### Project Rationale and Linkage to Country/Regional Strategy

Most of the rural poor in the Philippines are landless and land-poor households inhabiting rural areas in southern Luzon, Mindanao, and the Visayas. Their lack of equitable access to the means of production, including land, capital, irrigation, technology, information, employment opportunities, and markets, leads to deep poverty and low living standards. The Government's response to the widespread rural distress and unrest in the 1980s has been the CARP. CARP aims to acquire and redistribute all public and disposable alienable land suited to agriculture, as well as private agricultural lands above certain limits, irrespective of crops grown, to eligible ARBs. CARP includes support services to be provided to ARBs with a view to reducing their poverty and improving the sustainability of their landholdings. ADB has supported the implementation of CARP through its Agrarian Reform Communities Project (ARCP).

Under the ARCP, ADB assisted the development coverage of 165 ARCs in 35 provinces. The ARCP has been successful in achieving most of its targets with high rates of utilization of project financing. Targets for most of the components have been exceeded, especially for rural infrastructure, which has had far-reaching effects on the access of target ARCs to processing facilities and bigger markets. Technology transfer for improving productivity and rural enterprise development has shown results in terms of sustainable increases in incomes for ARBs and other farmers. The ARCP has demonstrated the need for ensuring regular budgetary releases for project implementation. It has also brought home to both ADB and the Government the need for mainstreaming project management and for ensuring high standards of governance and fiduciary responsibility all around.

Building on lessons learned from the ARCP, as well as the lessons emerging from the impact assessments done for CARP (in 2003 and 2007) and other externally assisted projects, and in support of the priorities of the Government, the ARCP II will cover about 152 ARCs and 11 ARC Clusters (target ARCs and ARBs and other farmers in adjacent areas) in 19 provinces. It will provide targeted support in precisely those areas where it is necessary to bring about fundamental change to enable the transformation of CARP lands into agribusiness lands. It will thus contribute to pro-poor economic growth and lead to equitable sharing of the benefits of growth across regions and rural poor communities.

### Impact

Agrarian reform beneficiaries (ARBs) and nonARBs in approximately 152 Agrarian Reform Communities (ARCs) and 11 ARC Clusters reduced poverty and have sustained improvements in incomes and quality of life.

### Description of Outcome

Capabilities and well-being of poor and marginalized groups in the target communities improved.
Progress Toward Outcome

Under the productivity improvement subcomponent, the executing agency had the following agri-enterprise development (AED) activities: (i) advisory services in the formulation and design of identified AED that were incorporated in the ARC cluster development plans; (ii) follow through of the systems for rice intensification program in some ARCs; and (iii) engagement of the high value vegetable production firm to carry out its operations for these crops.

Market linkages were established with private sector groups for AED for value-added activities in ginger, seaweed, organic rice, dried tomato, dried fish, cacao, coffee, coconut, and rubber production towards the development of existing products with high market potentials. Training and dialogues with community-based organizations engaged in value-adding enterprises and irrigators association officers assisted by the Project to ensure sustainability of project interventions.

Procurement of survey firms for land tenure improvement is still ongoing for the remaining target of the Project of 17,534.76 ha.

Implementation Progress

Description of Project Outputs

- Output 1: Community Driven Development (CDD)
- Output 2: Agriculture and Enterprise Development
- Output 3: Rural Infrastructure Development
- Output 4: Project Implementation and Management

Status of Implementation Progress (Outputs, Activities, and Issues)

The Project has approved 598 subprojects, of which 121 were delisted/withdrawn. Total number of subprojects is 477, of which 266 are rural access infrastructure with a total length of 936.37 km.

119 of access infrastructure SPs were constructed covering an estimated 370.89 km of farm-to-market roads.
6 irrigation SPs with a total service area of 2,080 has. were successfully rehabilitated and constructed; 8 SPs have ongoing construction with a total service area of 2,942.75 has.
Ongoing civil works construction activities:
147 access infrastructure, with a total length of 565.47 km
6 irrigation subprojects with a total service area of 2,080 has. and 8 units of level II potable water system (PWS).

Ongoing activities:
construction of 8 small-scale irrigation with a total service area of 2,942.75 has.; and 8 units of level II PWS

The following were maintained by the local government units: (i) inventory of project-affected persons (PAPs), (ii) short resettlement plans, (iii) compliance with environment and social safeguards' requirements. DAR submitted the environmental and social safeguards monitoring report from the project's safeguard requirements for social infrastructure, barangay resolutions are required to show the recipients' commitment in ensuring their

Indigenous Peoples issued 234 certificates of non-overlap and 54 certificates of precondition for the approved rural infrastructure subprojects. In lieu of
36 technical training on fishery and livestock were conducted.

