

SUMMARY POVERTY REDUCTION AND SOCIAL STRATEGY

Country and Project Title: Road Improvement and Institutional Development Project

Lending/Financing
Modality:

Project Loan

Department/
Division:

Southeast Asia Department Transport and Communications Division
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I. POVERTY ANALYSIS AND STRATEGY

A. Link to the National Poverty Reduction Strategy and Country Partnership Strategy

Road transportation is the dominant transport mode in the Philippines, accounting for 53% of freight ton-kilometers and 89% of passenger ton-kilometers. The Philippines has a total road network of about 200,000 kilometers (km), including about 29,000 km of national roads. About 70% of national roads are paved. National roads include 15,600 km of arterial roads and 13,400 km of secondary roads. Of the 79% of arterial roads that are paved, 48% require rehabilitation. In recent years, investment in transport in support of maintenance and moderate improvement has been inadequate. This has hindered the country's economic growth.

The annual requirement for maintaining national roads is estimated at P16 billion. While financing for road maintenance has risen significantly since 2004 due to increased revenue from road-user charges, it only provides for one-third of the estimated needs. Underinvestment in road maintenance is estimated at about 0.5% of gross domestic product. Official development assistance has accounted for half of the financing of national roads.

B. Poverty Analysis Targeting Classification: General intervention (GI)

Key issues. Poverty and inequality have been recurrent challenges in the Philippines and again came to the fore in the wake of the recent global financial crisis and rising food, fuel, and commodity prices experienced in 2008. Poverty incidence increased from 30% of the population in 2003 to 33% in 2006. The number of poor families increased from 4.0 million in 2003 to 4.7 million in 2006, and the number of poor people increased from 23.8 million in 2003 to 27.6 million in 2006. The reasons for persistent poverty include high inequality across income brackets, regions, and sectors; chronic underinvestment in physical and human capital, especially health and education; and unmanaged population growth. Recent government estimates show that about 45% of Filipinos are vulnerable to falling into poverty if confronted by external shocks. Inequality has also been persistent. Although the Gini coefficient improved to 0.4580 in 2006 from 0.4605 in 2003 and 0.4872 in 2000, inequality remains high compared with other countries in Asia and has changed very little for more than 20 years. High inequality has limited the impact of economic growth on poverty reduction.

Based on the 2006 official statistics published by the National Statistical Coordination Board, in terms of poverty incidence of each province under tranche 1, Zamboanga del Norte has the highest poverty incidence at 67.5%, followed by Negros Oriental with 48.1 % and Leyte with 47.3%; Benguet has the lowest poverty incidence at 11.1%. The proportion of poor in the three poorest provinces is higher than the Philippine poverty rate of 32.9% in 2006. The same is true for Agusan Del Norte, 40%; Misamis Oriental, 37.5%; and North Cotabato, 34.6%. Meanwhile, the provinces of La Union (32.6%), Ilo-Ilo (30.4%), and Zambales (28.9%) have rates lower than the national incidence but significantly higher than Benguet.

The main characteristics of the poor include (i) most live in rural areas and work in agriculture, mostly as farmers and fishers; (ii) poverty is strongly linked to educational attainment; in two-thirds of poor families, the head of the household has only elementary education or less; (iii) they have no or few assets and minimal access to credit; and (iv) they remain highly vulnerable to shocks and risks.

Design features. The project is necessary to help ensure that the country's road network is able to support economic growth. The project will lower the cost of transport and will thus contribute to poverty reduction by lowering marketing costs for local agricultural produce, improving access of the population to social services and economic opportunities, and serving as a catalyst for investments to develop local resources.

II. SOCIAL ANALYSIS AND STRATEGY

A. Findings of Social Analysis

Key issues. The project will lower the cost of transport and thus contribute to poverty reduction by lowering transport costs for local agricultural produce, and improving access of the population to social services and economic opportunities. It will provide opportunities to recruit local labor during construction and road maintenance activities. Potential gender-equity benefits are women's access to social services (such as health services) and improved income opportunities (through access to markets).

Social risks. Compared with neighboring countries, the Philippines has relatively low incidence of HIV/AIDS cases. From January 1984 to August 2005, about 2,333 HIV cases were reported, 1,636 (70%) of which were asymptomatic, while 697 (30%) were AIDS cases. Most (69%) of the cases were in the 20–39 year age group, 64% (1,478) were male; 85% of the total cases traced the source of infection to sexual intercourse.

This deserves serious consideration in the project, especially given that new or improved transport infrastructure provides opportunities for people to interact and engage in behaviors that put them at risk for HIV/AIDS. Moreover, the risk of HIV/AIDS infection is increased during road maintenance. Road workers may contribute to the spread of the disease and other sexually transmitted infections in the communities around construction camps and sites and in their communities of origin. Therefore, the project will include an HIV/AIDS awareness and prevention program.

