



Concept Environmental and Social Review Summary

Concept Stage

(ESRS Concept Stage)

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BASIC INFORMATION

A. Basic Project Data

Country	Region	Project ID	Parent Project ID (if any)
Philippines	EAST ASIA AND PACIFIC	P171556	
Project Name	Philippines - Sustainable Inclusive and Resilient Tourism Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Urban, Resilience and Land	Investment Project Financing	1/15/2021	3/26/2021
Borrower(s)	Implementing Agency(ies)		
Republic of the Philippines	Department of Tourism		

Proposed Development Objective

The Development Objective is to (i) improve access to infrastructure services, (ii) promote local tourism development, and (iii) strengthen capacity for disaster and crisis preparedness in select tourism destinations in the Philippines.

Financing (in USD Million)	Amount
Total Project Cost	170.50

B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?

No

C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

The proposed Project has the following components:

1. Upgrading of infrastructure (US\$120 million)

This component will finance priority infrastructure that will contribute to the local economic development of the selected tourism destinations such as construction or upgrading of wastewater treatment facilities, septage management, sewerage facilities, water and sanitation, solid waste management, among others.

2. Promoting local tourism development (US\$11 million)

The component will finance training and skills development of local communities who are or will be managing and operating micro-and-small tourism and related enterprises. This will also support development of overall destinations



like route mapping, trails, site architecture, site safety protocols, retrofitting of dilapidated sites, local cuisine development, farm tourism development, tourism asset management, etc.

3. Strengthening disaster risk management, crisis management, and preparedness for health emergencies (US\$16 million)

This component will include investments in construction or improvement of DRM facilities and provision of emergency response equipment, repurposing of existing facilities for COVID-19 and equipment, as well as upgrading of existing or set-up of new emergency response systems and related infrastructure. This component would also provide the necessary capacity building and developing COVID-19 “new normal” protocols for DOT, TIEZA and LGUs by bringing in global experience to make tourism destinations resilient and capable to respond to and recover from climate risks, disasters, health emergencies, and crises at the destination level.

4. Support for policy and project management (US\$3 million)

This component will support organizational and technical capacity development of DOT, TIEZA and LGUs in areas of tourism destination planning and management, infrastructure development and DRM/crisis management. This will also finance the operating cost of the project implementing and coordinating entities at the national and provincial levels.

D. Environmental and Social Overview

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]

The project will support activities and interventions for sustainable tourism and COVID-19 recovery in three destinations - Bohol, Siquijor and, Siargao Islands. Key project interventions would address the constraints being faced in the destinations namely, lack of basic infrastructure, capacity of local businesses to shift to the new normal, integrated disaster and crisis management and lack of comprehensive tourism policies.

All the three tourist destinations are pristine island environments with several natural features such as: (i) Bohol - known for coral reefs and unusual geological formations, notably the Chocolate Hills near the town of Carmen, where about 1,200 symmetrical mounds turn cocoa-brown in the dry season, contrasting with the greenery in the surrounding forest. Tarsier Sanctuary is another natural feature in Bohol with large forest dedicated to the protection of tarsiers, small nocturnal primates; (ii) Siargao - an island of long sandy beaches known as the Surfing Capital of the Philippines. Siargao is also laced with natural caves and major rock outcrops; and (iii) Siquijor – Located in the Central Visayas region has several natural features including waterfalls, marine protected areas, limestone caves, and natural forests.

The three islands are located south of Manila with various levels of urbanization. Bohol is a first income class province with a population of about 1.3 million as of the 2015 census. It is home to the Eskaya, an Indigenous Peoples community recognized under the Indigenous Peoples Rights Act. They are occupying a mountainous area in the province and have been awarded an ancestral domain claim. Siargao is a fifth income class municipality that started to gain recognition after being declared as the surfing capital of the Philippines. The 2015 census indicates that it has a population of less than 17,000 and a poverty incidence of 41 percent. Siquijor Province is also a fifth income class municipality with a population of about 96,00 as of the 2015 census.



Growth in domestic and international tourists during the past several years has been noted in the three destinations which has declined over the past 6 months due to the COVID situation. While international tourism will take time to rebound, it is expected that the domestic market will boost the immediate and fast recovery of tourism sector compared to the international market once the quarantine is lifted. Further, future market demand will be determined by improved accessibility, supply of quality accommodation and tourism products and services including health care facilities.

