

## **Submission of Proposals: Application Form**

Please read carefully the "Guidelines for the Submission of Proposals" which outline the modalities for application and the criteria for the selection of proposals spelled out in the Cities Alliance Charter. Please ensure that all necessary supporting documentation is attached to this form. Additional information may also be enclosed, **but total submission should not exceed 12 pages.**

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DATE: Rec'd 9 December 2009

### **1. TITLE of PROPOSAL: Traffic and Transport Management for Philippine CDS Cities**

#### **2. PROPOSAL SUBMITTED BY<sup>1</sup>:**

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Contact person for questions on the application:

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#### **3. CITIES ALLIANCE MEMBER(S) SPONSORING THE APPLICATION:**

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Name and Title:  
Organization: Japan International Cooperation Agency  
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#### **4. RECIPIENT ORGANISATION: – organization that will receive and execute the grant:**

Task Manager Name & Title:  
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#### **5. OTHER IMPLEMENTING PARTIES (if any):**

Task Manager Name & Title:  
Organization:  
Address:  
Contact Person/Title:  
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<sup>1</sup> Country-specific proposals typically originate from local authorities, but must be sponsored by at least one member of the Cities Alliance (see [Cities Alliance Charter](#), Section D.14).

## INFORMATION ON PROPOSED PROJECT:

6. Type of activity (check one):  
City Development Strategy  Slum Upgrading\_\_\_ Both \_\_\_
7. Geographic Scope of Activity (specify):  
City:  
Country: **Philippines**  
Global/Regional/Multi-country: \_\_\_\_\_
8. Expected Duration: 24 months

## BUDGET SUMMARY

9. Amount of total budget requested from Cities Alliance funding: **US Dollars 500,000**
10. Co-financing amount of total budget, including local partners: **US Dollars 600,012**
11. Total project budget cost: **US Dollars: 1,100,312**
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## DESCRIPTION OF PROPOSED PROJECT

### 12. Background: *(Issues to be addressed and scope of the Project)*

The Philippines is one of the fastest urbanizing countries in the world with more than 60% of its population living in urban areas. Over the last fifty years, the annual urban growth rate in the country has averaged at 4%, which is significantly higher than the population growth rate of 2.1%. In the next twenty five years, the urban population is projected to reach 70% of the national population.

Urbanization requires institutional readiness in order to balance its positive impacts and negative externalities. In the Philippines, urbanization has brought forth both economic opportunities as well as challenges that include wide spread poverty, housing deficiency, environmental degradation, limited access to basic services, and unemployment which have undermined the efficiency and the productivity of urban areas in the Philippines. The task to manage urbanization falls squarely on the shoulders of cities being the engines of growth that fuel the national economy and at the same time hosts to a steady number of rural to urban migrants hopeful of upward social and economic mobility. However, as population growth is higher than the rate of economic development in most cities, the perennial challenge is to maintain the capacity to provide for basic services by sustaining economic growth.

In 1998, the City Development Strategies (CDS) project was piloted by the World Bank for seven (7) cities to help them address the growing urban problems through a planning approach that integrates various local development plans into a single strategic action plan formulated jointly by the City government and local stakeholders. Since then, 62 cities in the Philippines have participated in the program through succeeding projects implemented by the League of Cities of the Philippines (LCP), with the support of the Cities Alliance and the Japanese Government. As a result of the process, the participating cities have prepared participatory long terms development strategies with corresponding priority projects to address sector concerns and sustain an economic growth rate that responds to the increasing requirements of urbanization.

Among the strategic concerns noted in the CDS program is transport planning and traffic management in the urbanizing cities in the Philippines. The results of a 2007<sup>2</sup> survey in 105 cities in the Philippines indicate that cities increasingly consider transport issues a priority concern given the need to integrate transport planning and traffic management in the formulation of local development and investment plans. It is important that the growth nodes identified in the local development plans are interconnected through efficient transport systems as the mobility of goods and services and the forward and backward market linkages are essential to an urbanizing economy. There is recognition that transport planning and traffic management should be undertaken on a more strategic and broader perspective given that cities are contiguous and that economies are interrelated. However, the said survey also noted that cities have limited technical capability to undertake transport planning and traffic management on a more institutional and sustainable approach considering that these are relatively new enhancements to the common practice of local development planning.

