



Philippines: Malolos-Clark Railway Project (PFR 1)

Project Name Malolos-Clark Railway Project (PFR 1)

Project Number 52083-002

Country / Economy Philippines

Project Status Active

Project Type /
Modality of
Assistance Loan

Loan 3796-PHI: Malolos-Clark Railway Project

Source of Funding / Amount Ordinary capital resources US\$ 1,300.00 million

Loan: Malolos-Clark Railway Project

Japan International Cooperation Agency US\$ 2,011.00 million

Strategic Agendas Environmentally sustainable growth
Inclusive economic growth
Regional integration

Drivers of Change Gender Equity and Mainstreaming
Governance and capacity development
Partnerships
Private sector development

Sector / Subsector **Transport** / Rail transport (non-urban)

Gender Effective gender mainstreaming

Description The project will support the construction of two sections, totaling 53.1 kilometers (km), of the North-South Commuter Railway (NSCR), a 163 km suburban railway network connecting the regional center of Clark in Central Luzon with Metro Manila and Calamba, Laguna. The Malolos-Clark Railway Project comprises: (i) Malolos-Clark section (51.2 km) from Malolos to Clark and Clark International Airport, and (ii) Blumentritt extension (1.9 km) connecting Solis and Blumentritt stations in Metro Manila District I (City of Manila). Both sections are part of the NSCR and extensions of the Tutuban-Solis-Malolos section financed by the Japan International Cooperation Agency. The NSCR will be completed during 2023-2028 as an integrated 163 km dedicated suburban passenger railway system comprising four sections: (i) Tutuban-Solis-Malolos, (ii) Malolos-Clark-Clark International Airport, (iii) Solis-Blumentritt-Calamba, and (iv) Clark-New Clark City. The project will provide affordable, reliable, and safe public transport; reduce greenhouse gas emissions; and contribute to cutting travel time from Metro Manila to Clark from 2-3 hours (by bus) to less than 1 hour by rail.

Project Rationale and Linkage to Country/Regional Strategy	The Project will support the national spatial strategy (NSS) of the Philippine Development Plan (PDP) 2017-2022, which serves as the basis for policies on urban and infrastructure development in accordance with AmBisyon Natin 2040. The NSS recognizes the role of cities as engines of economic growth and poverty reduction, and infrastructure to provide efficient connective networks of sustainable communities. It aims to decongest Metro Manila and direct growth to other key areas and address spatial and socioeconomic inequalities by linking lagging regions with leading ones, rather than advocating the uniform dispersal of development. The Government's "Build, Build, Build" Program in which the Project is included, builds upon this national strategy.
Impact	Local, national and international connectivity improved

Project Outcome

Description of Outcome	Efficiency and capacity of transportation along the Manila-Clark corridor improved
Progress Toward Outcome	The loan has been declared effective on 26 September 2019. The bidding period for civil works contract packages, CP N-01 to N-05 has been completed. Procurement process for contract package S-01 is ongoing due to rebidding. The contract package was advertised on 4 December 2020 and bids were opened on 14 July 2021.