Key developmental challenges in the focus destinations include inadequate infrastructure facilities including water and power supply; sewage and waste management. Inadequate tourist facilities; public health preparedness and multi-hazard disaster/ resilience plans are also part of the challenges. These inadequacies are leading to pollution due to direct wastewater discharge in to the ocean; environmental degradation due to deficient solid waste management, which in turn leads to public health risks and affects the natural attributes of the focus destinations. Considerable water quantity and quality issues are also experienced in the three destinations and addressing these issues are high priority for the Provincial government as reflected in local development and investment plans. Summary of proposed project activities which sets the context include:

- (i) Upgrading of infrastructure including WW and Septage management, water and sanitation, SWM, among others
- (ii) Local tourism development through a range of activities including: training and skills development for enterprises with matching grants support for start-ups, destination site improvements, etc.
- (iii) Integrating disaster risk management, crisis management, and other health emergencies
- (iv) Support for policy and project management.

D. 2. Borrower's Institutional Capacity

The Department of Tourism (DOT) is the main implementing agency with the assistance from the Tourism Infrastructure and Enterprise Zone Authority (TIEZA) whose mandate is to provide infrastructure support and encourage investment in tourist destinations. DOT would be working closely with the LGUs of the three sites in implementing the sub-projects.

DOT will set-up a National Project Management Office (NPMO) comprising of staff and a pool of technical consultants to provide technical, fiduciary, safeguards and monitoring and evaluation support during project implementation. Mirroring the NPMO, Regional Project Management Offices (RPMOs) will be set up within each provincial administration of each destination. At the sub-project level, a Destination Project Management Office (DPMO) will be established by each LGU or local asset owner/agency who will implement the sub-project. The PMOs will provide the overall management of the project/sub-projects, i.e., monitors project implementation and ensures appropriate intervention to execute the conditions agreed upon in the Loan Agreement/Memorandum of Agreement (MOA). Until the project management team is contracted, DOT will be supported by a small group of fiduciary and safeguards consultants especially during project preparation and initial stage of project implementation.

DOT does not have previous experience in implementing World Bank's safeguards policies nor the new Environment and Social Framework (ESF). The LGUs are likely to have familiarity with World Bank's safeguards policies as they are involved in various World Bank project implemented nationwide such as the Philippine Rural Development Program



(PRDP) and the National Community Driven Development Project (NCDDP). However, both the DOT and the LGUs still need to be trained on the new requirements of the ESF.

A comprehensive training program on the ESF will need to be developed and included in the ESCP. Technical staff of DOT, TIEZA, and LGUs may also avail of existing training programs at the Philippine Center for Environment and Social Sustainability (PHILCESS) based in the University of the Philippines, who runs training programs on ESF-related topics on a regular basis. DOT may also opt to tap PHILCESS to design custom-made training sessions for the project

II. SCREENING OF POTENTIAL ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS

A. Environmental and Social Risk Classification (ESRC)

Substantial

Environmental Risk Rating

Substantial

Environmental risk is Substantial, arising from the following risk factors.

The proposed project locations include Bohol, Siargao, Siquijor islands of tourism interest that cover a diverse type of coastal and marine ecosystems. Given the project cost, activities, and geographical coverage in several municipalities, the project investments are moderate scale augmenting the existing facilities. Also, the investments are focused to enhance the overall environmental quality of destinations for sustainable tourism.

These destinations face anthropogenic pressure with increasing tourist footprint. The project focuses on seven municipalities and two cities, and is positioned to facilitate long term sustainable tourism by: (i) Improving Infrastructure Facilities - to minimize sources of pollution through, septage treatment, solid waste management, and environmental friendly technologies for tourist facilities. In addition, project envisages to enhance water supply and sanitation in several municipalities; (ii) Enhancing Local Tourism Economic Activities – through training and skill development of local communities to support responsible enterprises which contribute to tourism value chain, development of overall destination like route mapping, trails, site architecture, site safety protocols, environmental enhancement of dilapidated sites, etc.; (iii) capacity building for sustainable tourism planning and destination management with more focus on climate and disaster risk management, managing public health emergencies and crisis management; (iv) improving DRM facilities to ensure their resilience to climate risks; and (v) Improving tourism destination management, preparing plans, collaboration with local coastal management boards and policy study on user/environmental fees within destinations, and review of existing policies to improve delivery of basic services, promote local businesses and ensure environmental sustainability. Thus, the project interventions are expected to reduce the long-term environmental impacts/risk factors of tourism activities and enhance the tourism economy benefiting the local population.