Environment management is another area where transport planning and traffic management have significant impact as the growing volume of vehicles and traffic congestions cause the deterioration in the air quality in urban cities. In the four cities of Metro Manila, Cebu, Davao and Baguio, representing 25% of the country's urban population, the health cost of air pollution is significant at an estimated US\$4 million per year or about 0.6% of the Gross Domestic Product<sup>3</sup>. The primary sources of air pollution in these cities are the increasing number of vehicles, population, and industrial activities. Given the other urbanized cities, the cost of air pollution in the country is substantial and expected to worsen if mitigating measures are not undertaken.

Addressing the deficiency in transport and traffic management planning among Philippine cities require a combination of immediate and strategic long term interventions. For instance, retrofitting and expanding the current road network to address traffic congestion will require substantial capital investments and costs in terms of right of way acquisition and displacement of affected persons. Hence, a more direct and less costly approach could be the development of traffic management plans that include vehicle re-routing schemes and the enforcement of traffic rules and guidelines. On the other hand, a more strategic and longer term approach will be the formulation of transport and investment plans that support the general development directions of the cities as embodied in their respective local development plans and consider the development thrusts and economies of their neighboring local government units.

**Description of the Proposal.** In view of the foregoing, the proposal is for a technical assistance that will facilitate the development of transport and traffic management plans for the selected CDS cities to: a.) support their urbanization and economic development; b.) address the current and expected demand for more efficient transport systems; and c.) enhance the institutional and technical capacities of cities and their staff to formulate and implement sustainable transport and traffic management plans. The proposed technical assistance will be pursued with the general thrusts to: *i.) enhance the CDS process by incorporating transport and traffic management in the CDS design; ii.) support the integration of the urban poor in society and economy by promoting accessibility through improved road networks linking slum communities; and iii.) contribute to environment protection in CDS cities through reduced traffic congestion and enhanced fuel consumption efficiency.* Features related to these thrusts are expected to be captured in the transport and traffic management plans to be developed by participating cities. These thrusts are described in the following sections.

**Enhancing the CDS Process.** While the CDS process supported Cities in identifying priority infrastructure investments that could spur local economic growth, it is important that the growth nodes identified in the individual CDS are interconnected through efficient transport systems as the mobility of goods and services and the forward and backward market linkages are essential to an urbanizing economy. For instance, the establishment of major commercial complexes in Quezon City requires improvements in arterial and feeder roads given the expected volume of traffic that will be diverted to these areas. At the same time, pedestrian traffic facilities such as foot bridges and walkways need to be introduced for the safety of consumers and ensure that pedestrians do not interfere with vehicle traffic. The economic activities created by these commercial complexes buoy the growth of Quezon City, however, without these transport and traffic related interventions, the roads along these complexes will surely be congested. Around Php100B, in economic losses, is estimated per year due to traffic congestion in Metro Manila alone.

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<sup>2</sup> Transport Planning and Traffic Management in Selected Cities, World Bank 2007

<sup>3</sup> Philippines Environment Monitor, 2002

Moreover, cities have now realized the need to form **Development Clusters** as a realistic and practical approach to development, given that local economies are interrelated, that will allow for resource sharing and economies of scale. This is aligned with the envisaged **Province Wide CDS** that will allow for the formulation of a more comprehensive development strategy that encompasses all municipalities and cities within a given province. There is a clear need to undertake transport planning and traffic management to support wider area CDS as a mechanism to ensure the complementation and inter-operability of individual CDS in terms of accessibility and mobility across different economic centers within the province. The Province of Cebu presents a very good case of diverse economies and businesses spread across different local government units requiring very good transport and traffic management systems. Cebu City serves as the financial and economic district which generates substantial employment to the entire province; Lapu-lapu City hosts the Mactan Export Processing Zone which provides both employment and commerce within and outside Cebu; and the rest of the Province benefits from eco-tourism business given the number of tourists and expatriates in the island. A very good transport and traffic management plan is also seen as necessary to support and maximize the growing commerce with the neighboring island of Bohol Province.

