development planning at the provincial level. *Fourth*, the tourism destinations are heavily exposed to natural disasters and there is weak capacity for integrated crisis management. In 2019, earthquakes and calamities destroyed centuries-old monuments and significant cultural assets of distinctive destinations in the Philippines, such as Pampanga, Batanes, Iloilo, and Davao. The rehabilitation and recovery process have been slow and protracted due to weak capacity at the local level.

⁸ Besides Tourism, the Philippine economy is driven by the manufacturing industry and service sectors like wholesale and retail trade, and information technology and business process outsourcing (IT-BPO) sectors.

⁹ Philippine Statistics Authority, Press Release No. 2020-013, 23 January 2020. In terms of employment, there were 5.71 million workers in the tourism industry with the accommodation and transportation accounting for a substantial share.
<https://psa.gov.ph/system/files/Q4%202019%20Press%20Release.pdf>

¹⁰ World Travel and Tourism Council (WTTC) Power and Performance Report, 2018

¹¹ Department of Tourism, Annual Accomplishment Report, 2018

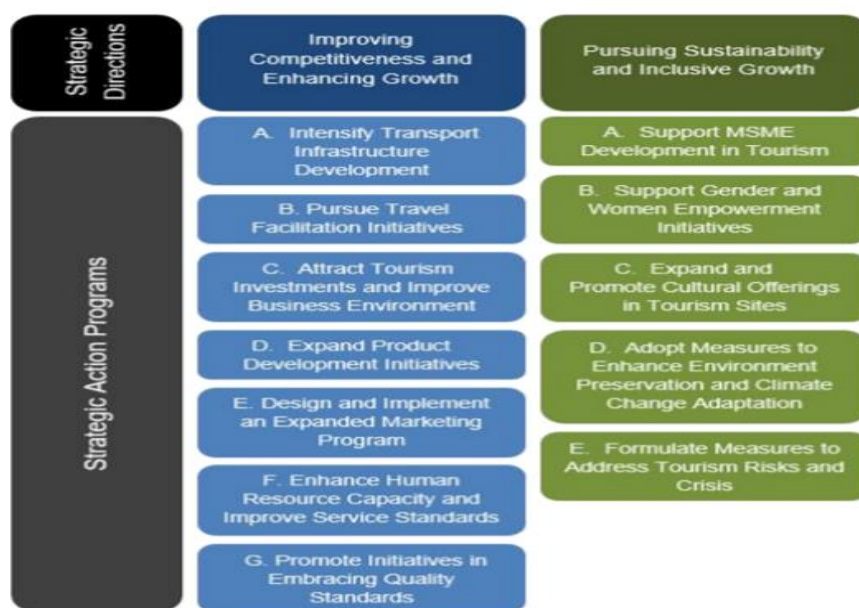
¹² Seasia Website. <https://seasia.co/2019/03/15/international-tourist-arrivals-in-southeast-asia-countries-2018>

¹³ AIR Worldwide, 2018



7. **The Philippine Government adopted the National Tourism Development Plan (NTDP) 2017-2022 which serves as the blueprint to ensure a sustainable, inclusive, and competitive tourism industry.** The NTDP (see figure 1) focuses on enhancing infrastructure development to facilitate access, mitigate impact, and expand growth across the country, while at the same time ensuring sustainable and inclusive growth for micro-small-and-medium enterprises (MSMEs), and enhancing capability for crisis management through adoption of quality and standards. This is in line with the Philippine Development Plan (PDP) 2017-2022 which aims to lay a stronger foundation for an inclusive growth, a high-trust and resilient society, and a globally competitive knowledge economy. The PDP’s strategies, among others, include promotion of Philippine culture and values, and expansion of economic opportunities in industry and services through the implementation of the NTDP.

Figure 1: National Tourism Development Plan (NTDP) Strategic Direction and Action 2017-2022¹⁴



8. **The tourism sector’s intensive use of key resources, like energy and water is impacting the environment with the increased generation of solid waste, sewage, marine plastics, and greenhouse gas emissions.**¹⁵ The Philippines has a rich array of natural and cultural endowments, holding some of the world’s richest terrestrial, coastal and marine environments. With majority of tourism taking place in coastal areas in the Philippines, the increased use of disposable plastics is entering the water bodies affecting the fragile ecosystems in the tourism destinations. Furthermore, the coastal areas are facing issues of overfishing, deforestation, water and air pollution that impacts tourism and its revenue potential.¹⁶ Environmental sustainability remains a key risk factor for the tourism sector.¹⁷
9. **COVID-19 poses serious downside risk to the country’s tourism sector.** Being a tourism-dependent country, Philippines is one among the many countries hardest hit in the East Asia Pacific region. The Department of Tourism (DOT) has developed a Tourism Response and Recovery Program (TRRP) as part of the country’s COVID-19 response. The TRRP emphasizes the following measures to: (i) protect workers and visitors, (ii) ensure business survival, (iii)

¹⁴ Department of Tourism National Tourism Development Plan (NTDP) 2017-2022.

