Infrastructure for Rural Productivity Enhancement Sector Project

The long-term development goal is increased rural incomes in areas with high agricultural potential. The immediate objective of the Project is inclusive economic growth and governance and capacity development.

As of 30 March 2011, achievements of three outcomes indicators are estimated as follows: (i) annual farm household incomes in the project areas were estimated to have increased from P35,000 to the range of P60-65,000 per annum for approximately 70% of the households; (ii) average poverty incidence in the project areas was estimated to have reduced from 60% to the range of 35-50% in municipalities with completed subprojects; and (iii) transportation costs for agricultural products were estimated to have reduced between 30-50% depending on specific local market and farm conditions.

Project Outcome

Impact
Increased rural incomes with distributional gains favoring the poor in the project areas

Project Rationale and Linkage to Country/Regional Strategy
Most of the rural poor are engaged in subsistence agriculture and are concentrated in the eastern-central and southern Philippines, particularly in the Bicol region, Eastern Visayas, the Autonomous Region of Muslim Mindanao (ARMM), and Central Mindanao. The Government’s Medium Term Philippine Development Plan (MTDP) for 1999 to 2004 and the Agriculture and Fisheries Modernization Act (AFMA) of 1997 emphasize the importance of mechanisms for the realization of agricultural production potentials and the creation of viable employment and income opportunities in rural areas, particularly in the southern part of the country. Inadequate rural infrastructure stands out as a principal cause of constraints that smallholders face in becoming more productive and profitable. The Project aims to remove these constraints. ADB’s operational strategy for the Philippines emphasizes on poverty reduction and social development. It promotes equitable growth, better provision of basic social services, and environmental protection. It also recognizes that rural development is a key to advancing equitable growth and poverty reduction, and supports more balanced regional development, with special emphasis on the southern Philippines. The Project is fully consistent with ADB’s country and sector strategy, and contributes to achieving ADB’s overarching objective of poverty reduction.

Country/Regional Strategy

Project Number
30552-013
Country
Philippines
Project Status
Closed
Project Type / Modality of Assistance
Loan

Source of Funding / Amount

<table>
<thead>
<tr>
<th>Source of Funding / Amount</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan: Infrastructure for Rural Productivity Enhancement Sector Project</td>
<td>US$ 75.00 million</td>
</tr>
<tr>
<td>International Labour Organization</td>
<td>US$ 3.00 million</td>
</tr>
</tbody>
</table>

Strategic Agendas
Inclusive economic growth

Drivers of Change
Governance and capacity development

Sector / Subsector
Agriculture, natural resources and rural development - Agricultural policy, institutional and capacity development

Gender Equity and Mainstreaming
No gender elements

Description
The long-term development goal is increased rural incomes in areas with high agricultural potential. The immediate objective of the Project is the removal of constraints to the improvement of productivity caused by the lack or inadequacy of rural infrastructure. This will be achieved by the provision of infrastructure in areas where there is potential for sustainable gains in productivity that will, in turn, lead to increases in rural incomes, particularly for smallholders and the poor. The Project will have three components: (i) improved rural infrastructure; (ii) capacity building for devolved project implementation and project management; and (iii) project management and coordination.

Implementation Progress

Description of Project Outputs
Improved Rural Infrastructure
Capacity Building for Devolved Project Implementation

Status of Implementation Progress (Outputs, Activities, and Issues)
This component comprises 141 contract packages (CP) implemented by 92 LGUs. As of 31 March 2011, the Project has constructed 1,382 km out of 1,435 km of farm-to-market roads (FMR) (96.5% of the March 2011 target or 93% of the global target). Irrigation services (new construction and rehabilitation) have been improved covering 1,454 ha of farm lands (100% of the March 2011 target and 76% of the global target), and 28 potable water schemes (PWS) (100% of target) have been established and put into operation. Nine (9) PWSs are scheduled for completion by 30 June 2011.

Geographical Location

Safeguard Categories
Policy dialogue during project preparation has focused on advancing decentralization, improving operation and maintenance for infrastructure, and promoting beneficiary participation.

During Project Implementation

Business Opportunities

Consulting Services A total of about 243 person-months of specialist services from short-term domestic consultants and about 42 person-years of long-term domestic and international consultants are required for the duration of the Project. Consultants will be selected and engaged in accordance with ADB’s Guidelines on the Use of Consultants and other arrangements satisfactory to ADB for the selection and engagement of domestic consultants.

Procurement Procurement of civil works/goods shall be subject to the provisions of the “Guidelines for Procurement under Asian Development Bank Loans: revised February 1999, as amended from time to time.

Responsibility ADB Officer Bui, Giap Minh
Responsibility ADB Department Southeast Asia Department
Responsibility ADB Division Environment, Natural Resources & Agriculture Division, SERD
Executing Agencies Dept. of Agriculture (Office of the Secretary) Roy Abaya Elliptical Road, Diliman Quezon City Municipal Devl Fund Office-(Implementing Agency) Ms. Helen Habulan Roxas Boulevard corner Pablo Ocampo, Sr. Street, Manila 1004

Timetable

Concept Clearance 07 Mar 2000
Fact Finding 21 Feb 2000 to 29 Mar 2000
MRM 27 Apr 2000
Approval 31 Oct 2000
Last Review Mission -
PDS Creation Date 12 Dec 2006
Last PDS Update 30 Mar 2012

Loan 1772-PHI

<table>
<thead>
<tr>
<th>Approval</th>
<th>Signing Date</th>
<th>Effectivity Date</th>
<th>Closing</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Financing Plan</th>
<th>Loan Utilization</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total (Amount in US$ million)</td>
<td>Date</td>
</tr>
<tr>
<td>Project Cost</td>
<td>150.00</td>
</tr>
<tr>
<td>ADB</td>
<td>75.00</td>
</tr>
<tr>
<td>Counterpart</td>
<td>74.00</td>
</tr>
<tr>
<td>Cofinancing</td>
<td>1.00</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Status of Covenants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Category</td>
</tr>
<tr>
<td>Rating</td>
</tr>
</tbody>
</table>

Project Page https://www.adb.org/projects/30552-013/main
ADB provides the information contained in this project data sheet (PDS) solely as a resource for its users without any form of assurance. Whilst ADB tries to provide high quality content, the information are provided "as is" without warranty of any kind, either express or implied, including without limitation warranties of merchantability, fitness for a particular purpose, and non-infringement. ADB specifically does not make any warranties or representations as to the accuracy or completeness of any such information.