



# Concept Environmental and Social Review Summary

## Concept Stage

### **(ESRS Concept Stage)**

Date Prepared/Updated: 01/04/2023 | Report No: ESRSC03226

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

Country	Region	Project ID	Parent Project ID (if any)
Philippines		P180379	
Project Name	Philippine Rural Development Project Scale-up		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Agriculture and Food	Investment Project Financing	4/25/2023	6/29/2023
Borrower(s)	Implementing Agency(ies)		
Republic of the Philippines	Department of Agriculture		

**Proposed Development Objective**

The PRDP Scale-up aims to improve farmers' and fisherfolk's access to markets and profitability in selected value chains.

Financing (in USD Million)	Amount
Total Project Cost	550.00

**B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?**

No

**C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]**

The design of the proposed project would involve a significant refocusing of approach from that of the ongoing PRDP. Whereas the on-going PRDP focused on catalyzing the start-up, expansion and business orientation of micro to medium-scale agri-fishery enterprises, along with support for market access infrastructure, the proposed PRDP Scale-Up project would involve a greater focus on more strategic approach through public infrastructure interventions to improve supply chain connectivity and efficiencies, while supporting for private sector led common service facility development and operations.



The project would be designed around the same well-established components used for PRDP, i.e.; Planning (I-Plan), Infrastructure (I-Build), Enterprise Development (I-Reap) and Project Management (I-Support); an approach that would facilitate implementation and build on established operational and administrative procedures. The project design would include provision for a CERC component, subject to further discussion with Government.

#### **D. Environmental and Social Overview**

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The same as PRDP Phase 1, the subprojects (SPs) will be geographically dispersed over the whole archipelagic Philippines. Surrounded by four (4) seas and the Pacific Ocean, the Philippines has 7,641 islands, with a land area of 300,000 square kilometers. From north to south, it has an irregular shape, vertically long and narrow, mountainous terrain, zigzagging rivers, coastal plains, and 36,300 kilometers of coastline. The country is divided into three cluster groups of islands and islets: 1) Luzon - north, largest land mass, vertically long, narrow pyramid shape, 2) Visayas – center, third-largest, scattered islands surrounded by rough seas 3) Mindanao - south, second largest, rugged terrain, long mountain ranges, horizontal ellipse shape.

The Project will be implemented nationwide catering to poor rural farmers, fisherfolk, and agricultural SMEs. Like its predecessor, the project will identify and assess risks and impacts on people and farmlands. The project locations are on different islands, characterized by divergent geophysical features ranging from low-lying valleys, narrow coastal plains, rolling terrain, and steep uplands, transgressed by meandering rivers, freshwater lakes, and powerful tidal waves. The typical sources of water for drinking and agriculture are surface waters eg., springs, rivers, and lakes, many of which are already polluted or prone to pollution due to the lack of treatment and disposal for domestic and agricultural wastes. The delineation of farmlands and protected areas are well-defined and since this project will not allow the change of land use and the conversion of forests and protected areas to agricultural use is illegal by Philippine law, it is expected that key ecosystem services will continue to sustain the agricultural production in the project sites. Essential to the SPs are food, water, and biodiversity provisioning ecosystem services as well as climate, natural hazards, water flow, soil fertility, and erosion regulating ecosystem services. The land suitability and vulnerability are screened for each subproject (SP) proposal using the Expanded Vulnerability and Suitability Assessment (eVAS) tool that assesses each SP site for its state of the environment, key ecosystem services to reflect the prevailing climatic conditions, weather patterns, soil conditions, and water quantity/quality, among others. It is a GIS-based tool that combines the analysis of vulnerability and suitability with the socio-economic conditions of an area and is used to enhance the GIS-based targeting of interventions and to formulate strategies that enhance climate resilience of production and investments. In the PRDP, the tool is essential for Value Chain Analysis (VCA), an approach to determine whether priority agricultural commodities are within the value chain.