**Supporting the Economic Integration of the Poor and Slum Communities.** An efficient public transportation system will largely benefit the poor. The poor do not have the capability to acquire private vehicles that will bring them to their daily work areas hence they commute using public utility vehicles, mostly non-air-conditioned *jeepneys* and buses as the fares are more affordable. Those with very limited means use bicycle and even resort to walking to go to work areas located within the range of 2 kilometers from their residence. In Metro Manila (MM) alone, 79% of the estimated 12M population, or about 9.5M, use public transportation. Of this, it is estimated that about 2.5M are poor. This number is expected to grow significantly within the next 10 years given the steady rate of urbanization and the increasing migration of workers to the urban centers.

Improvements in the public transport system, such as better regulated public utility vehicles, more efficient road networks and reduced traffic congestion certainly holds considerable benefits to the poor as these could facilitate their mobility to their respective workplace in lesser time thus allowing them to spend more time with their families. On the other hand, the decreased maintenance cost of public vehicles due to improved traffic and road conditions is expected to translate to lower public fares affordable to the poor. This is also envisioned to reduce the vulnerability of the poor to transport and traffic related accidents given their lack of capacity to secure health and life insurance. In 2003 there are about 16,000 reported cases of road accidents nationwide. In Metro Manila, it is estimated that 640 accidents occur for every 100,000 Filipinos of which 173 are poor. This number indicates that about 20,000 poor Filipinos are prone to traffic accidents in Metro Manila alone. The use of alternative means of transportation for the poor has also been curtailed by the inadequate transport and traffic management. The lack of designated bicycle-lanes and the deficient regulation and policing of errant public and private vehicle drivers expose "bikers", who are mostly poor, to considerable danger. Even pedestrians who walk to their respective work areas have met accidents on account of such infrastructure and regulatory deficiencies.

Transport and traffic management is also an essential element in slum upgrading, both on-site and for newly relocated communities. Slum areas in the Philippines are normally characterized by the absence of paved internal roads and the lack of connectivity to major roads which prevents their development into livable communities that are integrated with the rest of the city. The absence of public transport within slum areas have made most of these a perennial shelter for criminals thus compromising the lives and safety of the rest of the community. Access to basic services such as education and health is also relatively difficult given the lack of connectivity to major roads. Children often walk to school while the heads of the family have to walk or use other means such as "*pedicabs*" to reach the main road where they board public transport to their respective work areas. The absence of major road connections also makes it very difficult to provide rescue operations to slum communities during calamities such as fires and typhoons thus increasing their vulnerability.

**Contribution to Environment Protection.** Environment management is another area where transport planning and traffic management have significant impact. The increasing amount of carbon dioxide and green house gas releases continuously impacts on global warming. In the Philippines, it is estimated that the transport sector accounts for almost 22% of the total carbon dioxide and green house gas emissions. Given poorly designed road systems, traffic congestions and lack of regulations, this condition is expected to worsen with an increasing number of vehicle concentration in the urban areas. The proposed technical assistance is envisaged to develop the capacity of participating CDS cities to monitor and regulate the carbon dioxide and green house gas emissions of public and private vehicles in their respective jurisdictions in coordination with the appropriate National Government Agencies and the concerned Public Transport Organizations. The proposal is expected to promote the development of a **green lane strategy**, which will alleviate traffic congestion in perennial “bottleneck areas” as these exacerbate the release of these gases. The strategy could involve infrastructure interventions such as road widening, provision of bike-lanes, and planting of trees along selected road stretches to mitigate carbon dioxide releases.