¹⁵ <https://www.unenvironment.org/explore-topics/resource-efficiency/what-we-do/responsible-industry/tourism>

¹⁶ <https://www.unenvironment.org/news-and-stories/story/paradise-lost-travel-and-tourism-industry-takes-aim-plastic-pollution-more>. 2017 Travel and Tourism Competitiveness Report, World Economic Forum

¹⁷ World Economic Forum (WEF)’s Travel and Tourism Competitiveness Report 2019



build back better with appropriate infrastructure, and (iv) restore confidence to the industry. It provides an opportunity to improve local tourism destinations by developing disaster/crisis management and new normal protocols, upgrading basic infrastructure and improving the environmental conditions, restarting local economic activities, and investing in overall resilience to disasters and pandemics. This would set the stage for the sector to bounce back as tourism slowly reopens.

10. **Tourism sector would take time to recover and would need to be adaptive with the new normal environment.** While international tourism would take time to rebound due to factors like air travel restrictions, health protocol requirements in countries and individual country's COVID response, it is expected that the domestic market would boost the immediate and fast recovery of tourism sector compared to the international market once the quarantine is lifted. Expectations and type of tourism may change and require an adaptation of the tourism offering. Solo and small group travel and avoidance of crowded spaces may be the trend for some time. More tourists are also expected to look for opportunities to connect with nature and seek experiences that enhance wellbeing and health. An increase and diversification in nature-based tourism could offer an opportunity for the recovery of the sector. In addition, tourists will likely more than ever look for hygiene and sanitation, an area where Philippines' destinations can improve.
11. **The Philippine Government through the DOT has repurposed its flagship Program to support COVID-19 recovery.** The **Transforming Communities towards Resilient, Inclusive and Sustainable Tourism (TouRIST)** program was launched in 2019 through a Department Order¹⁸ aiming to shift towards a more sustainable tourism development, create an inclusive industry that benefits local communities, and ensure a resilient tourism sector. The conceptual framework of the TouRIST program was informed by several analytical work supported by the World Bank.¹⁹ The Philippine Tourism Coordinating Council (TCC)²⁰ endorsed the TouRIST program as a vehicle for greater convergence among national government agencies, private sector, Local Government Units (LGUs), and donor agencies as espoused in the NTDP. The program is envisioned to accelerate development, mobilize resources, and promote integration of national and local tourism initiatives. Moreover, the DOT sees the opportunity to utilize the *proposed WB Project to implement some of the critical activities listed in the TRRP to support its COVID-19 economic recovery* in the areas of: (i) integrating disaster risk management, crisis management, and other health emergencies in selected tourism destinations; (ii) upgrading of infrastructure to maintain and adapt to the health sanitation and safety standards given the new normal environment, (iii) provision of skills development of local tourism workers and enterprises who are critically-impacted by the crisis, and (iv) restoring industry's confidence highlighting inclusive growth and health safety standards through enhanced marketing, and market and product development.
12. **The TouRIST program is focused on developing primary and secondary tourism destinations in the Philippines.** DOT in close collaboration with the LGUs envisions a business model that supports local economic development of the island destinations, while focusing on environmental sustainability dimensions. This is line with the tourism recovery program that highlights the importance of providing resilient measures and well-planned infrastructure to adapt to the new normal environment. This approach is a win-win for local communities as they benefit from employment opportunities that are generated through regeneration programs while helping address environmental sustainability issues. As a proof of concept, the destinations of Bohol, Siquijor, Siargao Island, Davao City, Samal Island, and Palawan - Coron and El Nido were identified for the TouRIST program as they provide the potential and enabling conditions for post-COVID tourism bounce-back. The key pillars of the TouRIST Program include:

¹⁸ Department Order No. 2019-101, Department of Tourism (DOT)

¹⁹ Multi-Vulnerability Assessment of Critical Heritage Properties (2014) and the Development of Local Tourism Infrastructure Program (2016)

²⁰ A tourism policy making body created under Republic Act No. 9593 or the Tourism Act of 2009, to serve as the coordinating body for national tourism development efforts including the NTDP.