As with the existing PRDP, Indigenous Peoples live in some of these areas and the Project will also operate in conflict areas. Comprising about 10 percent of the total population, 17 million Indigenous Peoples are scattered all over the country. The Ivatans are in the northernmost part in Batanes; the Cordillera Autonomous Region has a myriad of Indigenous Peoples including the Ibaloi, Kankanaey, etc.; and the Aetas are mostly in central Philippines, the Mangyans in Mindoro, and in Mindanao, the B'laans, Lumads, etc. Although some Indigenous Peoples have been mainstreamed and government services have reached them, they remain to be among the country's poor and vulnerable.



The Project will also continue to operate in conflict areas. Although Mindanao is generally associated with conflict, the degree and magnitude of conflict actually vary depending on the geographic location with BARMM particularly being a more sensitive area. Conflict is also present in other parts of the country where insurgency remains an issue. During elections, conflict tends to intensify with rival families or candidates.

#### D. 2. Borrower's Institutional Capacity

The Project will build on seven years of experience of implementing the old safeguards policies since the approval of the original PRDP, which became effective in August 2014. The Phase II project would build on the substantial implementation capacity and operational procedures developed and largely mainstreamed in the DA since the Bank's support for its precursor, the Mindanao Rural Development Plan (MRDP) I & II (2000-2014). Throughout this time, PRDP has installed a reliable management system for complying with the requirements for environmental assessment, monitoring, evaluation (M & E) and reporting, Indigenous Peoples, land acquisition and donation, and grievance redress. The system has also been flexible that allowed it to accommodate labor influx issues when guidance was issued by the World Bank in 2017. The latest additional financing focused on the Bangsamoro Autonomous Region of Muslim Mindanao (BARMM) which allowed PRDP to have a more systematic approach for conflict sensitivity and assessment.

DA will continue to be the lead agency for preparing and implementing this project in coordination with LGUs at the provincial level, where the project will operate. The Social and Environment Safeguards (SES) team which oversees the implementation of the PRDP Integrated Environment and Social Safeguards Framework (IESSF) (which includes an Environmental Management Framework and Guidelines, a Resettlement Policy Framework and an Indigenous Peoples Planning Framework) will upgrade this into an Environment and Social Management Framework (ESMF) in compliance with the ESF requirements. The SES team is comprised of SES specialists strategically working in the entire Philippines, at various levels of the PRDP project team as follows: 1) National Project Coordination Office (NPCO); 2) Project Support Office; 3) Regional Project Coordination Office, backed by a Regional Project Advisory Board; 4) Provincial Project Management Implementation Unit and 5) City/Municipality Project Management and Implementation Units. PRDP has started to integrate the process of the SP screening and prioritization its compliance to the ESMF, starting with the environmental and social screening, regular conduct of consultations, preparation and implementation of the Environment and Social Management Plans (ESMPs), disclosure of documents, and establishment of the grievance redress mechanism (GRM) and coordination with relevant national agencies to ensure transparency, social inclusivity, and ownership. PRDP has actively used smart technologies such as digitalization, geo-mapping systems, and M&E for efficient operations through the continued implementation of blended mechanisms in conducting awareness-raising, consultations, meetings, impact assessments, communication, and outreach.

PRDP's performance on environmental and social compliance has mostly been satisfactory. The capacity of the SES staff improved over the years through various trainings and the lessons they learned from implementing the Project. Close coordination helped ensure that they have a common understanding of safeguards requirements and a unified approach in addressing issues. Supervisory staff have attended ESF trainings. With the introduction of the ESF, there is a need to upgrade existing documents and produce new ones such as the SEP and LMP. There is a need to re-train staff and update PRDP's current procedures. As the amount to be invested for this project is substantial, there is a need to hire more staff to augment existing human resources the current manpower. A program of capacity-building on the ESF will be developed and implemented. Beyond safeguards, PRDP, as a whole, has been and is currently being very well implemented. The Department of Agriculture has issued a Memorandum Circular adopting the key



processes of PRDP including those for land acquisition, and grievance redress, the expanded vulnerability and suitability assessment (e-VSA), and VCA.

