# Philippines: Road Improvement and Institutional Development Project

<table>
<thead>
<tr>
<th><strong>Project Name</strong></th>
<th>Road Improvement and Institutional Development Project</th>
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<tbody>
<tr>
<td><strong>Project Number</strong></td>
<td>41076-044</td>
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<tr>
<td><strong>Country</strong></td>
<td>Philippines</td>
</tr>
<tr>
<td><strong>Project Status</strong></td>
<td>Active</td>
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<tr>
<td><strong>Project Type / Modality of Assistance</strong></td>
<td>Loan</td>
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<tr>
<td><strong>Source of Funding / Amount</strong></td>
<td>Loan 2836-PHI: Road Sector Improvement and Institutional Development Project</td>
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<tr>
<td></td>
<td>US$ 62.00 million</td>
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<tr>
<td></td>
<td>Loan 8267-PHI: Road Sector Improvement and Institutional Development Project</td>
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<tr>
<td></td>
<td>OPEC Fund for International Development</td>
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<td>US$ 30.00 million</td>
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**Strategic Agendas**: Inclusive economic growth

**Drivers of Change**: Governance and capacity development

**Sector / Subsector**: Transport - Road transport (non-urban)

**Gender Equity and Mainstreaming**: Some gender elements

**Description**: The project will result in improved accessibility of transport infrastructure and services. The outcome of the project will be more effective management by the Department of Public Works and Highways (DPWH) of the road network in the project areas. The project outputs include:

1. Periodic maintenance of nine national roads in the west coast of Luzon, the Visayas, and Mindanao;
2. Detailed engineering design of roads to be maintained or improved under the project and future projects;
3. Strengthening institutional capacity in the road subsector.

**Project Rationale and Linkage to Country/Regional Strategy**: An efficient road subsector is crucial for the Philippines' economic growth and poverty reduction. An Asian Development Bank (ADB) analysis of roads in the Philippines and other countries found that roads are critical as social arteries for the delivery of government services, penetration of ideas and cultures, and dissemination of technology to the people.

The Philippine Development Plan 2011-2016 envisions a safe, secure, efficient, viable, competitive, dependable, integrated, environmentally sustainable, and people-oriented Philippine transportation system. It specifies six activities necessary to achieve this overall objective: (i) adopt a comprehensive long-term national transport policy; (ii) develop strategic transport infrastructure, and maintain and manage transport infrastructure assets; (iii) develop an integrated multimodal logistics and transport system; (iv) separate the regulatory and operation functions of transport and other concerned agencies; (v) comply with safety and security standards; and (vi) provide links to bring communities into the mainstream of progress and development. The project will contribute to achieving the plan's objective by helping to maintain and manage transport infrastructure assets, and to strengthen the institutional capacity of DPWH, one of the primary agencies in the transport sector.

The project supports the key objective of ADB's strategy for the Philippines of helping the country achieve high, inclusive, and sustainable growth. The project has been included in the ADB lending program to assist in improving the investment climate and expanding private sector development through the scaling up of infrastructure investments and supporting policy reforms. The project is also fully consistent with ADB’s Strategy 2020 through its focus on improving the delivery of infrastructure services as well as investing in physical assets. The project supports ADB’s transport sector strategy for the Philippines by focusing on maintaining existing roads and improving institutional capacity in the subsector.

**Impact**: Improved accessibility of transport infrastructure and services

**Project Outcome**

**Description of Outcome**: DPWH manages the road network in the project area more effectively

**Progress Toward Outcome**: Delays in procurement due to EA's lengthy internal processes and planned new recruitment of consultants.

**Implementation Progress**

**Description of Project Outputs**: National roads on the west coast of Luzon, in the Visayas, and in Mindanao periodically maintained

Detailed engineering design of selected roads to be maintained or improved under the project and future projects

DPWH operations in the road sector are strengthened

Project completed on time and within budget
**Status of Implementation Progress (Outputs, Activities, and Issues)**

All 10 civil works contracts for Periodic maintenance have been awarded. 7 out of 10 contracts are completed. The remaining three civil works contracts will be completed by June 2019.