### 13. Objectives

- Enable cities to prepare and implement sustainable transport plans and traffic management plans that support the development of local economies through improved mobility of goods and services and address the current and projected demand of urbanization for efficient transport systems.
- Develop the capability of cities and stakeholders to formulate, implement and sustain transport plans and traffic management plans that consider and complement the development thrusts of adjacent localities given that most local economies are interrelated.
- Enhance the CDS process by promoting the interconnectivity of priority investments within a city and city development clusters through the formulation and implementation of more efficient transport and traffic management plans.
- Integrate and develop livable slum communities by ensuring that the necessary transport network and systems are available to provide them access to basic services and livelihood.
- Promote environmental conservation and efficient public transportation and safety by developing the capacity of cities and stakeholders to formulate, implement, and sustain transport and traffic management plans.
- Develop a practical approach for transport and traffic management planning for replication to other cities and municipalities.

### 14. Methodology

The project will be extended to pilot cities. It is expected to produce baseline information and assessment of the current transport and traffic conditions as well as formulate new transport and traffic management plans for the pilot cities. The project will demonstrate observable and measurable impacts through the actual implementation of the newly formulated transport and traffic management plans. A replication strategy will also be developed to facilitate scaling-up and implementation of similar initiatives in other localities.

Project implementation will promote **inclusion and participation** by involving stakeholders from the public sector and civil society to provide inputs at varying stages of project implementation through dialogues and consultations. Implementation will be a collaboration between the project consultants and the pilot cities, through the respective city project teams, to promote **city ownership** and ensure that project recommendations will be adopted and sustained. The project consultants and the city project teams are expected to jointly produce the expected project outputs.

The project will develop the capacity of the city project teams through varied **capacity development modalities** embedded in actual project implementation and meant to facilitate the transfer of technology from the project consultants to the city project teams. While working together, the project consultants are expected to oversee the production of outputs and at the same time provide the necessary mentoring to the city project teams. Aside from on the job coaching, the project will conduct more structured capacity development activities at varying stages of the project as may be necessary. The outputs of the project are expected to result from the capacity development exercises provided by the project. Hence, the process for generating the project outputs is as important as the outputs themselves. Said process and lessons will be captured among the **knowledge management products** to be used in the roll-out and replication phase. A **project monitoring and evaluation system** will be prepared to facilitate the management of project activities, documentation of lessons and good practices, and measurement of project outputs and outcomes. Project implementation at the city level will be undertaken in several phases as described in the following sections.

### **Phase 1: Preparatory Phase**

The preparatory phase involves the **selection of the pilot cities** following a set of criteria which could include the capability and the commitment to provide counterpart contributions, and strategic and spatial considerations, among others. The League of Cities of the Philippines (LCP), who will implement the project, and the pilot cities will sign a **Memorandum of Agreement (MOA)** outlining the commitments, responsibilities and expectations from both parties. The pilot cities are expected to issue an **Executive Order** designating the members of their respective city project teams who will work with the project consultants. The membership to the city project team should come from the departments concerned with local transport and traffic management such as the Office of the City Engineer, the Office of the City Planning and Development Coordinator, a representative from the Committee on Infrastructure from the *Sangguniang Panglunsod* (Legislative Council). Individual **project implementation strategies** will be prepared by each city project team to guide the execution of the project in their respective cities.

A **Project Advisory Committee** may be constituted by the LCP and other relevant national government agencies as well as the academe to provide inputs and guidance to project implementation. A **capacity development strategy** will be developed to guide the provision of technical assistance and the collaboration between the project consultants and the city project teams.