## II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

### A. Environmental and Social Risk Classification (ESRC)

Substantial

#### Environmental Risk Rating

Substantial

PRDP 2 is targeting to extend to a wider geographical reach, especially the remote communities to be selected using the commodity Value Chain Analysis (VCA), expanded Vulnerability and Suitability Assessment (eVSA) criteria and Provincial Investment Commodity Plan (PCIP) to ensure that the selection and prioritization of the SPs are in the most appropriate location, the resources and markets to be accessed are present, suitable and linked to the targeted value chains. The Component 2 Rural Infrastructure Market Linkage (I-BUILD) and Component 3 Enterprise Development (I-REAP) SPs will prioritize sustainable, climate-smart agricultural strategies and technologies supported by cost-effective public infrastructure such as farm-to-market road (FMR) and bridge network, potable water supply (PWS) and communal facilities such as food supply distribution hubs, logistics systems, and service facilities. Community-livelihood SPs will include crop, fishery and animal production and establishment and operation of common service facilities in production, postharvest and marketing such as market stalls, cold chain and fish landings. Natural resource management investments include mangrove rehabilitation, marine sanctuary establishment, artificial reef establishment, stream bank stabilization measures, agro-forestry non-timber production, nurseries, upland native tree plantations, and aqua-silviculture, which are localized, sustainable and cost-effective. The potential impacts during the construction of infrastructure-supported SPs such as FMRs, bridges, PWS, small-scale civil works include unmanaged spoils, hazardous and construction wastes generated from earthmoving for civil works and commodities production and processing areas; inadequate waste management and poor drainage at the construction sites of FMRs and food processing facilities; intrusion and disturbance of forestlands, protected areas, natural habitats and wildlife due to intense human activities such as noise, vibration, removal of trees, flora and fauna, quarrying for construction materials. The expected environmental impacts are pollution and degradation of the water, air, and soil quality from activities that may produce untreated wastewater, agricultural and hazardous wastes are also health risks to the workers and the community; depletion of natural resources due to overexploitation and unregulated extraction of water, soil, gravel and sand, trees for construction, production, processing and storage purposes. Potential drainage issues at irrigation canals and communal faucets resulting in the formation of permanent pools of water and muddy soil and community safety are potential impacts that could cause drowning, flooding or contamination due to the unregulated flow of impounded water temporary disruption of water supply, canal scouring/on-site erosion, systemic sedimentation during construction, contamination of surface water with agrochemicals, excessive groundwater abstraction for production and processing SPs resulting in saltwater intrusion near coastal areas. It is important that early in the conceptualization phase, the temporary impacts mentioned above have been identified as they could aggravate and cause moderate to substantial risks due to the effect of extreme weather conditions which the project is prepared to address using appropriate design features and mitigation measures. The Project's overall goal is to promote climate-smart, resilient and green investments using sustainable and innovative agricultural approaches and technologies to ensure that the ecosystem services are conserved and regenerated in order to maintain healthy and ecologically-sound agricultural lands. The physical investments have been identified as small- to medium-scale and are expected to generate environmental impacts that are localized, reversible and short-term in nature. Given the considerations above the Environmental Risk Rating is deemed to be substantial.



## Social Risk Rating

Substantial

Social impacts are localized and manageable, and those that are likely to materialize such as land acquisition and mobilization of workers are unlikely to be large scale. Mitigation measures for the social impacts are also readily available and the client has experience applying them. However, social risk is rated substantial owing to the huge number of subprojects that will be implemented all over the country where exact subproject locations remain to be unknown including in areas affected by conflict which could exacerbate project risks and impacts and vice versa. Even with the ESF and the innovations on project design, social risks will still be related to land acquisition and Indigenous Peoples, topics which the SES team has extensive experience on, given PRDP's focus on farm-to-market roads in rural areas. Infrastructure subprojects will mostly entail loss of agricultural land, trees, fences and other small structures. In the Philippines, informal settler families are usually found near bodies of water, and the addition of bridges and fish landing subprojects may result in physical relocation of households. The Project will continue to operate in conflict areas which will require the rollout/adoption of the conflict sensitivity and assessment training among all SES staff. Monitoring of labor influx under PRDP showed that this will not impose significant risks, as local labor is normally sufficient for the Project's construction requirements. Risks related to sexual exploitation and abuse/sexual harassment whether in the community or in the workplace is expected to be minimal (see below). Exclusion of vulnerable groups including the poor and Indigenous Peoples in the 3 main project components (I-PLAN, I-BUILD, and I-REAP) may be involved if stakeholder engagement is not carefully considered. Current members of the SES team are familiar with safeguards but there is a need to raise awareness on ESF requirements. Additional staff to be hired need to be trained.