- *Infrastructure*: improved and safe mobility, reduced environmental impact, increased economic value, and reduced land and marine pollution
- *Livelihood*: improved economic opportunities, increased jobs and employment, and increased participation of women and vulnerable groups
- *Disaster and crisis management*: improved emergency preparedness and resilience, and increased response capacity
- *Standards*: increased accreditation of tourism establishments with TouRIST standards, increased investment, and development of a competent and dedicated workforce

13. **DOT is seeking support from the World Bank and Asian Development Bank (ADB) to support the agency's TouRIST Program** recognizing the Multilateral Development Bank (MDBs) experience, relevant tourism projects in other countries, priorities, and commitment to the Sustainable Development Goals (SDGs). The WB's proposed support would focus on Bohol, Siquijor, and Siargao Island through the Sustainable, Inclusive and Resilient Tourism (SIRT) Project, while ADB's support would focus on Coron and El Nido, Palawan. The DOT is keen to do a follow up project that would focus on Davao City, Samal Island and additional priority subprojects for Bohol, Siargao Island, and Siquijor.

Relationship to CPF

14. The proposed project is consistent with the Philippine Government's NTDP 2017-2022 and the Philippine Development Plan (PDP) 2017-2022, as well as the recently adopted Country Partnership Framework or CPF (FY2019-2023). The PDP emphasizes strengthening culture-sensitive governance, tourism and development, and improving environmental sustainability. The proposed project contributes to the following CPF focus areas of engagement: (i) competitiveness and economic opportunity for job creation especially for local communities and disadvantaged groups, and (ii) building resilience to address vulnerabilities from natural disasters and climate change.
15. The proposed project is aligned with the World Bank Group's (WBG) overall response to COVID-19 pandemic that emphasizes "Saving lives, Scaling-up impact and Getting back on track". As part of the overall strategy, the focus of WBG support is on rebuilding better that is resilient, inclusive and sustainable recovery. The proposed project would provide the much-needed support to the local economies that have been directly impacted by loss of jobs and, livelihoods due to the collapse of the tourism sector.

C. Proposed Development Objective(s)

16. The proposed Project Development Objective is to (i) improve access to infrastructure services, (ii) promote local tourism development, and (iii) strengthen capacity for disaster and crisis preparedness in select tourism destinations in the Philippines.

Key Results (From PCN)

17. The proposed project seeks to achieve the following results towards the achievement of the PDO:
- People with improved access to infrastructure services (gender disaggregated, 50% women target);
 - International tour operators (ITOs) satisfied with the safety and quality of tourism-related infrastructures and products for their source market (survey, percentage);
 - Percentage of LGUs with improved DRM infrastructure;
 - Strengthened DOT, TIEZA, LGUs capacity for: (i) disaster or crisis management (preparedness, response, recovery, mitigation); and (ii) tourism planning and destination management; and