Implementation Progress

Description of Project Outputs	New railway line commissioned Institutional capacity strengthened
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<p>Status of Implementation Progress (Outputs, Activities, and Issues)</p>	<p>Bidding for 5 civil works packages (CP N-01 to N-05) financed under the project has been completed. Contracts for CP N-04 and N-05 were signed on 1 Aug 2020. CP N-04 contractor commenced civil works on 30 October 2020 while CP N-05 contractor commenced civil works on 28 October 2020. Contracts for CP N-01, N-02, and N-03 were signed on 8 Oct 2020 and civil works commenced on 7 December 2020. Current progress of the civil works of each package achieved at the end of March 2022 (based on the latest quarterly progress report [Q1 2022], submitted to ADB on 4 May 2022 by the Department of Transportation [DOTr]) is 10.62% for CP N-01, 11.49% (CP N-02), 10.85% (CP N-03), 15.83% (CP N-04), and 12.62% (CP N-05). Procurement process for contract package S-01 is ongoing due to rebidding. The contract package was readvertised on 4 December 2020 and bids were opened on 14 July 2021. DOTr submitted the Bid Evaluation Report for CP S-01 on 6 December 2021 for ADB review. Bidding for 5 civil works packages (CP N-01 to N-05) financed under the project has been completed. Contracts for CP N-04 and N-05 were signed on 1 Aug 2020. CP N-04 contractor commenced civil works on 30 October 2020 while CP N-05 contractor commenced civil works on 28 October 2020. Contracts for CP N-01, N-02, and N-03 were signed on 8 Oct 2020 and civil works commenced on 7 December 2020. Current progress of the civil works of each package achieved at the end of March 2022 (based on the latest quarterly progress report [Q1 2022], submitted to ADB on 4 May 2022 by the Department of Transportation [DOTr]) is 10.62% for CP N-01, 11.49% (CP N-02), 10.85% (CP N-03), 15.83% (CP N-04), and 12.62% (CP N-05). Procurement process for contract package S-01 is ongoing due to rebidding. The contract package was readvertised on 4 December 2020 and bids were opened on 14 July 2021. DOTr submitted the Bid Evaluation Report for CP S-01 on 6 December 2021 for ADB review. No contracts have been awarded; further discussion for implementation of the three output subcomponents will be carried out in Q1 and Q2/2022. No contracts have been awarded; further discussion for implementation of the three output subcomponents will be carried out in Q1 and Q2/2022. No contracts have been awarded; further discussion for implementation of the three output subcomponents will be carried out in Q1 and Q2/2022. This indicator was added to Output 2 on 18 Dec 2019 due to approval of TA 9913-PHI: Strengthening the Transition of Vulnerable Communities Affected by the Malolos-Clark Railway Project. Recruitment of a consulting firm was completed on 1 Oct 2020 when the contract between ADB and the consulting firm was signed. The firm commenced services on 3 Nov 2020. An individual Independent Evaluation Expert was engaged with services commenced on 1 Feb 2021. The status of TA 9913-PHI's outputs is below.</p> <p>Output 1. Financial Resilience and Stability of Participants Improve The recruitment and training of 50 mentors was completed in April. The mentors underwent several trainings on project-related themes: (i) how to use the tablet for computer-assisted personal interview (CAPI) processes; (ii) skills in conducting baseline survey; (iii) basic knowledge on safeguards policies on involuntary resettlement; and (iv) integrating gender perspectives in implementing the graduation approach in urban resettlement. The mentors are expected to implement the full baseline survey but the enhanced community quarantine and the local health protocols by each LGU prevented the team to implement their original plan. Instead of conducting a full baseline survey, a rapid vulnerability assessment (RVA)- a shortened version optimized for phone survey was formulated, in consideration of the limitations of executing a long survey in person. The mentors underwent additional training for retooling and reorientation to conduct phone surveys and recalibrate the procedures for contacting respondents, obtaining proof of consent apart from signed forms and make procedural adjustments for phone interviews. The TA team were able to reach out to 750 affected households out of the 1,444 affected households in the municipalities of Malolos, Calumpit, Apalit, Sto. Tomas, Angeles and San Fernando City. The Graduation Approach Adaptation Manual has been finalized and approved, while a field guide for mentors is being developed.</p> <p>Output 2. Urban Resettlement Baseline and Monitoring System Established The M&E system design was developed and the Monitoring and Evaluation Manual is being finalized. The M&E manual present and explain to the mentors the STVC monitoring and data collection aspects and act as a guide during the mentors monitoring activities. The draft manual, which includes the project result framework has been used for the mentors' training. The Urban Resettlement Baseline and Monitoring System (URBMS) was also developed per M&E system. The digital platform for the online data collection system of the URBMS was established early February 2021 with the creation of a data and application server account in Kobo Toolbox. The server is cloud-based, it provides the necessary tools and functionalities for mentors to deploy digital survey forms (CAPI), upload survey data, store the data in a central repository, and prepare or process the data for aggregation, reporting, and analysis. The online data collection platform comprises the URBMS and Business Intelligence and Data Analytics Tool (BIDAT). Vulnerability criteria has been finalized.</p> <p>Output 3. Urban Resettlement Knowledge Products Produced The communication plan was developed and being finalized to raise awareness and improve stakeholders' project knowledge and understanding. It aims to document the execution of the project and facilitate public discourse on key themes such as the graduation approach adaptation to urban resettlement, implementation of effective livelihood support, gender equality, social inclusion, and resilience. The tagline 'Bayanihan para sa Tahanan at Kabuhayan (Communal Cooperation for Shelter and Livelihood)' will be used on all communication and advocacy materials, online platforms, and events. Project brochure and banners (using the abovementioned tagline) have been distributed to HHs and barangay local government unit offices.</p>
<p>Geographical Location</p>	<p>Angeles, Apalit, Calumpit, Clark Special Economic Zone, Mabalacat, Malolos, Minalin, San Fernando, Santo Tomas</p>

