



# Philippines: Lhoopa Promoting Green Affordable Housing Project

## Project Name

Lhoopa Promoting Green Affordable Housing Project

## Project Number

56165-001

## Borrower / Company

- Lhoopa, Inc.

## Country / Economy

- Philippines

## Location

Nation-wide

## Type or Modality of Assistance

### Approval Number

### Facility Fund Source

### Amount

### Status

4363

Loan

Ordinary capital resources

USD 20.00 million

Approved

## Operational Priorities

- OP1: Addressing remaining poverty and reducing inequalities
- OP2: Accelerating progress in gender equality
- OP3: Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability
- OP4: Making cities more livable

## Sector / Subsector

- **Water and other urban infrastructure and services** / Urban housing

## Gender

Effective gender mainstreaming

## Project Sponsor(s)

## Description

### Objectives and Scope

The project will support Lhoopa to capitalize on its success to date, grow its capacity to acquire, renovate, construct and sell affordable properties, and achieve its goal of delivering 4,000 affordable houses annually in the Philippines by 2025 and 8,000 by 2028 from around 1,000 in 2022.

### Linkage to Country/Regional Strategy

The project is consistent with ADB's Strategy 2030 and supports four of the seven key operational priorities: (i) addressing remaining poverty and reducing inequalities; (ii)

making cities more livable and inclusive; (iii) accelerating progress in gender equality; and (iv) tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability. The project is also consistent with the Country Partnership Strategy for the Philippines, 2018-2023 which aims to support financing investments that promote high and inclusive growth and supports one of the three strategic pillars: investing in people.

This project is aligned with ADB's Urban Sector Strategy in supporting two of the four goals: (i) improving quality of life and (ii) reducing urban poverty, as well as one of the Project Design Principles of supporting private sector investment. The project has also benefited from close cross-departmental collaboration with ADB's Water and Urban Development Sector Office, particularly around sector analysis and sector-specific inputs on climate assessment.

## **Safeguard Categories**

Environment

B

Involuntary Resettlement

C

Indigenous Peoples

C

## **Summary of Environmental and Social Aspects**

### **Environmental Aspects**

In compliance with ADB's Safeguard Policy Statement (2009), the project is classified as category B for environment. The anticipated environmental impacts are mainly attributed to construction activities. The scale of environmental impacts varies across different asset types, which include (i) existing house and lots (for renovation); (ii) single lots; (iii) groups of lots with a minimum 30 units; and (iv) raw (undeveloped) land. Lhoopa conducts due diligence, which mainly considers the business risks and compliance requirements. The only environment-related criteria in property selection are the risk for flooding and earthquake damage. Lhoopa only conducts environmental impact and risk assessment when required by regulatory agencies. Each project is executed through a contract, and for large-scale ground-up projects, Lhoopa recently added EHS provisions. The contract template for renovation projects specified compliance with permit requirements from the homeowner's association and local government units. However, there are no provisions for general EHS requirements and other pollution prevention measures. Lhoopa monitors its operations, including contractor performance, using its internal system (software), but this does not cover EHS and labor performance metrics. An EHS committee, comprising senior management members, has been established to oversee and ensure the monitoring and implementation of EHS policies. Some EHS functions, especially those associated with regulatory requirements for Lhoopa projects, were already integrated into the responsibilities of certain personnel or groups at the time of the audit. However, it was observed that Lhoopa had not yet clearly defined the roles and responsibilities for developing, implementing, and monitoring EHS plans and programs throughout the entire organization and its operations.

## Involuntary Resettlement

In compliance with ADB's Safeguard Policy Statement (2009), the project is classified as category C for involuntary resettlement. In unavoidable circumstances where acquired properties have informal occupants, Lhoopa has a procedure to avoid displacement impacts and forced eviction. The Save-a-Home program of Lhoopa assists the informal occupants to be the legitimate property owner. In cases where the informal occupants refuse to participate in the program, these will be excluded from ADB financing.

## Indigenous Peoples

In compliance with ADB's Safeguard Policy Statement (2009), the project is classified as category C for indigenous peoples. Housing projects of Lhoopa are located in residential zones outside any ancestral domain, ancestral lands, or areas occupied by Indigenous Peoples. Considering its fast operation cycle, Lhoopa does not intend to purchase properties in these areas in the future. They understand that doing so will take more time to process, which is not ideal in their operations.

## Stakeholder Communication, Participation, and Consultation

## Contact

Responsible ADB Officer

Zhou, Huizi

Responsible ADB Division

Infrastructure Finance Division 2

Responsible ADB Department

Private Sector Operations Department

## Timetable for assistance design, processing, and implementation

Concept Clearance

25 Sep 2023

Credit Committee Meeting

25 Sep 2023

Approval

24 Oct 2023

Last PDS Update

24 Oct 2023

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