### **Phase 2: Developing Stakeholder Involvement**

Inclusion and participation are seen as necessary features to promote support for the project, validate project findings and ensure effective implementation. Phase 2 is meant to ensure the active involvement of stakeholders in the project. The primary project stakeholders identified are the city government, represented by the city project teams and civil society representatives from the transport sector, the local chamber of commerce, among others. The City Development Council presents an ideal vehicle for engaging civil society involvement in the project. The project advisory committee will represent the national government. The adjacent cities or municipalities, where the city transport and traffic management plan impacts, are also considered among the stakeholders.

The insights and the inputs of the stakeholders will be solicited at various stages of project implementation. Project findings will also be validated with the stakeholders through focus group discussions, dialogues and consultations and the results will be incorporated in the project findings and recommendations. A **stakeholder consultation plan** will be developed to structure and provide guidance on the involvement of stakeholders in the project.

### **Phase 3: Diagnosis**

Phase 3 involves the assessment of the transport and traffic conditions in the pilot cities. Baseline data on technical information such as traffic volume, choke points, peak hours, and transport infrastructure inventory, transportation networks, city and provincial growth nodes, and informal communities, among others, will be gathered and examined to provide inputs to the subsequent project phases. An assessment of the

institutional and technical capacity of the pilot cities, such as road maintenance capability, availability of technical staff to undertake transport and traffic management, and the need for a separate office to oversee transport and traffic management, will also be undertaken. The local legal framework, particularly ordinances, resolutions and executive orders pertaining to transport and traffic management, will also be reviewed.

This phase is expected to produce a **rapid assessment of transport and traffic conditions** in the pilot cities and the corresponding **transport and traffic strategy** which provides the broad strokes for addressing the identified traffic conditions. These two documents will provide critical inputs to the next project phases.

The pilot cities that participated in Phase 3 will be further screened to determine the final set of cities that will proceed to the remaining project phases. This selection process is meant to rationalize project resources relative to rapid assessment results that indicate wider strategic development impacts considering the relatively expensive cost of formulating and implementing transport and traffic management plans as will be undertaken in the following project phases. However, cities that have not been selected but are committed to provide counterpart contributions to cover their respective costs may be considered in addition to those that have qualified. The screening criteria and process will be developed and made known to all pilot cities at the onset to encourage the more comprehensive preparation of rapid assessment reports.

#### **Phase 4: Plan Formulation**

The formulation phase covers the development of the transport and traffic management plans by the final set of pilot cities. This will be undertaken jointly by the project consultants and the city project teams based on the rapid assessments and the strategic action plans prepared during the diagnosis phase. The process of plan formulation will be consistent with the capacity development strategy of the project and will employ varied modes of assistance from the project consultants to the city project teams. Aside from the information gathered during the diagnosis, existing planning documents such as the Provincial Physical Framework Plan (PPFP), Comprehensive Land Use Plan (CLUP), Comprehensive Development Plan (CDP), and the Annual Investment Plan (AIP), will be used as reference in developing strategic and comprehensive transport and traffic plans.

The integration and linkages of land transport with available transport modalities in the city, such as sea ports and airports, will be considered. The plans will also be prepared in view of the development trends of adjacent cities and municipalities. To the extent possible, the plan formulation will promote a clustered area development approach given that local economies are interrelated, to optimize positive externalities and promote economies of scale. Hence, while the transport and traffic management plans focus on the pilot cities, these will also have a broader and more strategic perspective in view of the contiguous local economies. The planning horizon employed will be both immediate and long term to help the cities in responding to current transport and traffic conditions such as congestion in the central business districts (CBD), demands of the slum communities, and at the same time address the prospective requirements of urbanization and growth.

The expected outputs from this phase are a **Transport Infrastructure Plan**, a **Traffic Management and Implementation Plan**, a **Transport Investment Plan** with the identified financing options, and a **Monitoring and Evaluation System**. A **Detailed Implementation Plan (DIP)** will be prepared to identify the steps necessary to have the outputs approved, adopted and implemented by the cities.