Safeguard Categories

Environment	A
Involuntary Resettlement	A
Indigenous Peoples	B

Summary of Environmental and Social Aspects

Environmental Aspects

The project was assessed category A for the environment. Environmental impact assessments (EIAs) have been prepared for the MalolosClark section and for the Blumentritt extension in compliance with the Safeguard Policy Statement. Key project environmental issues identified and addressed are dust emissions during construction, noise and vibration during construction and operation, waste generation, traffic congestion and impediments to public access, and occupational and community health and safety. Public consultations were undertaken during EIA preparation. The DOTr will ensure that (i) the EMP in the EIA will be incorporated in bid documents for all packages regardless of financing source; (ii) consultations with people affected by construction activities are carried out throughout construction; and (iii) a grievance redress mechanism will be established, adequately resourced, and publicized before commencing civil works.

Involuntary Resettlement

The project was assessed category A for involuntary resettlement. The project will require acquisition of 49 hectares (ha) of land: 46 ha for the Malolos-Clark section and 3 ha for the Blumentritt extension. Resettlement impacts have been minimized by using PNR-owned land and government-owned land wherever possible. Out of the estimated 1,889 project affected households, equivalent to a total number of 7,581 project affected persons, the majority are expected to be severely affected and required to relocate and most of them are informal settlers. A resettlement and indigenous peoples planning framework (RIPPF) has been prepared for the MFF following the Safeguard Policy Statement to guide the preparation of the Resettlement Action Plans (RAPs). Feasibility study based RAPs have been prepared for the Malolos-Clark section and the Blumentritt extension based on resettlement surveys, social assessments, and consultations. Five RAPs based on the detailed engineering design (DED) have been prepared and were approved prior to all contract awards: Mabalacat section, Malolos-Clark section divided into Landowner (LO) RAP and Non-Landowner (NLO) RAP as well as LO and NLO RAPs for the Solis-Blumentritt Extension. The RAPs mitigate involuntary resettlement impacts by providing compensation at replacement cost along with assistance for relocation and livelihood restoration. Measures have been incorporated to improve the living standards of vulnerable affected people. The Mabalacat DED RAP covering contract package CP-N-04 and contract package CP N-05 and DED RAP covering contract packages CP-N-01/02/03 have been updated based on the property appraisal and valuation conducted by Land Bank of the Philippines. DOTr has already started issuing the Notice of Taking (NoT) and Request for Submission of Documents to the affected people. The National Housing Authority (NHA) has completed the construction of the housing units for the Mabalacat project affected persons (PAPs) located in Northville 16, Atlu Bola, Mabalacat City, Pampanga. NHA relocated the PAPs to their new homes on 30 June 2021. In other project affected areas, NHA is still in the process of completing the requirements for the site selection and construction of the permanent relocation sites in coordination with DOTr and the respective local government units. Social preparation activities are still on-going. Disbursements of compensation for structures, fruit-bearing, timber trees and crops were disbursed among the PAPs of Mabalacat.