96 techno farms established for various crops; 33 technical training on agro-forestry conducted; 19 technical training on plantation development conducted
66 techno farms established for various crops; 214 agrarian reform clusters (ARCs) were mobilized.

The Project has approved 598 subprojects, of which 121 were delisted/withdrawn. Total number of subprojects is 477, of which 266 are rural access infrastructure with a total length of 936.37 km.

Procurement of survey firms for land tenure improvement is still ongoing for the remaining target of the Project of 17,534.76 ha.

Summary of Environmental and Social Aspects

- Environment: B
- Involuntary Resettlement: B
- Indigenous Peoples: A
Stakeholder Communication, Participation, and Consultation

During Project Design

Target area selection was based on both poverty and identifiable economic potential-based criteria. At the provincial level, the lesson of ARCP to keep the geographical spread manageable was kept in mind. Poverty assessments showed that three quarters of the poor are in the Mindanao and the Visayan regions. Targeting these regions is essential to address resource inequalities as well as provision of necessary infrastructure and support services for the rural poor. As agreed by DAR and ADB and in consultation with the DAR regional and provincial officials, the selection of the eligible provinces was based on the following criteria: (i) Provinces with the highest rural poverty incidence, (ii) Provinces in the southern half of the Philippines that are included in the ADB Country Strategy Paper and Program (2005-2007), (iii) Provinces with at least four ARCs that have not received financial assistance for infrastructure from foreign-assisted projects of DAR, and (iv) LGUs’ willingness to cooperate with the ARCs and assurances of inter-LGU cooperation.

During Project Implementation

LGU representatives in all 152 ARCs underwent training on area of development planning, including preparation of LGU investment plan in support of ARC development. Enhanced Participatory Area Planning (E-PAP) teams were formed and operational in about 137 ARCs covering all project provinces except Basilan, Sulu and Tawi-Tawi. The Performance Based Grant System (PBGS) for ARCP 2 was approved by the PBGS Technical Committee. Formed 86 agriculture and enterprise development (AED) committees at municipal level in eleven (11) provinces. These committees were the frontlines for the ARCP 2 AED activities at the municipal and ARC levels. These were further sub-divided into smaller sub-committees to tackle specific factors that apply at the municipal and ARC level e.g. crops, livestock, fishery, agro-forestry, marketing and other non-farm activities.

Business Opportunities

Consulting Services

An estimated 1,812 person months (pm) of consulting services, comprising 36 pm of international consultants and 1,776 pm of national consulting services, will be recruited in order to assist the national government agencies, LGUs at municipal and provincial levels, and local communities, in Project implementation. Consultants will be recruited in accordance with ADB's Guidelines on the Use of Consultants by Asian Development Bank and its Borrowers. The following specialists will be required: (i) Project Management Adviser; (ii) Senior Economist; (iii) National Safeguards Specialist; (iv) Planning and Monitoring Specialist; (v) Community Driven Specialist; and (vi) Senior Rural Infrastructure Engineer. All consulting services will be procured through firm using QCBS procedure.

Procurement

All goods and services to be financed partly or wholly by ADB will be procured under ADB's Procurement Guidelines. Procurement of small works will be through shopping. All civil works contracts exceeding $100,000 and less than $500,000 will be procured through the national competitive bidding procedure. Procurement of goods valued at less than $100,000 will be done through shopping. All equipments valued at more than $500,000 will be procured under the international competitive bidding procedure.

Responsible ADB Officer

Aliya Mukhamedyarova

Responsible ADB Department

Southeast Asia Department

Responsible ADB Division

Environment, Natural Resources & Agriculture Division, SERD

Executing Agencies

Department of Agrarian Reform
Director Homer P. Tobias
Elliptical Road, Diliman, Quezon City
Municipal Dev’t Fund Office (Implementing Agency)
Ms. Helen Habulan
Roxas Boulevard corner Pablo Ocampo, Sr.
Street, Manila
1004

Timetable

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Loan 2465-PHI

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#### Project Page

https://www.adb.org/projects/37749-013/main

#### Request for Information


#### Date Generated

15 July 2019

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