Intermediate Indicators

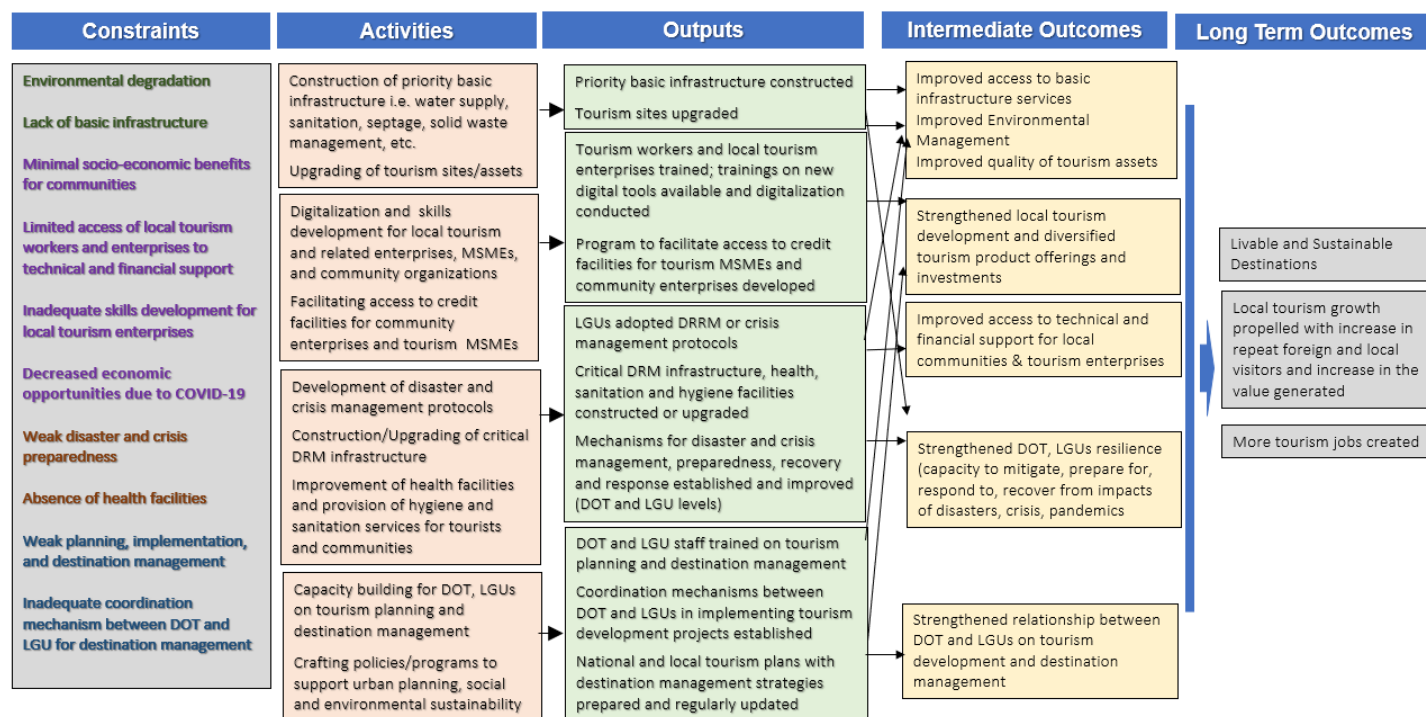
- People with improved access to sanitation (%)
- People with improved access to water supply (%)
- Increase in SMEs obtaining an internationally recognized tourism accreditation
- Percentage of DOT, LGU staff trained on tourism planning and destination management;
- Percentage of LGUs with improved disaster and crisis response capacity and response speed;
- Tourism Destination Management Plan adopted for Bohol, Siargao Island, and Siquijor.

D. Concept Description

18. The proposed project would support activities and interventions for sustainable tourism and COVID-19 recovery in three destinations - Bohol, Siquijor and, Siargao Island. Key project interventions would address the constraints to tourism development being faced in the destinations namely, lack of basic infrastructure; environmental degradation; capacity of local businesses to open up and shift to the new normal; integrated disaster and crisis management; and lack of comprehensive tourism policies. The proposed theory of change outlines the roadmap through which the planned investments would contribute to the PDO and overall outcomes of the SIRT Project.

Figure 2: Theory of Change for SIRT Project

Sustainable Tourism Theory of Change



19. The selection of the three destinations was based on the following criteria: (i) LGU’s strong commitment, (ii) readiness of proposed subprojects, (iii) popularity for foreign and local tourists, (iv) emerging destinations in Visayas (Bohol and



Siquijor) and Mindanao (Siargao) regions²¹; (v) LGU's thrust to promote sustainable tourism, and (vi) alignment with existing DOT projects. These destinations are already implementing various convergence programs including DOT-DPWH Tourism Road Infrastructure Program (TRIP) and DOT-DOTr Leveraging Infrastructure Projects for Airport Development (LIPAD) that support regional connectivity.

The proposed project would have the following components:

Component 1: Upgrading of infrastructure

20. The component would finance priority basic infrastructure that would contribute to the overall development of the selected tourism destinations. The menu of interventions include construction or upgrading of wastewater treatment facilities, septage management, sewerage facilities, water and sanitation, solid waste management, among others. This component would ensure that the basic infrastructure constructed or upgraded would adhere to climate and disaster resilient standards.
21. Furthermore, the component would support local authorities to review and adapt their business regulations and small-scale investments to facilitate access to digital infrastructure and technology and upgrade site infrastructure that support enterprise development for local communities, such as route signage, trails, site architecture, site safety protocols, food markets, retrofit of dilapidated sites, etc.

