Philippines: Agrarian Reform Communities Project II

Project Name: Agrarian Reform Communities Project II
Project Number: 37749-013
Country: Philippines
Project Status: Active
Project Type / Modality of Assistance: Loan
Source of Funding / Amount:
- Loan 2465-PHI: Agrarian Reform Communities Project II
  - Ordinary capital resources
  - US$ 70.00 million
- Loan 8238-PHI: Agrarian Reform Communities Project II
  - OPEC Fund for International Development
  - US$ 30.00 million

Strategic Agendas:
- Inclusive economic growth

Drivers of Change:
- Partnerships

Sector / Subsector:
- Agriculture, natural resources and rural development - Agricultural production - Irrigation - Rural flood protection - Rural market infrastructure - Rural water policy, institutional and capacity development - Rural water supply services

Gender Equity and Mainstreaming:
- Some gender elements

Description:
The Project will support the Government's Medium Term Philippine Development Plan (MTPDP) 2004-2010. It will pursue a holistic approach to poverty reduction by promoting an agribusiness approach to rural development. It will assist the implementation of the Comprehensive Agrarian Reform Program (CARP) by addressing the most pressing requirements for support in 152 agrarian reform communities (ARCs) and ARC Clusters in 19 provinces in southern Philippines. The long-term impact of the Project is to enable ARB households and other sections of the rural poor in approximately 152 selected ARCs and ARC Clusters (ARC Clusters will include target ARCs and ARBs and other farmers in adjacent areas) in 19 provinces (the provinces to be covered include Romblon, Marinduque, Camarines Norte, Camarines Sur, Sorsogon, Negros Oriental, Leyte, Eastern Samar, Northern Samar, Western Samar, Zamboanga del Norte, Zamboanga del Sur, Zamboanga Sibugay, Shariq Kabunsuan, Maguindanao, Lanao Del Sur, Tawi Tawi, Basilan, and Sulu) to reduce their poverty, and have sustained improvements in their incomes and quality of life. In order to achieve these impacts, the Project is expected to bring about long lasting improvements in the capabilities and well being of poor and marginalized groups in the target communities. In order to achieve the above outcomes of poverty reduction and sustainable livelihoods, the Project will support the following outputs: (i) strong participation of local communities in the development process by the (a) enhancement of social capital among target communities through the use of a CDD approach, (b) detailed participatory ARC planning based on participation by the rural poor, as well as (c) improved capacity of ARC organizations and LGUs, for better governance and convergence in the provision of support services to target communities; (ii) agri enterprise development (AED) including (a) transfer of technology, (b) greater entrepreneurship among ARC organizations, (c) linkages between the private sector and corporate entities and ARC organizations, for increased investments into rural areas for growth, (d) wider prevalence of community based savings and lending groups for setting up sustainable micro-finance services among communities, (e) Land Tenure Improvement to improve security of land titles, enable investments into productivity enhancements, (iii) improved access to rural infrastructure, designed to provide a boost to improved production and productivity, and crop intensification; and (iv) improved project management.

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.

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.

Project Outcome
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)

On the environmental and social safeguards for the approved rural infrastructure subprojects, the project issued (i) certificates of non-coverage for 250 Basilan, Camarines Norte, Camarines Sur, Eastern Samar, Lanao Del Sur, Leyte, Maguindanao, Maguindanao, Marinduque, Mindoro Occidental, Mindoro Oriental, Negros Occidental, Negros Oriental, Northern Samar, Palawan, Romblon, Samar, Sorsogon, Sulu, Tawi-Tawi, Zamboanga Del Norte, Zamboanga Del Sur, Zamboanga Sibugay

Summary of Environmental and Social Aspects

Geographical Location

Basilan, Camarines Norte, Camarines Sur, Eastern Samar, Laoag Del Sur, Leyte, Maguindanao, Maguindanao, Marinduque, Mindoro Occidental, Mindoro Oriental, Negros Occidental, Negros Oriental, Northern Samar, Palawan, Romblon, Samar, Sorsogon, Sulu, Tawi-Tawi, Zamboanga Del Norte, Zamboanga Del Sur, Zamboanga Sibugay

Safeguard Categories

Environmental

Involuntary Resettlement

Indigenous Peoples

A

Summary of Environmental and Social Aspects

Environmental Aspects

On the environmental and social safeguards for the approved rural infrastructure subprojects, the project issued (i) certificates of non-coverage for 250 subprojects; (ii) environmental clearance certificates for 59 subprojects; (iii) right-of-way issuances to 426 subprojects. The National Commission on Indigenous Peoples issued 234 certificates of non-overlap and 54 certificates of preclearance to the approved rural infrastructure subprojects. In lieu of the project’s safeguard requirements for social infrastructure, barangay resolutions are required to show the recipients’ commitment in ensuring their compliance with environment and social safeguards’ requirements. DAR submitted the environmental and social safeguards monitoring report from 2009-December 2017.

Involuntary Resettlement

The following were maintained by the local government units: (i) inventory of project-affected persons (PAPs), (ii) short resettlement plans, (iii) summary of affected assets, and (iv) legal documents executed by the PAPs.

Indigenous Peoples

The individual consultant submitted to ADB the external monitoring report on indigenous peoples. The report covers project areas in regions IV-B, V, VI, VIII, IX, and ARMM.
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.

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Timetable
Concept Clearance 28 Nov 2006
Fact Finding 23 Apr 2007 to 09 May 2007
MRM 21 Aug 2007
Approval 27 Oct 2008
Last Review Mission -
PDS Creation Date 26 Apr 2006
Last PDS Update 27 Sep 2018

Loan 2465-PHI

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### Loan 8238-PHI

#### Milestones

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#### Financing Plan

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**Project Page**  
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**Request for Information**  

**Date Generated**  
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