## B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

### B.1. General Assessment

#### ESS1 Assessment and Management of Environmental and Social Risks and Impacts

##### *Overview of the relevance of the Standard for the Project:*

The project is a succession project, where the SPs will be the same type and nature of agriculture-related investments, expected to generate site-specific environmental risks and impacts that need to be identified and addressed during the planning to operational phases of the project. The target areas are agricultural lands found in low-income, rural areas, of various types and stages of development, managed by proponent groups with different capacities. The project sites cover small landholdings of less than one hectare to five hectares of farmlands, with different geophysical attributes, from low-lying plains and mountainous rolling terrain to areas that are either water-scarce or close to flowing rivers or fluvial waterways or along rugged coastlines. The components contain a good mix of small-scale civil works and facilities needed for the production, processing, storage, marketing, and other enterprise-related activities, of around US\$100,000-\$400,000 project cost per SP, for cost-sharing with the proponent groups. Component 2 Rural Infrastructure Market Linkage (I-BUILD) is composed of Farm-to-Market Roads (FMRs), Bridges, PWS, Irrigation and Value Chain distribution systems, and hubs. Other eligible SPs include PWS levels 1, 2 & 3, small-scale irrigation systems (e.g., sprinkler, drip, solar-powered, ram pump, and spring development), as well as pre-and post-harvest facilities (e.g., tramlines, abattoir, dressing plants, and fish landings). To ensure that the SPs are designed as green investments, this component will coordinate with the Bureau of Agricultural and Fisheries Engineering (BAFE) on the use of its climate resiliency manual and applicable green standards in the SP design. Furthermore, this component will refer to the hazard map in the design considerations of I-BUILD as well as be guided by the DPWH Department Orders 112 series of 2019 and 11 series of 2014 for the FMRs and DPWH DO No.



179 series of 2015 re: DPWH Design Guidelines, Criteria and Standards (DGCS), 2015 Edition (Volume 5 – Bridge Design) for Bridges and other international green building codes. Component 3 Enterprise Development (I-REAP) consists of enterprises providing service facilities, economies of scale, and value-addition, through the consolidation of agri-fishery commodities consistent with the goals of the Operationalization of the National Agriculture and Fisheries Modernization and Industrialization Plan (NAFMIP). It could include consolidation centers, trading posts, cold and dry storage, composting facilities, transport vehicles, handling and processing facilities, mariculture parks, hatcheries, and livestock production facilities.

Site-specific environmental and social risks and impacts are anticipated during the construction and operation of the small-sized civil works for both Components 2 and 3. The expected risks and impacts of the construction work and agricultural activities during tillage, cultivation, food production and processing consist of low-level noise, dust, vibration, water ponding due to poor drainage, soil erosion, uncollected construction debris and related solid wastes, pollution and degradation of the water, air, and soil quality from untreated wastewater, agricultural and hazardous wastes, overuse of fertilizers and pesticides that may lead to water, soil and air pollution, depletion of natural resources due to overexploitation and unregulated extraction of water, soil, gravel and sand, trees for construction, production, processing and storage purposes. In addition, occupational and community health and safety risks for workers and residents from various activities need to be addressed, including COVID-19 and other contagious diseases. Potential drainage issues at irrigation canals and communal faucets resulting in the formation of permanent pools of water and muddy soil and community safety are potential impacts that could cause drowning, flooding or contamination due to the unregulated flow of impounded water temporary disruption of water supply, canal scouring/on-site erosion, systemic sedimentation during construction, contamination of surface water with agrochemicals, excessive groundwater abstraction for production and processing resulting in saltwater intrusion near coastal areas. It is important that early in the conceptualization phase, the potential risks and impacts are identified as they could cause and aggravate moderate to substantial environment and social impacts.