Component 2: Promoting local tourism development

22. This component would finance training and skills development for SMEs, local communities and tourism workers involved in tourism and tourism related businesses in the proposed project Destinations. For tourism SMEs, it would focus on upgrading their products and services to comply with recognized domestic and international standards and adapt their offering to market trends that will emerge in the wake of the COVID-19 pandemic. The project would also support local communities, micro-firms, cooperatives, cottage and small industries operating in the project destinations that have the potential to serve and benefit from tourism, such as local handicraft, souvenirs, food, transport and guide services. This component would prioritize training and capacity building services to disadvantaged communities, female-led and owned enterprises and female workers. Currently, local communities do not benefit from tourism growth in the destinations, most especially women and vulnerable groups who lack the skills, technology, and access to financing for providing products and services of the quality required by industries in the tourism sector. In the first year of the project, training in health and safety standards and COVID-19 prevention measures would be given priority as this will be crucial for the rebound of the sector. This support is aligned with the DOT's NTDP, Tourism Industry Skills Program (TISP)²², and the TRRP.²³
23. The following activities are considered under this component:
 - Design and/or disseminate locally domestic and international standards for sustainable tourism products, and support SME's compliance with these standards in areas such as hygiene and sanitation, wastewater and solid waste management, energy efficiency, and digital technology;

²¹ ADB is supporting Coron that is located in Luzon.

²² Tourism Industry Skills Program (TISP)²² which provides training for tourism workers. A total of 20,938 tourism workers, wherein 49% were women, participated in 548 trainings conducted under the TISP. However, there is a need to expand the trainings being organized in response to the new normal, most especially in the provision of tourism services and equipping MSMEs with digital skills. This could include maximizing the use of digital technology, designing websites and online business, accessing electronic applications to optimize market opportunities, and promoting cashless and contactless transactions.

²³ Tourism Response and Recovery Plan, 2020-2022.



- Enhance the participation of local communities and micro enterprises in tourism development, including community enterprises managed and operated by women, vulnerable groups, and informal sector, through training to improve product quality, health and safety standards, access to finance and access to markets; and through supporting small-scale investments to upgrade accommodation, home-based production units or food processing equipment;²⁴
- Support local service providers (business associations, community organizations, etc.) to become knowledgeable in tourism standards and development, use of digital technology, enterprise development, and access to finance of SMEs and communities.

Component 3: Strengthening disaster risk management, crisis management, and preparedness for other health emergencies

24. This component would include investments in constructing and/or upgrading existing disaster/emergency response infrastructure, equipment, evacuation facilities, among others. To complement the DRM infrastructure support, this component would provide the necessary capacity building and developing COVID-19 “new normal” protocols for DOT, TIEZA and LGUs by bringing in global experience to make tourism destinations resilient and capable to immediately revive and recover from climate risks, disasters, health emergencies, and crises not only at the enterprise but at the destination level. This component includes trainings, benchmarking using DRM tools, creation of crisis management teams, and enhancing policy and plans at national, regional, and local levels. This would help integrate the tourism sector in the overall disaster risk management structure at the national and local levels. The component would support the following:

- Construction and/or improvement of DRM facilities. This also includes the upgrading of existing or setting up of new emergency response systems and related infrastructure;
- Development of crisis and disaster management plans and protocols, including evacuation, recovery, public health emergency protocols, new normal hygiene and safety guidelines;
- Capacity building and trainings for DOT, TIEZA, LGUs, and tourism stakeholders on climate and disaster resiliency, crisis response, rehabilitation, and recovery, emergency response and preparedness, and COVID-19 new normal protocols. The training would include the use of IT-enabled tools and technology for DRM and crisis management.

Component 4: Support for policy and project management

25. The component would support DOT, TIEZA and LGUs in project management. This would focus on improving tourism destination management, project implementation, benchmarking, monitoring and evaluation, management information system (MIS) as well as coordination of policy reforms relating to tourism infrastructure development. Key activities under the component include:

- Strengthen DOT, TIEZA, and LGU institutional relationship in regard to sustainable tourism development, infrastructure investment planning, implementation, monitoring, and destination management;
- Preparation of tourism destination management plans for Bohol, Siargao and Siquijor and formulation of policy on integrated tourism master planning including land-use at the LGU levels anchored on inclusive, resilient, and sustainable tourism;
- Review of existing provisions of the Philippine Tourism Act and other laws taking into consideration climate resilience, disaster risk management, and crisis response as part of the sustainable tourism policy;
- Collaboration with relevant local coastal management boards and policy study on the establishment of user/environmental fees within destinations.

²⁴ This would complement with current Programs of the Department of Science and Technology (DOST), Department of Trade and Industry (DTI), and GFIs (Landbank and Development Bank of the Philippines).



