

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. The major development partners focusing on roads in the Philippines are the Asian Development Bank (ADB), the Australian Agency for International Development (AusAID), the Japan International Cooperation Agency (JICA), the Millenium Challenge Corporation (MCC), the United Kingdom, and the World Bank (Table 1). Prior to its 2008 merger with JICA, the Japan Bank for International Cooperation provided substantial support for roads.

Table 1: Major Development Partners

Development Partner	Project Name	Approval Date	Amount (million)
Transport and ICT (Road Transport)			
AusAID	Southern Philippines Provincial Road Maintenance Program	2008	A\$100.0
	Second National Roads Improvement and Management Program (Grant cofinancing for institutional capacity development)	2008	\$10.5
JBIC	Arterial Road Bypass Program Tranche I (Plaridel and Cabanatuan)	2004	¥6,223.0
	Central Mindanao Road Program	2004	¥3,717.0
JICA	Road Upgrading and Preservation Project	2011	¥40,847.0
MCC	Secondary National Roads Development Project	2011	\$214.4
United Kingdom	United Kingdom–Tulay ng Pangulo sa Kaunlaran (Bridge for Progress) (Nationwide installation of rapidly erected permanent urban flyover system [repufs] and long-span bridges)	2004	\$168.4
World Bank	Second National Roads Improvement and Management Program	2008	\$232.0

AusAID = Australian Agency for International Development, ICT = information communication and technology, JBIC = Japan Bank for International Cooperation, JICA = Japan International Cooperation Agency, MCC = Millenium Challenge Corporation.

Source: Asian Development Bank.

2. In addition to support for investment projects, the development partners have extended assistance to a range of programs aimed at addressing key road issues and developing the capacity of the Department of Public Work and Highways (DPWH) and other road-focused institutions (Table 2). The World Bank has focused its activities on addressing the issues of insufficient financing for road maintenance, weak institutional capacity of road institutions, and low productivity in road administration. JICA has also provided significant assistance to address the issues of the weak institutional capacity of road institutions and low productivity in road administration. It has also provided assistance to address low private sector participation in the road subsector. AusAID has focused its activities on the issue of weak governance in the road subsector, as well as supporting improvements to the organizational effectiveness of DPWH.

Table 2: Assistance to Address Road Issues

Issue	Actions	Development Partner
Insufficient financing of road maintenance	Road board and road fund Strengthen the operation of the road board and utilization of road funds established under the Motor Vehicle User Charges Act (MVUC).	World Bank

Issue	Actions	Development Partner
	<p>Review and update the mandate and implementing rules and regulations of the road board and MVUC funds.</p> <p>Support appropriate expansion of the revenue base of road-user cost recovery to a sustainable level.</p>	<p>World Bank</p> <p>World Bank</p>
Weak governance	<p>Financial management Implement the national accounting system and related controls; strengthen internal controls and monitoring of the whole financial management system; and provide consultant services for internal audit capacity building, and computer hardware and software.</p> <p>Road partnerships Provide initial operating and advisory support for the newly established nongovernment association of road user, citizen, and nongovernment stakeholders (Bantay Lansangan, Road Watch).</p> <p>Integrity support Support the independent procurement evaluator and conduct an independent technical audit.</p>	<p>AusAID</p> <p>AusAID</p> <p>AusAID</p>
Weak institutional capacity of road institutions	<p>Engineering design Strengthen the management and processes employed by DPWH for project implementation, in particular engineering design.</p> <p>Research and quality assurance Enhance capacity for managing construction quality, and support applied research for evaluating performance and cost effectiveness in road works, including preparation of manuals and guidelines for evaluation of DPWH infrastructure projects and their application to pilot projects.</p> <p>Maintenance management Enhance the routine maintenance management system including training, pilots, institutionalization, and rollout to all regions and districts.</p> <p>Strengthening of safeguards support Strengthen DPWH capabilities in safeguards to reduce the time for implementing land acquisition and resettlement, strengthen the environmental and social assessment capability of DPWH, and mainstream gender in infrastructure development.</p> <p>Information and communications technology Expand and upgrade technology infrastructure for data communications in DPWH to support cost-effective and efficient implementation of business processes (including development and installation of a program management information system and procurement of computer hardware and office software for district offices).</p>	<p>World Bank JICA</p> <p>World Bank JICA ADB</p> <p>ADB World Bank</p> <p>World Bank ADB</p> <p>World Bank ADB JICA</p>
	<p>Road safety audits Improve road safety audits, including their application to specific projects and development of accident prevention programs.</p> <p>Design capability in road hazard mitigation Enhance DPWH design capability for road hazard mitigation.</p> <p>Weighbridge stations to combat overloading Install additional weighbridge stations to combat overloading, including improved operation and strict enforcement of load limits.</p>	<p>World Bank ADB</p> <p>JICA</p> <p>JICA AusAID</p>

Issue	Actions	Development Partner
Low productivity in road administration	<p>Procurement process and systems Implement key computerized applications for cost estimation, preparation, and evaluation of bidding documents, and bid analysis.</p> <p>Organizational effectiveness Modernize the DPWH organization and improve the performance and management of its staff through comprehensive human resource development.</p> <p>Road safety Enhance the traffic accident recording and analysis system, including upgrading, training of DPWH-PNP, and deployment to districts.</p> <p>Construction industry Strengthen the local construction industry to undertake road maintenance contracts.</p>	<p>World Bank</p> <p>World Bank AusAID ADB</p> <p>JICA</p> <p>JICA World Bank</p>
Low private sector participation	<p>Public–private partnerships for road projects Prepare four public–private partnership projects for implementation.</p> <p>Road management service delivery Pilot trial of options for commercializing the current agency-led operations.</p>	<p>JICA AusAID</p> <p>JICA World Bank</p>

Source: Asian Development Bank.

B. Institutional Arrangements and Processes for Development Coordination

3. Coordination between development partners takes the form of ad hoc meetings usually held twice yearly, usually to coincide with visits of World Bank missions.

C. Achievements and Issues

4. ADB has coordinated closely with development partners to effectively address current and emerging issues through lending and technical assistance. The technical assistance for Strengthening Transparency and Accounting in the Road Subsector seeks to address key governance issues, namely mitigation of procurement risks, and strengthening of internal and external accountability mechanisms.¹ As such, it complements other assistance and forms part of the multi-development-partner effort to improve capacity. The proposed Road Subsector Improvement and Institutional Development Project will support this coordinated effort.

D. Summary and Recommendations

5. While coordination between the development partners has generally been good and effective, it would probably benefit from more frequent meetings. This could be achieved through the use of videoconferencing.

¹ ADB. 2009. *Technical Assistance to the Philippines for Strengthening Transparency and Accountability in the Road Subsector*. Manila (TA No. 7434-PHI, approved on 10 December, for \$1 million).