#### **Phase 5: Implementation**

The implementation phase will be based on the Detailed Implementation Plan earlier formulated and will involve largely the presentation of the concerned outputs to stakeholders to enjoin support and facilitate public information, and to the city government for approval, adoption and implementation. Formal adoption of the outputs through the necessary **ordinance** will be secured together with the necessary **budget support**. During project implementation, the appropriate technology to facilitate effective implementation and

monitoring will be identified, acquired and applied subject to the availability of financial resources on the part of the cities.

Implementation will be conducted according to the capacity development strategy of the project and will include, among others, enhancing the technical competency and skills of local staff on transport planning and traffic management; developing the institutional capability of pilot cities to implement and monitor the formulated plans; assistance on the application of technology support for transport and traffic management planning and implementation; formulation of the supporting local ordinances; and application of a monitoring and evaluation system.

### Phase 6: Evaluation

Project evaluation will be undertaken within six (6) months after the implementation phase to assess the implementation of the transport and the traffic management plans, identify gaps and good practices, and recommend measures that will enhance operational viability. Without-project and with-project analysis will be undertaken to demonstrate the value addition of the project to the pilot cities.

Based on the result of the **Evaluation Report**, a **Sustainability Program** will be developed both by the project consultants and the city project teams to ensure the continued implementation of the transport plans and the traffic management plans and the adoption of other project outputs. A **Project Completion Report** will also be prepared to document the project experience and lessons learned.

### Phase 7: Replication

The replication phase involves developing the capacity of the LCP to reproduce and implement the project in other cities. A **Replication Strategy** will be prepared during this phase to guide the LCP. A **Knowledge Sharing Conference** will also be conducted for pilot cities, non pilot cities, government agencies and development partners. The conference is intended to allow for the pilot cities to share their experiences in project implementation, for the non-pilot cities to develop interest in the project, and for the government and development partners to provide support for similar undertakings. The documentation of project, including the delivery of the capacity development activities, best practices and lessons learned will be finalized and packaged in the replication phase as a **Transport and Traffic Management Planning Guidebook** for Philippine cities. The **Overall Project Completion Report**, incorporating the completion reports from the pilot cities will be prepared in this phase.

## 15. Deliverables

| Phases                             | Deliverables   |
|------------------------------------|--|
| Preparatory Activities             | <ul style="list-style-type: none"> <li>• Project Advisory Committee</li> <li>• Selection criteria for pilot cities</li> <li>• Pilot cities selected</li> <li>• Memorandum of Agreement signed by pilot cities and the LCP</li> <li>• Executive Order issued to form the city project teams</li> <li>• Project Implementation Strategy per pilot city</li> <li>• Capacity Development Strategy for the Project</li> </ul> |
| Developing Stakeholder Involvement | <ul style="list-style-type: none"> <li>• Stakeholder Consultation Plan per city</li> <li>• Stakeholders identified and engaged per city</li> </ul>   |
| Diagnosis                          | <ul style="list-style-type: none"> <li>• Capacity development activities conducted</li> <li>• Baseline information established</li> <li>• Rapid Assessment of Transport and Traffic Conditions</li> <li>• Transport and Traffic Strategic Action Plan</li> <li>• Screening criteria for final set of pilot cities</li> <li>• Final set of pilot cities identified</li> </ul>   |
| Plan Formulation                   | <ul style="list-style-type: none"> <li>• Capacity development activities conducted</li> </ul>  |

|                |  |
|----------------|--|
|                | <ul style="list-style-type: none"> <li>• Transport Infrastructure Plan per city</li> <li>• Traffic Management and Implementation Plan per city</li> <li>• Transport Investment Plan</li> <li>• Monitoring and Evaluation System per city</li> <li>• Detailed Implementation Plan per city</li> </ul> |
| Implementation | <ul style="list-style-type: none"> <li>• Capacity development activities conducted</li> <li>• Local Ordinances to adopt the plans per city</li> <li>• Budget Allocation for the plans per city</li> <li>• Actual adoption and implementation of plans</li> <li>• Technology support</li> </ul>       |
| Evaluation     | <ul style="list-style-type: none"> <li>• Capacity development activities conducted</li> <li>• Evaluation Report per city</li> <li>• Sustainability Program per city</li> <li>• Project Completion Report per city</li> </ul>   |
| Replication    | <ul style="list-style-type: none"> <li>• Knowledge Sharing Conference</li> <li>• Replication Strategy for LCP</li> <li>• Transport and Traffic Management Planning Guidebook</li> <li>• Overall Project Completion Report</li> </ul>   |