Implementation of the proposed improvements are expected to lead to a broad range of generally well understood direct and indirect and induced/cumulative environmental impacts associated with typical municipal and economic infrastructure development or redevelopment. Environmental impacts and risks are expected in particular from investments addressing solid and liquid waste management, hygiene preparedness facilities. In addition, the operation of the infrastructure, and facilitation of tourist and economic development may lead to direct or indirect



impacts that may strain the carrying capacity of the target islands and coastal areas. The impacts from infrastructure development or operation are not considered unprecedented, complex or irreversible if well managed by adopting the standard mitigation approaches. Also, post implementation of infrastructure facilities would lead to positive impacts on carrying capacity of the tourism destinations. However, in case of absence of a structured and systematic implementation and post-implementation operation and management, it is possible that a combination of sensitive coastal setting and some of the proposed infrastructure may lead to potential risk which could be moderate to substantial. The other risks include the island or coastal features of the target destinations as well as their proximity to seismically active faults which increases the risk from natural disasters and climate change.

DOT and TIEZA have no previous experience in implementing Bank projects, and E&S impacts and risks management in line with the ESF provisions would be the limitation. LGUs have some experience with the World Bank’s old safeguards policies. As such, significant capacity building efforts is required. In view of this, the risk rating has been elevated to Substantial at the concept stage.

Social Risk Rating

Substantial

The social risk rating is assessed to be Substantial due to the broader social risks of increased tourism in the three destinations and the lack of experience of the implementing agencies in managing either site-specific or broader social risks.

The project activities involve additional infrastructure and services provided to existing tourism facilities in Bohol, Siargo, Siquijor islands as well as technical assistance for tourism development plans. Most risks are likely to be associated with site- specific physical impacts associated with civil works that do not have large footprints. Water supply systems are likely to involve land acquisition for right-of-way and easements. Sanitary landfills may affect the livelihoods of a small number of waste pickers. Labor influx is not expected or will likely be low. However, project activities may contribute indirectly to risks associated with increased tourism in the three destinations.

Broader risks may involve perceptions of exclusion from benefits of project activities by LGUs and other stakeholders who are supportive of activities but question the site selection criteria. Poor development of integrated tourism plans under component four coupled with an increase in tourism may induce impacts on tangible and intangible cultural heritage, create or increase traffic congestion, and affect visual and aesthetic features valued by local communities. It may increase anti-social behaviors, such as drug and alcohol abuse, violence against children, sexual exploitation and abuse, and sexual harassment. The project may also adversely affect the well-being – social, cultural and economic – of Indigenous Peoples and other vulnerable communities. Some of these risks may also lead to social conflicts, particularly if local communities are not receiving equitable benefits from tourism development. These broader social risks are considered substantial.

The Borrower’s capacity to manage site-specific and broader social risks and impacts are expected to be limited and the project would need to include measures to enhance the capacity of national, regional and local entities involved during project preparation and implementation. The project would need to include measures to enhance the capacity of national, regional and local entities involved during project preparation and implementation.

Public Disclosure



B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

B.1. General Assessment

ESS1 Assessment and Management of Environmental and Social Risks and Impacts

Overview of the relevance of the Standard for the Project:

The proposed investments under the Project are based on DOT and LGU's joint assessment of priority needs as guided by the National Tourism Development Plan and informed by the Provincial Development and Physical Framework Plan (PDPFP), Provincial Tourism Development Plan, the municipal Comprehensive Development Plan (CDP), Comprehensive Land Use Plan (CLUP), and Municipal Water Supply, Sewerage, and Sanitation Sector Plan (MW4SP).