2 goods contracts on IT Facilities (G-10) and Communications Network (G-11) have been awarded. Delivery is 100% for IT facilities (computer and software for 47 DEOs). G-11 is likewise completed.

Construction Supervision consultants have been recruited and have commenced services.

DPWH proposed to cancel the ICD component on Institutionalization of Road Maintenance and Management System, component on Enhancement of the Traffic Recording Analysis System (TARAS)/Improvement of Road Safety Audit (RSA) System, the ICD component on Development and Installation of Project Management Information System (PMIS), the ICD component on Technical Assistance for Environmental and Social Safeguards/Gender Mainstreaming in Infrastructure Development. These deletions were approved on 24 Nov 2015.

Instead, DPWH requested and ADB approved 4 ICD components Human resource Management Phase 2, Strengthening Fiscal Accountability Phase 2, Project Management and Coordination (PMC), and Institutionalization of the New Planning Processes. The consulting services for the latter 3 components were awarded. The consulting services for the ICD Human Resource Management Phase 2 component are envisaged to mobilize in October 2018.

Due to the delayed award of the last civil works contracts, the loan closing date has been extended to 30 June 2019 for OFID loan and 30 December 2019 for ADB loan.

**Geographical Location**

Baguio City, Bauang, Butuan, Cabangan, Cagayan de Oro, Calinog, Candelaria, Carmen, Castillejos, Dipolog City, Guihulngan, Ilion, Jaro, Kabacan, La Libertad, Manjuyod, Masinloc, Neajillian, Olongapo City, Palo, Poblacion, Province of Agusan del Norte, Province of Benguet, Province of Iloilo, Province of Lapu-Lapu, Province of Leyte, Province of Misamis Oriental, Province of Negros Oriental, Province of North Cotabato, Province of Zamboanga, Province of Zamboanga del Norte, San Marcelino, San Narciso, Santa Cruz, Subic, Tanay, Tolosa, Vallehermoso

**Safeguard Categories**

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<tr>
<th>Environment</th>
<th>B</th>
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<tr>
<td>Involuntary Resettlement</td>
<td>C</td>
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<tr>
<td>Indigenous Peoples</td>
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**Summary of Environmental and Social Aspects**

**Environmental Aspects**

The IEE conducted for the Project has not identified any major environmental concerns given that all the proposed civil works are only asset preservation of existing pavement and are located within the existing right-of-way (ROW).

**Involuntary Resettlement**

The Project will have no resettlement impact as it only involves periodic maintenance of the existing pavement.

**Indigenous Peoples**

Surveys of the project roads covered indicate that no indigenous peoples specific actions or plan is required.

**Stakeholder Communication, Participation, and Consultation**

During Project Design

During Project Implementation

**Business Opportunities**

Consulting Services

All consultants were recruited according to ADB’s Guidelines on the Use of Consultants by ADB and its Borrowers (2010, as amended from time to time).

Procurement

All procurement of goods and works were undertaken in accordance with ADB’s Procurement Guidelines (2010, as amended from time to time).

**Responsible ADB Officer**

Shuji Kimura

**Responsible ADB Department**

Southeast Asia Department

**Responsible ADB Division**

Transport and Communications Division, SERD

**Executing Agencies**

Dept. of Public Works & Highways

POC-SRP@COMPASS.COM.PH

DPWH Building

Bonifacio Drive, Port Area

Manila, Philippines

**Timetable**

| Concept Clearance | 10 Jun 2009 |
| Fact Finding | 05 Jun 2011 to 18 Jun 2011 |
| MRM | 09 Sep 2011 |
| Approval | 15 Dec 2011 |
| Last Review Mission | - |
| Last PDS Update | 27 Sep 2018 |

**Loan 2836-PHI**

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<tr>
<th>Approval</th>
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<th>Effectivity Date</th>
<th>Closing</th>
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<tbody>
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**Financing Plan**

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<td>ADB</td>
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**Loan Utilization**

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<td>15 Dec 2011</td>
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Loan 8267-PHI

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<tr>
<td>09 Oct 2009</td>
<td>20 Jul 2012</td>
<td>17 Sep 2012</td>
<td>30 Jun 2017</td>
<td>30 Jun 2019</td>
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<tr>
<td>ADB</td>
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