The Project will utilize available information from DA for the e-VSA which includes land and soil suitability analysis to evaluate the condition of the soil, climate, slope and topography, water availability, drainage, erosion hazard, predominant flora and fauna, and the natural features of agricultural land where the subproject will be located. The assessment will be informed by data from DA, DENR, and PAGASA. The project documents will inform the detailed design of the infrastructure-support activities which include feasibility studies, business plans, strategy papers, and the conduct of an SP-specific Environmental and Social Assessment (ESA) as required under the project's ESMF. The ESA will identify environmental and social risks and impacts to help formulate appropriate environmental and social impact mitigation and risk management approaches as basis for site-specific mitigation measures in the SP-specific ESMP during implementation. The ESA will also identify any associated activities and corresponding ES risks and the due diligence approach for mitigating them. If there is more than one SP in a contiguous area in an LGU, the ESA will include a rapid cumulative impact assessment, as the case may be. The project is also designed to generate positive impacts on the overall agricultural production, soil, and water conservation due to the improved farming practices, value addition, organized agribusiness systems geared towards contributing to the upliftment of the socio-economic conditions of the beneficiaries.

The key social risks are related to land acquisition and Indigenous Peoples. Right-of-way acquisition will incur loss of parcels of land, crops/trees, fences, and other small structures. Indigenous Peoples run the risk of exclusion without conscious effort to include them. The instruments to be developed to manage these social risks include upgrading the Resettlement Policy Framework and IP Planning Framework. Other social risks related to labor, labor influx, SEA/SH,





stakeholders, etc. are expected to be low. A Labor Management Procedures (LMP) and a Stakeholder Engagement Plan (SEP) will be prepared to address these minor risks. The LMP and SEP will each have a set of GRM that is specific for workers and for stakeholders in general, respectively. The vulnerable and disadvantaged groups likely to benefit from the Project include farmers, fisherfolks, Indigenous Peoples, and agricultural businesses.

The project will upgrade PRPD's current IESSF and expand it to an ESMF that will describe in detail the process of risk management and impact assessment to be addressed in the preparation and implementation of the ESF instruments. For SPs that involve land development, construction, harvesting, production, and processing activities, the ESMF will prescribe guidelines and procedures as a basis for the screening, preparation, review and approval of I-BUILD and I-REAP SPs. The SPs will be required to comply with the ESMF and appropriate ESF instruments. The project has a Contingent Emergency Response Component (CERC) to gain rapid access to financing to respond to a crisis or emergency, with a zero-value allocation. A CERC Operations Manual (CERC-OM) will be annexed to the MIADP Project Operations Manual while the ESMF has a CERC annex that specifies the CERC ESF requirements when CERC is activated. The SES team will continue to use technologies such as the PRDP geotagging dashboard and e-VSA GIS overlay for its ESF compliance.

**Areas where “Use of Borrower Framework” is being considered:**

Where there is alignment between Philippine country laws and the World Bank ESF, borrower systems will inevitably be used. Otherwise, the ESF in general prevails unless where Philippine law provisions are higher such as in the case of minimum age and FPIC.

**ESS10 Stakeholder Engagement and Information Disclosure**

The Project will continue to engage with local government units (LGUs), rural communities including Indigenous Peoples, proponent business groups, and other government agencies such as the National Commission on Indigenous Peoples (NCIP) and the Department of Environment and Natural Resources (DENR). It is envisaged that consultations with government agencies would be needed during project preparation while engagement with subproject stakeholders such as LGUs, communities, business consortia would be done during project implementation.