The proposed Project will focus on "no regret" infrastructure investments which will upgrade and/or expand existing basic services/facilities such as water supply, septage management, SWM, etc; and promote local tourism development including livelihood improvements. The project is expected to have high positive environmental and social benefits including improved environmental quality of the participating LGUs and sustaining the basic services for the tourist footprint; and result in increased income opportunities for local communities due to community-led or local enterprise projects/plans developed and implemented. The project is expected to promote Integrated Coastal Zone and tourism destination management based on carrying capacity studies to regulate the tourism activities vis-à-vis environmental sustainability.

Proposed investments which could lead to most of the E&S impacts include: (i) Bulk water supply for 7 ULBs and 1 city in Bohol Islands covering about 275,000 people utilizing the existing surface water sources. The intervention is also expected to improve sanitation facilities. These investments are expected to involve civil works including construction of transmission main, receiving water pump and treatment facilities if necessary; (ii) Septage Treatment for Siargao to cover septage generated for a wastewater quantity of about 3 to 5 million liters per day; (iii) about 80 tons per day solid waste management activity proposed in Bohol which includes collection, development of transfer station, and upgrade and expansion of a sanitary landfill; and (iv) several civil works in all the three destinations including access roads, street lighting, hygiene preparedness facilities, etc. As of now potential for associated facilities are not noted. This aspect will be further reviewed as part of project preparation.

Prior to COVID-19, the annual tourist arrivals respectively in Bohol, Siargao, and Siquijor were about 1.5 million, 90 thousand, and 1 million. The annual tourist arrivals are almost equal to the population of these respective provinces indicating the importance of tourism. While these arrivals may not be restored immediately, the proposed improvements (and improved COVID scenario) may attract at least similar arrivals over a medium to long term. Thus, the impact of the tourism "with and without" project scenarios are of importance for project design and such an assessment will be part of project ESA.

The key risks related of the infrastructure facilities relate mostly to construction stage temporary impacts, and varying scale of impacts during operation period depending on O&M practices followed by the LGUs. In addition, the project activities are expected to lead to indirect and cumulative impacts since the receiving sites are sensitive in nature and also on account of vulnerability to coastal climatic conditions. The potential E&S risks or impacts of the project activities are expected to be moderate to substantial even though the civil works are spread in several LGUs. The expected impacts would include: i) community and worker health and safety; traffic safety and business



disturbance; and safety risk due to unexpected climate events during construction period; ii) air, soil, and water pollution due to construction activities and failure or malfunction of the treatment plants during operational period which in turn could lead to possible impacts on coastal bio-diversity aspects ; iii) environmental pollution due to emissions, odors, and generation of sludge from the septage treatment plants, and maintenance of the septage collection system; iv) inadequacies in management of SWM could lead to public health episodes, and possible leachate contamination from the landfill sites; v) apart from the impact on sensitive natural features, the SWM, if it chooses to upgrade the existing controlled dump site for sanitary landfill, would have legacy environmental issues which need to be addressed by safe closure procedures; vi) construction of different infrastructure facilities may require land acquisition causing socio-economic impacts; and vii) worker health and safety risks due to exposure to hazardous chemicals and pathogens. In addition, there could be several induced and indirect impacts such as increased tourist footprint which would put additional pressure on infrastructure and local environment. Thus, the proposed sizing and design of the infrastructure facilities should necessarily consider future tourist projections.

As the details of project sites for some of the infrastructure facilities will be identified after appraisal, the borrower will prepare an ESMF prior to appraisal. ESMF will provide guidance needed for specific ES risk management instruments including RPF, IPPF (if needed), SEP, LMP, and a Cultural Heritage Protection Framework. The ESMF will consider World Bank's ESF, and Philippine E&S systems. The ESMF will also include generic ESMPs and E&S exclusion measures mostly in the form of codes of practice for small investments which do not require full ESIA. The ESMF will be informed by the broad level ESA, proposed to be conducted by the borrower as part of the project scoping and feasibility study for the project. The potential cumulative impact assessment of the project will be carried out at this stage following rapid assessment techniques considering the information available prior to Appraisal.

