Early Warning System

ADB-49159-001

Strengthening Institutions for Investments in Mindanao

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Quick Facts

Countries	Philippines
Specific Location	Mindanao
Financial Institutions	Asian Development Bank (ADB)
Status	Active
Bank Risk Rating	U
Voting Date	2015-07-06
Borrower	Government of the Philippines
Sectors	Infrastructure, Technical Cooperation
Investment Type(s)	Grant
Investment Amount (USD)	$ 0.23 million
Project Cost (USD)	$ 0.23 million

Project Description

This is a small-scale capacity development technical assistance (S-CDTA) requested by the Government of the Philippines, through the Mindanao Development Authority (MinDA), to strengthen institutions in support of public sector investments in infrastructure and Public Private Partnership (PPP) projects in Mindanao. This S-CDTA is sought as a rapid response tool to provide expertise in addressing specific issues on public and private infrastructure investments in Mindanao, in particular, the Bangsamoro areas.

The TA outcome is Mindanao development institutions prioritize and agree on subregional investments. The impact is aligned with and builds on the Mindanao 2020 Plan's goal of increasing jobs and economic activity in Mindanao.

The TA has two outputs:

1. Long-term capacity development needs and approach identified for effective development. A pre-scoping for a systematic, medium to long-term capacity development program approach for MinDA, BDA, and ARMM will be prepared based on an assessment of ongoing government and development partner support. This will cover development planning, implementation, monitoring and evaluation as well as the elements needed to improve public administration. PPP project preparation and training, and collaboration mechanisms will be identified for MinDA, ARMM Regional Board of Investments and the Regional Planning and Development Office (RBOI and RPDO), and NEDA regional offices.

2. South Central Mindanao Growth Corridor (SCMGC) Study prepared. The development of Mindanao growth corridors aim to bolster infrastructure and improve transport and logistics support to tourism, industry, and agriculture sector. Its full implementation strengthens connectivity within Mindanao and to the rest of ASEAN, and supports the Philippines commitment to the ASEAN Economic Community under the implementation blueprint. The study will support the preparation of a rapid assessment of the economic potentials and infrastructure needs of South Central Mindanao, covering the provinces of Davao Norte and Sur, Cotabato, Sultan Kudarat, Sarangani, and Maguindanao. The study complements the ADB study on western Mindanao growth corridor and the ongoing updating of the Mindanao Transport Plan. PPP projects for Mindanao and the Bangsamoro areas, consistent with the BDP, will be identified in coordination with the PPP Center (PPPC).

PROJECT RATIONALE AND LINKAGE TO COUNTRY/REGIONAL STRATEGY
Reducing poverty and accelerating development of Mindanao is a priority of the government. Poverty incidence in some Mindanao provinces, especially in the Autonomous Region for Muslim Mindanao (ARMM), is persistently high. But Mindanao has strong potential to contribute to the country's progress given its significant land and population base, and rich natural resources. It is the second biggest island, home to about 24 million people, almost a quarter of the country's population. Although Mindanao is a key source of agricultural produce in the country, the sole producer of rubber, and has vast mineral and renewable energy resources, conflict and peace and order issues in some areas have undermined investments and constrained progress. Mindanao's share of the country's gross domestic product (GDP) only averaged 14% in the last five years. While it is the second biggest island of the country, its committed investment, as reported by the Board of Investment, is only one-fourth of total investment. The investment is also highly skewed towards the Northern provinces, with much less investment going to the Bangsamoro provinces in the south.

MinDA's key tasks in support of efforts to advance peace and development of Mindanao include: (i) promote and facilitate investments; (ii) explore sources for financing priority programs and projects; (iii) facilitate the extension of assistance to prospective investors and its proper coordination with government agencies; and (iv) monitor, evaluate and formulate recommendations in the implementation of Mindanao-wide development programs and projects, including Philippines commitment under the Implementation Blueprint of the BIMP-EAGA. To support MinDA's mandate and to prepare for additional development support and catalyze investments in the Bangsamoro areas, near-term support is needed to (i) identify ongoing support by the government and partners for capacity development and needs for systematic medium to long-term institutional

Investment Description

- Asian Development Bank (ADB)

Contact Information

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Bank Documents

- Project Disclosure PDF