- 26. This component would finance: (i) operating cost of the project implementing and coordinating entities at the national and provincial levels (where possible, the LGUs would contribute personnel and other incremental costs); and ii) consultants to support implementation, procurement, financial management, safeguards compliance, construction supervision, and monitoring and evaluation.

Legal Operational Policies	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

Summary of Screening of Environmental and Social Risks and Impacts

- 27. The proposed project would apply the World Bank’s Environmental and Social Framework (ESF). Social and environmental risks are rated substantial. The proposed Project locations include islands of tourism interest that cover a diverse type of coastal and marine ecosystems. All the three tourist destinations are pristine island environments, with several natural features that are usual tourist attractions, and characterized by various levels of urbanization as well as income classification. These destinations face anthropogenic pressure with increasing tourist footprint. Given the project cost, activities, and geographical coverage in several municipalities, the proposed project investments are moderate scale augmenting the existing facilities. Implementation of the proposed improvements are expected to lead to a broad range of generally well-understood, direct and indirect, induced/cumulative environmental impacts associated with typical municipal and economic infrastructure development or redevelopment. Environmental impacts and risks are expected in particular from investments addressing solid and liquid waste management, health care and COVID quarantine facilities. In addition, the operation of the infrastructure, and facilitation of tourist and economic development may lead to direct or indirect impacts that may strain the carrying capacity of the target islands and coastal areas. The other risks include the island or coastal features of the target destinations as well as their proximity to seismically active faults which increases the risk from natural disasters and climate change.
- 28. The environmental impacts are not considered unprecedented, complex, or irreversible if well managed by adopting the standard mitigation approaches. Also, post implementation of infrastructure facilities would lead to positive impacts on the carrying capacity of the tourism destinations. The proposed project is positioned to facilitate long term sustainable tourism with investments that are focused to enhance the overall environmental quality of destinations for sustainable tourism. Proposed project interventions are expected to reduce the long-term environmental impacts/risk factors of tourism activities and enhance the tourism economy benefiting the local population.
- 29. Individual subprojects pose site specific risks related to land acquisition, and community health and safety, and potential loss of livelihoods of a few waste pickers. Narrow strips of land are required for right-of-way and easements of water supply systems and street lighting. Larger pieces of land may be needed for sanitary landfills, markets, water treatment systems etc. which are expected to be acquired using willing-buyer willing-seller mode of land acquisition. As large tracts of land are still available in the provinces, economic displacement is expected to be minimal. Relocation would be avoided. A Resettlement Framework would be prepared at appraisal.
- 30. Given the location and types of subprojects, labor influx is not expected but COVID-19 transmission from construction workers to the community may ensue. Communities where there are construction activities are also exposed to Gender-



Based Violence (GBV) risks. The livelihoods of a few waste pickers may be affected due to the operation of sanitary landfills. Mitigation measures for these risks would be included in the ESMF such as Civil Works Guidelines during COVID-19, Labor Management Procedures, and Livelihood Plan for Affected Waste pickers.

31. Broader social risks related to the proposed project's support to tourism include increase in sexual harassment and exploitation, child abuse, and human trafficking. The proliferation of drugs and alcohol could lead to violent behaviors and increased criminality in communities. Increased tourism may also adversely affect the overall wellbeing of Indigenous Peoples and other vulnerable communities who have not been previously exposed to the ways of the world. Social conflicts may ensue if local communities are not receiving equitable benefits from tourism development. DOT and TIEZA would carry out an environmental and social assessment of the proposed project to assess these social risks and impacts. A GBV assessment for the tourism sector would also be conducted. An Indigenous Peoples Framework and a Stakeholder Engagement Plan would be prepared.
32. To minimize environment and social risks, the eligibility criteria for subproject approval would include: (i) avoidance of physical displacement, (ii) avoidance or minimization of construction impacts that would harm the workers and surrounding communities, and (iii) avoidance of digging borrow pits, cutting of trees as construction materials in areas with natural habitats.
33. The DOT and TIEZA have no prior experience in applying World Bank's safeguards policies or the new ESF. However, LGUs that have participated in World Bank projects such as PRDP and NCDDP have familiarity with the safeguards policies. Overall, the Borrower's capacity to manage risks and impacts related to the new ESF are expected to be limited. The ESCP would include a capacity-building program to enable national, regional and local project staff to manage social and environmental risks.

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Approved By

Country Director:	Ndiame Diop	16-Sep-2020
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