About 7 infrastructure sub-projects (water supply, SWM, septage management) have relatively bigger investments and Component 3 requiring detailed ESIA. Component 3 ESIA will consider Emergency Preparedness. Detailed ESIA including ESMPs for such subprojects would be prepared in parallel with Detailed Project Reports and bidding documents. Component 3 activities will help contain the spread of Covid-19 among tourists and in local communities through the provision of sanitization, testing, and isolation facilities in tourist areas; PPEs for tourism workers; etc. To prevent possible contamination from infected waste, the project will integrate the Department of Health's protocols for infectious waste management in ESMPs.

Solid waste sub-projects may result in wastepickers losing their livelihoods. Based on previous experience with past projects on solid waste management, loss of livelihoods among wastepickers happens when dumpsites are upgraded to sanitary landfills and not really because of land acquisition or restrictions to access to livelihoods due to land acquisition. A Livelihood Plan will be prepared.

As women and informal sectors are the most disadvantaged and vulnerable groups in tourism, the project will seek to develop interventions to increase their participation and allow them to gain socio-economic benefits. The Tourism Planning Committee (TPC), which involves a multi-sectoral stakeholders, plays a major role in the formulation of tourism plan in the locality as well as the selection process for supporting women and informal sector-led enterprises and small industries. The TPC is created under the Local Development Council (LDC), which is the LGU's mandated planning body to ensure that the tourism plan is adopted.



Component 4 is proposing to take up an Integrated Coastal Zone and Tourism Destination Management development planning which will facilitate streamlining the tourism activities in the medium to long term. SESA will be carried out for the proposed plans in line with the ESF provisions. The proposed SESA will inform the Tourism development plans.

Areas where “Use of Borrower Framework” is being considered:

The ESF will apply for all relevant environmental and social risks and impacts. The project will apply relevant national legislation as required but will not rely solely on the Borrower’s framework for any areas.

ESS10 Stakeholder Engagement and Information Disclosure

In preparatory activities culminating in the selection of the destinations and the subprojects, the Project has engaged with various government agencies and LGUs. The Project will continue this engagement and will expand its reach to include civil society organizations. Within the destinations, it will deepen its engagement by seeking the participation of direct beneficiaries, Indigenous Peoples, and project-affected persons.

Subproject activities are likely to involve a range of stakeholders including businesses affected by temporary restrictions on activities, and local communities interacting with project workers and movements. A range of broader interest groups, including CSOs and others representing the welfare of vulnerable and marginal groups in the tourism industry (vulnerable women and children, indigenous organizations) need to be identified and may be engaged for the tourism planning activities.

Since the project is prepared under COVID19 crisis circumstances, any project-related impacts on vulnerable and marginal groups and individuals may exacerbate existing hardships. Disadvantaged and vulnerable groups under these circumstances may be the elderly, disabled or those who are rendered unable to preserve their livelihoods and therefore exceptionally susceptible to impacts from the project (temporary restrictions on business activities or land taking that affects livelihoods). These groups should be identified in the engagement plan and measures identified to prevent or minimize associated impacts through the ESIA.

Detailed stakeholder identification and analysis will be undertaken during project preparation and measures identified to ensure vulnerable groups are included. Stakeholders will be involved in environment and social impact assessment and consultations on mitigation measures for social risks and impacts, including measures for compensation and resettlement. Stakeholders will also be consulted on project activities including the development of tourism plans. Depending on the situation with COVID19, a mix of conventional media (radio, television) for information provision and internet and mobile telephone text-based communications for soliciting feedback of different stakeholders could be used during project preparation, depending on the social distancing requirements in place. The implementing agency will prepare a stakeholder engagement plan (SEP) proportionate to the nature and scale of the project activities and its potential risks and impacts and which will include a Grievance Redress Mechanism (proportionate to potential risks and impacts) that will be publicized, accessible, allows anonymity, maintains records, and provides feedback to complainants. Measures associated with reporting and referral of sensitive social protection risks relevant to the tourism industry involving women and children will also be incorporated into the project GRM.