## 16. Expected Outcomes and Related Monitoring Indicators and Plans

The primary project outcomes are: *a. promotion of growth and economic development in the pilot cities and its adjacent localities by enhancing the mobility of goods and services and access to markets through improved traffic conditions and transportation systems; b. integration and development of slum communities through improved transport and traffic management systems; c. improvement in environmental conditions as a more efficient transportation and traffic management system reduces the volume of air pollution; and d. development of the institutional and technical capacity of the pilot cities to undertake transport planning and traffic management.*

With the proposed replication strategy, a longer term outcome being envisioned is the adoption by non-pilot cities of the lessons from the project. The outcomes will be measured and assessed through the project M&E system.

| Phases                             | Outcome   | Monitoring Indicator   |
|------------------------------------|---|--|
| Preparatory Activities             | a. Pilot cities are committed to implement the project and provide resources  | a. Provisions of the MOA observed by signatories; city project teams formed and engaged through the City Executive Order   |
| Developing Stakeholder Involvement | a. Project is more responsive to the needs and insights of stakeholders<br>b. Stakeholder role in project implementation enhanced   | a. Stakeholder consultation plan implemented<br>b. Minutes of consultations and dialogues with stakeholders  |
| Diagnosis                          | a. Institutional and technical capacity of pilot cities to diagnose transport and traffic issues developed<br>b. Accurate profile of local transportation sector adopted by pilot cities as basis for local development planning<br>c. Slum communities engaged in the project<br>d. Baseline of the environmental impact of transport and traffic conditions in pilot cities adopted as basis for development planning | a. Capacity development reports; delivery of expected project outputs led by project teams<br>b. Rapid assessment results utilized in the preparation of the CLUP, CDP and AIP |
| Plan Formulation                   | a. Institutional and technical capacity of pilot cities to formulate and implement sustainable transport and traffic  | a. Capacity development reports; delivery of expected project outputs led by project teams   |

|                |   |  |
|----------------|---|--|
|                | <p>management plans under a participatory and inclusive approach developed</p> <p>b. M&amp;E System adopted and institutionalized in sustainable transport and traffic management per city</p> <p>c. Comprehensive and integrated approach to local development planning adopted to consider sustainable transportation and traffic management</p>  | <p>b. Department orders issued endorsing the use of the M&amp;E System by departments involved in transport and traffic management</p> <p>c. Department order issued to include sustainable transport and traffic management section in the CLUP, CDP and AIP</p>  |
| Implementation | <p>a. Adoption of the Transport Infrastructure Plan, Traffic Management and Implementation Plan, and Transport Investment Plan</p> <p>b. Related investments and expenses funded and realized</p> <p>c. Improvement in the quality of transport related infrastructure</p> <p>d. Institutional and technical capacity of pilot cities and stakeholders to implement transport and traffic management plans developed</p> <p>e. Improved traffic conditions in the pilot cities and adjacent localities</p> <p>f. Enhanced economic activities through better mobility of goods and services in the pilot cities and adjacent localities</p> <p>g. Integrated and more efficient local transportation systems</p> <p>h. Slum communities integrated with the existing social and economic infrastructure through accessible transport systems</p> <p>i. Reduced traffic related accidents</p> <p>j. Improvement in the environment due to reduction in noise and air pollution</p> | <p>a. Executive orders and local ordinances issued approving and adopting the formulated plans and recommendations</p> <p>b. Budget for transport investment plan approved and enacted</p> <p>c. Capacity development reports; delivery of expected project outputs led by project teams</p> <p>d. Traffic reports in major road areas</p> <p>e. Reports from the Business Permits and License Office</p> <p>f. Reports from the City Planning and Development Office and the City Engineering Office</p> <p>g. Reports from the City Social Welfare and Development Office</p> <p>h. Reports from the city Environment and natural Resources Office (CENRO)</p> |
| Evaluation     | <p>a. Institutional and technical capacity of pilot cities and stakeholders to evaluate projects developed</p> <p>b. Lessons learned recognized and issues resolved by the cities</p> <p>c. Cities and stakeholders prepared to sustain the implementation of the transport and traffic management plans</p> <p>d. Increase in the satisfaction level of stakeholders</p>   | <p>a. Capacity development reports; delivery of expected project outputs led by city project teams</p> <p>b. Lessons learned and resolution of issues documented in the PCR</p> <p>c. Implementation of sustainability programs; formation of transport and traffic management section in the cities</p> <p>d. Minutes of stakeholder consultation reports</p>   |
| Replication    | <p>a. Awareness and interest of non-pilot cities to undertake similar projects developed</p> <p>b. LCP capacity to implement similar projects established</p>   | <p>a. Expressions of interest from non-pilot cities secured</p> <p>b. Project replication strategy approved by the LCP Management</p>  |