Component 1 of the Project (I-PLAN) requires the development of plans, operational strategies and policies necessary for investments under Component 2 for infrastructure and Component 3 for enterprises. With the ESF, there is a need to ensure that processes for Component 1 are inclusive particularly of vulnerable groups that may have been overlooked in the past. A Stakeholder Engagement Plan (SEP) will be prepared before appraisal that will contain a stakeholder analysis and detail the participatory and disclosure processes under the Project that will be mainstreamed into the Project operations. The SEP will also describe the robust GRM that is now being used by PRDP and will be adopted by the Project. To further align the GRM with the ESF, the SEP will discuss measures to make it sensitive to SEA/SH incidents and SOGI-related complaints.

**B.2. Specific Risks and Impacts**

**A brief description of the potential environmental and social risks and impacts relevant to the Project.**

**ESS2 Labor and Working Conditions**

Given the large amount of the Project and most of it would be on infrastructure subprojects, the labor requirement is expected to be large at an aggregate level, but small- to medium-scale at a local sub-project level. The bulk would consist of contracted workers that will be hired during construction. Additional project staff at the national, regional,





and provincial levels would be needed to help implement the Project. Nevertheless labor risks are expected to be low given the strong Labor Code of the Philippines which is at par with international standards for child labor, labor management, and decent work including ESS 2, and the track record of the implementing agency of contracting well performing construction enterprises for infrastructure sub-projects. The minimum age under the Labor Code is even higher at 15 years compared with the ESF's 14. A set of Labor Management Procedures (LMP) will be prepared and will include a GRM specific for project workers.

Labor influx is not expected as local labor is sufficient given the nature of the construction work, and the labor requirements of individual sub-projects likely to be modest. In addition, RA 6685 Preference for Local Workers requires at least 50 percent of unskilled and 30 percent of skilled labor requirements will be actual residents in the province, city, and municipality. Risks related to SEA/SH in the workplace may be encountered although this has never been experienced throughout PRDP's implementation. The LMP will include a code of conduct for project workers.

While PRDP's current Integrated Environment and Social Safeguards Framework (IESSF) includes provisions on occupational health and safety and COVID-19 guidelines during construction, it will need to be upgraded to include the risk management and impact assessment for the rest of the relevant ESSs. Thus the IESSF will be expanded into a comprehensive Environment and Social Management Framework (ESMF) that will include a complete analysis of all the ESSs necessary to satisfactorily manage all the risks and impacts of the project consistently.

### **ESS3 Resource Efficiency and Pollution Prevention and Management**

The construction activities to be undertaken under the Rural Infrastructure Market Linkage SPs are expected to generate environmental impacts such as: temporary flooding in low-lying areas or construction sites due to poor drainage or clogged drains or blocked waterways from the soil overburden or unmanaged spoils generated from earthmoving activities, low-level contamination of soil and water quality due to unmanaged hazardous and domestic solid wastes. Other activities may involve the minor depletion of natural resources due to unchecked quarrying and disruption of water supply due to the canal diggings, temporary diversion of water or over-abstraction of groundwater for the PWS; construction-related health hazards and safety of workers and communities living alongside small irrigation canals, and PWS intake from possible canal scouring/on-site erosion, systemic sedimentation and contamination of surface water with agrochemicals, or saltwater intrusion in coastal areas.

Likewise, under the Enterprise Development SPs, possible environmental impacts may be generated due to the low-level accumulation of fertilizers, pesticides, organic by-products, spent agrochemicals, uncollected, domestic, solid and hazardous wastes, and lack of appropriate wastewater treatment and discharge outfall as well as general non-compliance of applicable water quality parameters to DENR standards that may affect water quality, soil condition and carrying capacity of agriculture lands and mariculture farms and proliferation of pests and insects.