Indigenous Peoples

The whole project is assessed category B for indigenous peoples because of one project area's proximity to indigenous ancestral domain land in Pampanga province. However, due diligence confirmed that the project does not encroach on indigenous peoples land and a certificate of non-overlap with ancestral domain land has been issued by the Philippines National Commission on Indigenous Peoples. Furthermore, due diligence for the project indicated that impacts on indigenous peoples are not anticipated, and an indigenous peoples plan was not prepared. The RIPPF for the MFF follows the Safeguard Policy Statement to guide the preparation of indigenous peoples plans, should impacts on indigenous peoples be identified when subsequent tranches are processed.

Stakeholder Communication, Participation, and Consultation

During Project Design	<p>A communication and participation strategy for the project has been prepared. Incorporating stakeholder analysis findings, the strategy will identify effective communication channels, best approaches to foster participation and partnerships, key messages, and means of integrating activities with the grievance redressal mechanism. The strategy includes implementation timelines, roles and responsibilities, budget, monitoring and evaluation requirements for project communication. Key components of the strategy ensures proactively disclosing project information and activities to local communities and stakeholders; soliciting stakeholders input and feedback on beneficial mitigation measures; encouraging community participation in project activities that affect or could benefit stakeholders, such as civil works construction; and conducting awareness-raising activities related to HIV/AIDS, human trafficking, and safety measures.</p>
During Project Implementation	<p>The Project Management Office will have overall responsibility for the implementation of the strategy, supported by the construction supervision consultant. The grievance redress mechanism has been set up for the Malolos-Clark section. Consultations and validation activities for the preparation of payment entitlements are ongoing. LGUs convened the respective Local Inter-Agency Committee (LIAC) for the relocation and resettlement of the affected Informal Settlers Families (ISFs). LIAC's subcommittees the Beneficiary Selection, Arbitration and Awards Committee (BSAAC) and Livelihood have conducted coordination and consultation meetings.</p>

Business Opportunities

Consulting Services	None
Procurement	<p>Open competitive bidding in accordance with ADB's Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time).</p> <p>Bidding for 5 civil works packages (CP N-01 to N-05) financed under the project has been completed. Contracts for CP N-04 and N-05 were signed on 1 Aug 2020. CP N-04 contractor commenced civil works on 30 October 2020 while CP N-05 contractor commenced civil works on 28 October 2020.</p> <p>Contracts for CP N-01, N-02, and N-03 were signed on 8 Oct 2020 and civil works commenced on 7 December 2020.</p> <p>Procurement process for contract package S-01 is ongoing due to rebidding. The contract package was readvertised on 4 December 2020 and bids were opened on 14 July 2021. DOTr submitted the Bid Evaluation Report for CP S-01 on 6 December 2021 for ADB review.</p>
Responsible ADB Officer	Islam, Mohammad Nazrul
Responsible ADB Department	Sectors Group
Responsible ADB Division	Transport Sector Office (SG-TRA)
Executing Agencies	<i>Department of Transportation</i>

Timetable

Concept Clearance	-
Fact Finding	-

MRM	11 Dec 2018
Approval	30 May 2019
Last Review Mission	-
Last PDS Update	12 May 2022

Loan 3796-PHI

Milestones

Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
30 May 2019	11 Jul 2019	26 Sep 2019	30 Jun 2022	30 Jun 2024	-

Financing Plan			Loan Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	2,678.00	Cumulative Contract Awards				
ADB	1,300.00	04 Mar 2024	1,284.05	0.00		99%
Counterpart	1,378.00	Cumulative Disbursements				
Cofinancing	0.00	04 Mar 2024	996.41	0.00		77%

Status of Covenants

Category	Sector	Safeguards	Social	Financial	Economic	Others
Rating	-	Satisfactory	Satisfactory	Satisfactory	-	Satisfactory

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