B. Consultation and Participation

1. During project preparation, consultation meetings were held as part of the social impact assessment.

2. What level of C&P is envisaged during the project implementation and monitoring?

Information sharing Consultation Collaborative decision making Empowerment

Community environmental monitoring was included in the initial environmental examination. The HIV/AIDS awareness and prevention program will include community participation during implementation.

3. Was a C&P plan prepared? Yes No

C. Gender and Development

Key issues. The key gender issues that the project will impact are (i) women's access to social services and markets as a result of better road infrastructure; (ii) employment opportunities for women in civil works for construction and routine road maintenance; (iii) capacity within DPWH to mainstream gender in road projects; (iv) mainstreaming of gender within the human resource development strategy and plan; and (v) increasing awareness and prevention of HIV/AIDS and human trafficking of girls and women.

Key actions. Measures included in the design to promote gender equality and women's empowerment—access to and use of relevant services, resources, assets, or opportunities and participation in decision-making process:

Gender plan Other actions or measures No action or measure

The institutional capacity development component of the project includes a subcomponent on environmental and social safeguards, and gender mainstreaming in infrastructure development. One of its objectives is to strengthen capacity of gender mainstreaming in the Department of Public Works and Highways (DPWH). An illustrative list of possible gender-related activities under the subcomponent include conduct of gender analysis in infrastructure development, development of a comprehensive and sustainable sex disaggregated information system; preparation of gender-sensitive design parameters; monitoring and evaluation guidelines and indicators; conduct of training on gender and development; preparation of a 6-year gender action plan for DPWH; and identification and implementation of gender-sensitive pilot projects. An HIV/AIDS awareness and prevention campaign will be carried out by the civil works contractors and DPWH, with the active involvement of the communities. On project-related employment, labor standards will be maintained and incorporate applicable workplace occupational safety norms. No differentiation will be made between men and women on payment for work of equal value, and no child labor will be used for construction and maintenance.

III. SOCIAL SAFEGUARD ISSUES AND OTHER SOCIAL RISKS

Issue	Significant, Limited No Impact	Strategy to Address Issue	Plan or Other Measures Included in Design
Involuntary resettlement	The project will not have any resettlement impacts as road improvements only cover asphalt overlay for all subprojects.	None	<input type="checkbox"/> Resettlement plan <input type="checkbox"/> Resettlement framework <input checked="" type="checkbox"/> None
Indigenous peoples	As all roads to be maintained or improved under the project already exist, no impact is expected on indigenous peoples.	None	<input type="checkbox"/> Indigenous peoples plan <input type="checkbox"/> Indigenous peoples planning framework <input checked="" type="checkbox"/> None

Issue	Significant/Limited/ No Impact	Strategy to Address Issue	Plan or Other Measures Included in Design
Labor <input checked="" type="checkbox"/> Employment opportunities <input type="checkbox"/> Labor retrenchment <input checked="" type="checkbox"/> Core labor standards	Project-related employment will be available during construction and maintenance.	The government, through DPWH, will include a specific provision in bidding documents to ensure that civil works contractors (i) comply with applicable core labor standards, and labor laws; and incorporate applicable workplace occupational safety norms; (ii) do not differentiate payment between men and women for work of equal value; (iii) do not employ child labor in the construction and maintenance activities; and (iv) to the extent possible, maximize employment of local poor and disadvantaged people for project construction purposes, provided that the requirements for job and efficiency are adequately met.	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other action <input type="checkbox"/> No action
Affordability	No impact		<input type="checkbox"/> Action <input checked="" type="checkbox"/> No action
Other Risks and/or Vulnerabilities <input checked="" type="checkbox"/> HIV/AIDS <input type="checkbox"/> Human trafficking <input type="checkbox"/> Others (conflict, political instability, etc.)	As there is a potential risk of HIV/AIDS transmission during construction activities, a n HIV/AIDS prevention component will be prepared.	DPWH will ensure that appropriate entities—e.g., nongovernment organizations—disseminate information on the risks of sexually transmitted diseases, including to the employees of civil works and contractors engaged under the project and to members of local communities along the project road.	<input type="checkbox"/> Plan <input checked="" type="checkbox"/> Other action <input type="checkbox"/> No action
IV. MONITORING AND EVALUATION			
Are social indicators included in the design and monitoring framework to facilitate monitoring of social development activities and/or social impacts during project implementation? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No These include gender-mainstreaming activities in DPWH, and potential gender-equity benefits including job creation and improved incomes and access to social services.			