The project's approach towards resource efficiency including recycling where possible is part of the overall approach in the ESMF and included in the SP's ESMP. The project's approach towards hazardous waste management including chemical fertilizers and pesticides is included in the ESMF in consonance with the Philippine law and Department of Environment and Natural Resources (DENR) and DA rules and regulations in the management of toxic and hazardous



materials and any corresponding wastes. Occupational and community health and safety issues are also addressed in the ESMF to prevent and manage any concerns that may arise when workers are exposed to unsanitary and hazardous working conditions, including communities when animal excreta and diseases, proliferation of insects, flies, rodents and other pests are left unmanaged.

The project is currently preparing the estimation of gross greenhouse gases (GHGs) and its results will be included in the ESMF.

#### **ESS4 Community Health and Safety**

The community health and safety risks for this project are expected to be small in magnitude, site-specific with expected low cases of serious adverse effects to human health, adequate protocol on the prevention and management of infectious and communicable diseases such as COVID-19 and sexually transmitted diseases (STDs) will be put in place by the Borrower. Field activities of workers will follow the project-prescribed COVID-19 management procedures including land development, construction, farming and food production activities. Workers would include organic and contractual staff of DA from the municipal and provincial offices and staff of the private business partners.

The project's approach towards integrating climate-resilient design and disaster risk management during infrastructure design and development is described in the ESMF and begins with the conduct of the E-VSA and ESA to ensure that the SPs are located in safe places that will not be duly exposed to the harsh impacts of climate change and natural disasters. It is part of the project strategy to make climate-resilient design and disaster risk management mandatory for all its components, beyond what is required for the infrastructure design and development. Since the Philippines is considered one of the world's most vulnerable countries to climate change, the government has raised the Building Code standards and relevant rules and regulations, requiring all infrastructure projects, especially government investments, to comply with climate-resilient design and disaster risk management protocol to ensure the safety and security of people, public goods, services and assets, livelihoods, natural resources, and environmental sustainability.

As there will be no influx of labor in the communities where subprojects will be implemented, minimal SEA/SH risks are anticipated. The LMP will include Codes of Conduct for contracted workers to ensure that they behave accordingly.

As with PRDP, the Project will coordinate with the proper authorities during project implementation in conflict areas. However, armed security personnel will not be utilized under the Project.

Permanent road safety measures will be put in place to ensure the prevention of road accidents and incidents during the construction and operational phases.

#### **ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**



This standard is relevant, as infrastructure sub-projects are likely to acquire lands and incur loss of crops, trees, fences, and other structures, as was the case under PRDP with the construction of farm-to-market roads. With the addition of other infrastructure such as bridges and fish landing structures, involuntary resettlement of informal settler families (ISFs) may result, as ISFs tend to dwell near bodies of water. As with the PRDP, restrictions to access due to changes in land use are not likely.

The Project will adopt the Resettlement Policy Framework (RPF) that has been applied with PRDP as there are no significant changes in the nature of the impacts. Because it was always used, the RPF has been constantly updated and currently contains provisions for land donation and expropriation. It will be updated to reflect the ESF's new provisions including those relevant to forced eviction. The RPF will continue to use the subproject screening criteria for resettlement and that Resettlement Plans will be prepared during project implementation when subproject locations and their physical footprints have been identified. The Resettlement Plans will specify that construction can only commence when project-affected persons have been compensated and/or relocated.

Land acquisition under PRDP is replete with good practice including ensuring that ROW that have been previously acquired by LGUs are now properly documented, donated portions of lots are annotated in land titles or similar document, and that these are deducted from taxable areas of owners' properties. Communities, particularly project-affected persons, also appreciate the consultations that happen which make them feel they are a part of the process and that the process is transparent. These will be continued under Phase 2.

