Philippines: Infrastructure Preparation and Innovation Facility

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Infrastructure Preparation and Innovation Facility</th>
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<tbody>
<tr>
<td>Project Number</td>
<td>50288-001</td>
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<tr>
<td>Country</td>
<td>Philippines</td>
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<tr>
<td>Project Status</td>
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<tr>
<td>Project Type / Modality of Assistance</td>
<td>Loan</td>
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<tr>
<td>Source of Funding / Amount</td>
<td>Loan 3589-PHI: Infrastructure Preparation and Innovation Facility</td>
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Strategic Agendas
- Environmentally sustainable growth
- Inclusive economic growth

Drivers of Change
- Governance and capacity development
- Knowledge solutions

Sector / Subsector
- Agriculture, natural resources and rural development - Rural flood protection
- Transport - Road transport (non-urban) - Transport policies and institutional development - Urban public transport

Gender Equity and Mainstreaming
- No gender elements

Description
A technical assistance loan is proposed as the financing modality. The Project will directly support DPWH and DOTr to deliver more effective and more innovative infrastructure projects. The key benefits include: (i) effective identification, analysis, and planning for infrastructure gaps, especially roads, urban transport, urban water, sanitation, and flood management; (ii) addressing critical constraints such as resettlement processes and inadequate access to international knowledge, best practices, innovation, and technology; and (iii) implementation management of sophisticated public infrastructure projects with international expertise to supplement national expertise and resources. The Project will also help address key operational areas for ADB through gap analysis and support for country system development in key areas such as: (i) land acquisition; (ii) procurement; and (iii) start-up delays.

Project Rationale and Linkage to Country/Regional Strategy
The current administration under the Ten-Point Socioeconomic Agenda aims to ramp up public infrastructure projects such as national roads, expressways, bridges, airports, subways, and railways. Public spending on infrastructure is expected to reach 7% of gross domestic product (GDP) by 2022 or approximately $14.5 billion annually, from the current level of 3.4% of GDP in 2016. To materialize the goals of infrastructure investment, the government requested the Project from the Asian Development Bank (ADB) to help the two key agencies responsible for national public infrastructure projects, namely DPWH and DOTr, conduct pre-investment activities which will in turn help accelerate the Investment Coordination Committee review and approval process and ensure timely, high-quality procurement and implementation. To enhance national capacity, additional access to international sources of innovation, expertise, advice, and best practices would enable DPWH and DOTr to incorporate expertise and innovation in project formulation and implementation. An ADB-funded Project and its international procurement systems would facilitate DPWH and DOT to access to required specific technologies, international expertise, and innovation, complementing and building on nationally available expertise. The Project will help DPWH and DOT to more effectively execute and implement public infrastructure projects by accelerating the due diligence stages, detailed engineering designs, and the bidding process preparation. The Project is included in the Country Operations and Business Plan 2017-2019. It contributes to the inclusive economic growth and environmentally-sustainable growth agenda of the Midterm Review of Strategy 2020.

Impact
- Infrastructure development accelerated.

Project Outcome
- Delivery and quality of public infrastructure projects improved

Progress Toward Outcome
- Firm consultants were mobilized in Q2 2018. Preparation of feasibility studies and master plans are ongoing.

Implementation Progress
- Road and bridge projects prepared.
- Water projects prepared.
- Rail, public transport, port, and airport projects prepared.
- Project development management systems improved.

Status of Implementation Progress (Outputs, Activities, and Issues)
- As of March 2019, all output activities and priority subprojects for roads and bridges, water and flood management, and transportation-related are ongoing.

Geographical Location
- Nation-wide

Summary of Environmental and Social Aspects
- Environment: C
- Involuntary Resettlement: C
- Indigenous Peoples: C
Environmental Aspects
The Project focus is on improving public system management and providing consulting services to support in the preparation of infrastructure projects for DPWH and DOTr. As such, it is not expected to have any direct adverse social and environmental impacts or to impact indigenous people. The project’s environmental safeguard category is classified as category C.

Involuntary Resettlement
The project’s social safeguard category is classified as category C for involuntary resettlement.

Indigenous Peoples
The project’s social safeguard category is classified as category C for indigenous people.

Stakeholder Communication, Participation, and Consultation
During Project Design
The fact finding mission was held during 24 February - 14 March 2017 with respective government agencies: Department of Finance (DOF), National Economic and Development Authority (NEDA), Department of Public Works and Highways (DPWH), Department of Transportation (DOTr).

During Project Implementation
A steering committee (SC), chaired by DOF, has been created to support the implementation of the TA Loan. The SC met twice in January and July 2018). The SC members include NEDA, DPWH, DOTr, and Department of Budget and Management (DBM).

Business Opportunities
Consulting Services
All consultants were recruited according to ADB’s Guidelines on the Use of Consultants (March 2013, as amended from time to time). Three consulting packages has been advertised in 2nd quarter 2017, following Quality-Based Selection (QBS) to ensure highest possible standard of services. Advance action was undertaken by ADB on behalf of the Government. The consultants mobilized in Q2 2018. DPWH and DOTr will administer and manage the contracts. The need for individual consultants packages will be reviewed.

The following firm consultants were mobilized in Q2 2018.

Output 1 Roads and Bridges (DPWH): Ove Arup & Partners Hong Kong Ltd. (UKG)
Output 2 Water/Flood Management (DPWH): Egis Eau (France), Inclam (Spain), Korea Engineering Consultants Corp. (Korea)
Output 3 Transportation (DOTr): Ove Arup & Partners Hong Kong Ltd. (UKG)

Procurement
There is no procurement of goods and works under the Project, procurement of office equipment and furniture for the consultants will be carried out by the consultants under their contract in accordance with ADB’s Procurement Guidelines (2015, as amended from time to time).

Responsible ADB Officer
Tawisook, Witoon

Responsible ADB Department
Southeast Asia Department

Responsible ADB Division
Transport and Communications Division, SERD

Executing Agencies
Department of Finance
DOF Building
Bangko Sentral ng Pilipinas Complex
Roxas Blvd., Manila, Philippines

Timetable
Concept Clearance 11 Jan 2017
Fact Finding 24 Feb 2017 to 14 Mar 2017
MRM 13 Jun 2017
Approval 27 Oct 2017
Last Review Mission -
Last PDS Update 29 Mar 2019

Loan 3589-PHI

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<td>08 Nov 2017</td>
<td>01 Feb 2018</td>
<td>30 Jun 2022</td>
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Project Page
https://www.adb.org/projects/50288-001/main

Request for Information
http://www.adb.org/forms/request-information-form?subject=50288-001

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