Public Disclosure



The SEP will ensure that information disclosure and consultations are planned and managed so that affected stakeholders are able to meaningfully participate and inform the project design and implementation. Separate consultation processes will be held with key stakeholder groups, such as women, Indigenous Peoples and vulnerable and marginal groups, in a manner that creates an inclusive and enabling environment for open discussion and resolution of issues and concerns. The plan will document consultations on the findings of the Environmental and Social Impact Assessment and associated management plans that will be prepared under the project. It will also identify and propose measures to manage stakeholder interests during the planning and implementation phases of the project. The plan will also describe the process, resources and responsibilities for managing the project-level grievance mechanism (GRM) and ensure that resources are allocated to support its implementation by the PMO and implementing partners. GRM will be established in coordination with localized grievance redress processes in order to ensure that all concerns and complaints are captured and addressed by implementing agencies and competent bodies.

B.2. Specific Risks and Impacts

A brief description of the potential environmental and social risks and impacts relevant to the Project.

ESS2 Labor and Working Conditions

The Project will involve government staff and consultants who will implement the project and contracted workers who will be in charge of constructing the proposed infrastructure subprojects (i.e., water supply systems, sanitary landfills, wastewater treatments, and markets) and installing hygiene facilities and equipment in various tourist areas. Community workers are not expected, but this will be assessed during the ESMF preparation and overall ESA for the project .

The Philippines has a Labor Code that is aligned with international good practice on decent work. In practice, there are documented country risks associated with realizing safe and fair work for migrant women and prevention of harmful child labor which may not be encountered during the implementation of the subprojects but rather on the tourism industry as a whole. Nevertheless, these will be explored in the ESIA and inform preventative management measures. Occupational health and safety risks for project workers on civil works sites will also be addressed with application of the World Bank EHSGs and preventative measures relevant to the response to Covid-19. As part of the ESMF, the Project will develop a Labor Management Plan (LMP) and a dedicated workers grievance mechanism that is consistent with ESS 2. The LMP will set out measures for nondiscrimination, equal employment opportunity, and prevent and address harassment, intimidation and/or exploitation, including addressing gender-based violence risks.

The Civil Service Commission governs employment regulations of government staff.

ESS3 Resource Efficiency and Pollution Prevention and Management

Although the project engagement will cover large area at three tourism destination regions, the physical works are spread over several LGUs and expected to be relatively medium sized requiring moderate resources and materials. The adverse impacts on human health and environment are expected to be temporary in nature during construction



period which could be managed through effective mitigation measures. . The risks and impacts related to the release of pollutants, waste generation, the management of disposal materials and hazardous/health care wastes, impact on community, and resource use efficiency will be assessed, mitigation measures proposed during project preparation. Since the proposed water supply will draw from the existing surface water sources, a water balance assessment would need to be carried out ascertaining the level of demand and the adequacy of water sources. The potential adverse risks and impacts will be assessed in detail during the ESIA process with associated proposed mitigation measures which would also include guidance provided under WBG Environment, Health, and Safety Guidelines. Given the type and scale of the project, it is not expected that the the project construction/ operation phases do not produce significant GHG emissions. To the extent technically and financially feasible the project will adopt measures, specified in the WB Group ESHG and other Good International Industry Practice, for efficient use of raw materials and for optimizing energy use. In the context of expected increase in tourists due to improved infrastructure facilities, the could be increased risk of plastic pollution to the coastal areas and waters if inadequately addressed. In view of this, an assessment of relevant potential plastic pollution issues would be addressed as part of ESIA's.

Not all construction materials will be available locally in the project sites and some construction inputs (e.g. aggregates, cement) will have to be shipped from the nearby mainland and thus adding the resource consumption. Given this, the project preparation will give relevant focus for utilizing locally available materials. In addition, adequacy of locally available construction dump sites as a potential impact will be explored during preparation with possible measures to minimize waste through different reuse/recycling methods.

ESS4 Community Health and Safety

Although the Project intends to respond to the Covid-19 pandemic, it also has the potential of spreading the virus in communities. Infected construction workers may spread the virus as they move about and intermingle with the community. The ESMF will include a section on Civil Works Guidelines during Covid which marries DPWH and international protocols for construction activities and workers.

Labor influx will likely be minimal, if at all, as location and types of sub-projects do not require highly specialized skills which the local labor supply can not provide. However, sexual exploitation and abuse/sexual harassment (SEA/SH) by construction workers remains a risk to the community. The LMP will include provisions for raising awareness and conducting training on SEA/SH for both project implementers and contractors. During procurement, the Project will ensure that contractors have codes of conduct for its employees that respects women, Indigenous Peoples, and the community.