#### **ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

The Project recognizes that protecting and conserving biodiversity and habitats are intrinsic in the sustainable management of food systems and agriculture. The project will only develop parcels of land that are classified and used as agricultural lands and areas that are part of the FMR road network providing access to the distribution hubs and value chain centers will not traverse forests or protected areas. To prevent overlaps with forests, natural parks and protected areas, the project will include in the ESMF, the Environment Screening criteria and the negative list of SPs, that may cause any intrusion, disturbance, collection or harvesting of raw materials or land development in these areas. The project will only use official land classification maps and will not pursue any re-classification, conversion or modification of critical natural habitats. Neither will it cause any change in land use of environmental protection and conservation zones to agricultural land or the removal of natural vegetation in natural habitats. During construction, potential disturbance of forestland, protected areas and natural habitats possibly due to encroachment of human activities such as increase in noise level, removal of terrestrial flora (including trees), and disturbance to wildlife. To address this the ESMP will prescribe mitigation measures to prohibit such encroachment or disturbance by the activities caused by the land development, construction, movement of materials or by the project workers.

#### **ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**

The Project will continue to operate in areas where there are Indigenous Peoples who may be excluded from project benefits. Under PRDP, Indigenous Peoples have been beneficiaries of farm-to-market roads under I-BUILD and have become special members of proponent groups under I-REAP in an attempt to ensure that they are included. As of the last PRDP 2022 Report, PRDP has benefitted 638,725 IPs or about 127,745 IP households who are within the



subproject influence areas. A total of 27 Indigenous Peoples Plans have been prepared and have been/are being implemented across the country with majority in Mindanao (20). PRDP has worked with a wide range of IPs in the country including Manobo, Lumad, Tiboli, etc. The Project will ensure that these good practices will continue by adopting the existing Indigenous Peoples Policy Framework (IPPF) of PRDP. This will be upgraded to include the ESF's new provisions related to FPIC although it must be noted that the country's Indigenous People's Rights Act already contains provisions for FPIC that the PRDP has been abiding by over the years. In addition, it is unlikely that the Project will trigger any of the 3 conditions for FPIC under ESS 7 as none of such circumstances have been encountered in implementing PRDP to date. Farm-to-market roads did not result in adverse impacts on ancestral domains and many of these are already existing. If relocation of Indigenous Peoples along the roads was necessary, it would likely still be relocation within their ancestral domains.

#### **ESS8 Cultural Heritage**

The Environmental and Social Screening includes the identification of cultural heritage such as the identification of direct, indirect, and cumulative risks and impacts of the activities on tangible and intangible cultural heritage including the results of relevant consultations with the IPs and other interested parties. The project will avoid impacts on cultural heritage and when avoidance is not possible, identify and implement measures to address impacts in accordance with the mitigation hierarchy. PRDP has developed chance finds procedures which will be included in the ESMF.

#### **ESS9 Financial Intermediaries**

The Project will not involve financial intermediaries.

### **C. Legal Operational Policies that Apply**

<b>OP 7.50 Projects on International Waterways</b>	No
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<b>OP 7.60 Projects in Disputed Areas</b>	No
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### **III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE**

<b>A. Is a common approach being considered?</b>	No
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#### **Financing Partners**

Not applicable.

#### **B. Proposed Measures, Actions and Timing (Borrower's commitments)**

##### **Actions to be completed prior to Bank Board Approval:**

Before appraisal, the following instruments need to be developed, consulted on, and disclosed:



- Environment and Social Management Framework
- Stakeholder Engagement Plan
- Resettlement Policy Framework
- Indigenous Peoples Policy Framework
- Labor Management Procedures

**Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):**

Capacity-building on the ESF

Preparation of subproject-specific Resettlement Plans and IP Plans

**C. Timing**

**Tentative target date for preparing the Appraisal Stage ESRS**

14-Apr-2023

**IV. CONTACT POINTS**

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**Borrower/Client/Recipient**

Borrower: Republic of the Philippines

**Implementing Agency(ies)**

Implementing Agency: Department of Agriculture

**V. FOR MORE INFORMATION CONTACT**

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**VI. APPROVAL**

Task Team Leader(s): Mio Takada, Maria Theresa G. Quinones



Practice Manager (ENR/Social) Muthukumara S. Mani Recommended on 24-Dec-2022 at 10:07:29 GMT-05:00

Safeguards Advisor ESSA Nina Chee (SAESSA) Cleared on 04-Jan-2023 at 11:59:12 GMT-05:00