Although the sub-projects by themselves do not pose substantial SEA/SH risks, they help create a better environment for tourism which is a sector known to increase child exploitation, human trafficking, and sexual harassment and abuse. The DOT call this "the dark side of tourism" and have in place measures to address such risks, including the installation of patrols and point persons in certain police stations. The Project will conduct an SEA/SH assessment of the tourism sector which will delve deeper into the extent of SEA/SH in the three sites and propose recommendations on how the project can help DOT enhance its current programs that address SEA/SH. It will also



provide guidance on tailoring proposed grievance redress mechanisms to receive SEA/SH complaints to ensure confidentiality and that a survivor-centered approach is utilized.

The project will factor safety considerations related to the impacts of climate change on the selection, siting, planning, design and implementation and decommissioning of sub-projects are included in the design and construction of infrastructures and that the basic infrastructure constructed or upgraded are adhering to climate and disaster resilient standards (Component 1). This will be supported by necessary capacity building and development of “new normal” protocols to enhance local adaptive capacity on climate risks, disasters, health emergencies, and crises at the enterprise and the destination level (Component 3).

ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

Water supply systems, access roads and street lighting sub-projects are likely to involve land acquisition for right-of-way and easements. However, these are expected to be narrow strips and will not have substantial impacts on lands, crops, structures, and livelihoods. For most of the alignments, the impacts could even be temporary. Other infrastructure sub-projects such as markets, sanitary landfills, wastewater treatment, etc. may require land acquisition. As much as possible, these will be acquired through willing-buyer willing-seller mode to be consistent with RA 10752 Right of Way Acquisition Act. If negotiations fail, involuntary resettlement requirements will be applied.

LGUs who own sub-project sites may also opt to donate portions of their land to the project. LGU donations do not warrant voluntary land donation (VLD) protocols. Nevertheless, the ESMF will include VLD protocols in case donations by private individuals are encountered.

As vacant land is still abundant in the three sites and given the size of the proposed infrastructures, physical and economic displacement are likely to be limited and relocation can be avoided. Land speculation is unlikely but will be assessed during ESA.

For subproject sites that have previously acquired lots, due diligence for legacy issues will be conducted as land acquisition or displacement may have been occurred in anticipation of the project.

A Resettlement Framework will be prepared at appraisal to guide land acquisition for the entire Project using the various modes described above. Sub-projects ready at appraisal will include specific Resettlement Plans if these involve land acquisition impacts covered by ESS5. Temporary restrictions are related to civil works and will be covered in the Resettlement Framework; separate Process Framework is not required.

ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources

The proposed project activities relate to development of infrastructure development in the municipalities and cities and also supports tourism based livelihood activities. The project does not envisage development of new tourism



circuits that combine different sites of ecological importance. Also, none of the project activities are expected to be extended to any sensitive locations. Given this, the bio-diversity aspect would be of relevance from the point of sighting or alignment of proposed infrastructure facilities and construction related impacts. Relevant biodiversity risks including direct, indirect, and operational impacts in the context of the ecologically sensitive and already stressed ecosystem need to be considered. Assessment of such impacts will be taken up as part of the ESIs for specific investments.

The direct and indirect biodiversity risks relates to possible degradation due to increase in tourist footprint. Thus the preparation needs to take cognizance of sensitive features such as Tarsier Sanctuary in Bohol with large forest dedicated to the protection of Tarsiers, small nocturnal primates which are delicate, emotionally sensitive creatures that get stressed easily and hence vulnerable to extinction; several protected coral reefs – for example, Tubod Marine Sanctuary in Siquijor with wide variety of stony and soft corals, as well as sea fans, giant clams and many sea anemones, established in 1989 and, therefore, very preserved by comparison to many other spots in the Philippines; Del Carmen Mangrove Reserve in Surigao Del Norte, one of the largest contiguous blocks of mangrove forest in the country and home to the saltwater crocodile (*Crocodylus porosus*), the largest of all living reptiles. While such features are attractive from tourism point of view, these are iconic to project area and hence ESA process will include consulting IBAT database for potential risks and impacts to biodiversity.

ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities

The Project will be implemented in tourist destinations where Indigenous Peoples are present. However, only a few of the specific sub-projects may directly affect or involve Indigenous Peoples. Based on the current list of priority sub-projects, there is little likelihood that infrastructure sub-projects will be located in ancestral domains. Bohol is known to have Indigenous Peoples and its proposed Palengke Program, which involves upgrading the market and improving the layout of stalls, may include products of Indigenous Peoples.

The broader social impacts from tourist development may be particularly pertinent for Indigenous Peoples whose culture, social organization and cultural heritage may be at risk. Indigenous communities may also be more likely to be excluded from project benefits and may be more at risks concerning potential adverse impacts to land, access to natural and cultural resources and social conflicts.

An Indigenous Peoples Planning Framework (IPPF) will be prepared prior to project appraisal. The IPPF will inform the preparation of site-specific Indigenous Peoples Plans to be prepared for sub-projects ready at appraisal. The IPPF will also provide guidance on securing FPIC for future sub-projects that may fall under the ESS7 circumstances requiring FPIC. Where relevant the stakeholder engagement plan will include provisions for consultation with indigenous peoples, and other vulnerable groups, to inform the design of sub-project activities and tourism plans.

ESS8 Cultural Heritage



The current list of priority sub-projects do not involve providing support to tangible or intangible cultural heritage. However, the ESMF will include a Cultural Heritage Protection Framework as future sub-projects and development of tourism plans may involve cultural heritage or tourism in a broader sense may affect visual and aesthetic features valued by local communities. Cultural Heritage should also be considered in the tourism planning and policy development activities supported by the Project. The ESMF will also include a chance finds procedure.

ESS9 Financial Intermediaries

There are no arrangements for financial intermediaries under the Project.

C. Legal Operational Policies that Apply

OP 7.50 Projects on International Waterways	No
OP 7.60 Projects in Disputed Areas	No

III. WORLD BANK ENVIRONMENTAL AND SOCIAL DUE DILIGENCE

A. Is a common approach being considered? No

Financing Partners

None

B. Proposed Measures, Actions and Timing (Borrower’s commitments)

Actions to be completed prior to Bank Board Approval:

Prior to Appraisal, the following documents are expected to be completed:

- Stakeholder Engagement Plan and project GRM
- The project level ESA including Rapid CIA with the available information prior to appraisal and the Environment and Social Management Framework (ESMF) which will comprise of Cultural Heritage Protection Framework; Resettlement Framework; Indigenous Peoples Policy Framework; and Labor Management Procedures and GRM for workers. The ESA will be included as part of ESMF as a section ;
- Completion of E&S due diligence and possible preparation of draft ESIA’s, and E&S Management Plans (ESMP, RAP, IPP) for sub-projects ready at appraisal.
- The ESCP elaborating the commitment plans including: detailed ESIA’s and ESMPs, RAPs, IPP (as may be applicable) for larger sub-projects, SESA to be completed as part of the Component 4 of the project; and the overall E&S risk

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management, training and institutional capacity building plans, and E&S risk monitoring and evaluation arrangements.

Possible issues to be addressed in the Borrower Environmental and Social Commitment Plan (ESCP):

- Committed staffing and resources to manage E&S risks
- Conduct of site-specific ESIA's and preparation of site-specific E&S management plans (e.g. ESMP, IPP, RAP) during implementation
- Implementation of ESMF and other documents listed above
- Training and capacity-building program for DOT and LGU technical staff

C. Timing

Tentative target date for preparing the Appraisal Stage ESRS

29-Jan-2021

IV. CONTACT POINTS

World Bank

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Borrower/Client/Recipient

Borrower: Republic of the Philippines

Implementing Agency(ies)

Implementing Agency: Department of Tourism

V. FOR MORE INFORMATION CONTACT

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VI. APPROVAL

Task Team Leader(s):	Philippe De Meneval, Lesley Jeanne Yu Cordero, Madhu Raghunath
Safeguards Advisor ESSA	Nina Chee (SAESSA) Cleared on 14-Sep-2020 at 11:00:46 EDT