## 17. Sources of investment to implement the CDS programme

Transport and traffic related projects identified in the Transport Investment Plan could be financed through various sources. Depending on the size of the investment projects, the pilot cities could utilize their 20% development fund to fund these projects. Another option is to secure credit from Government Financial Institutions for larger projects. Financial assistance from donors, such as the World Bank and the Japan International Cooperation Agency, is also an alternative.

The World Bank currently has a loan facility administered by the Land Bank of the Philippines through the Strategic Support to Local Development Infrastructure Project (S2LDIP) which could potentially offer assistance to fund the investment requirements that will be identified under this project.

## 18. Partnerships

The LCP will coordinate with the CDS Advisory Committee, composed of National Government Agencies (NGAs) (*National Economic and Development Authority, Department of the Interior and Local Government, Housing and Urban Development Coordinating Council and Department of Finance*) and International Financial Institutions (*World Bank, ADB, JICA and UN-Habitat*), to maximize the participation of NGAs and development partners in the project.

The Committee aims to provide access and establish the linkage between the investment requirements of CDS cities and available fund sources from bilateral and multilateral financial institutions and promote coordination and implementation of donor funded programs and projects in Philippine Cities.

The LCP, as implementer of the project, may collaborate with the appropriate national government agencies and the academe, such as the Metro Manila Development Authority (MMDA), the Department of Transportation and Communication (DOTC) and the UP-National Center for Transport Studies (UP-NCTS) to form a Project Advisory Committee that will provide technical and policy guidance to the implementation of the project. The MMDA is the national government agency which addresses the inter-local government unit (LGU) concerns of the cities and municipality in Metro Manila, such as transportation and traffic management, and provides technical assistance to LGUs in the subject of urban planning. The DOTC is the national government agency primarily responsible for the planning, programming, coordination, implementation and regulation of the transportation and communication networks in the country. The UP-NCTS, on the other hand, has extensive experience in the formulation of transport and traffic plans in the country and has been involved in the provision of technical assistance to LGU officials and staff on the subject.

The formation of the Project Advisory Committee is meant to enhance the technical aspect of the project and at the same time promote wider stakeholder participation. The project will ensure that the findings and the recommendations in each of the pilot city will be presented and discussed with their respective stakeholders, such as the business sector, civil society organizations, transport groups, through varied means such as consultations, dialogues and focus group discussions to enjoin broader inputs and support.

### Contact Persons:

| Name and Position  | Office   |
|--|--|
| Ms. Corazon Bautista-Cruz<br><i>Assistant General Manager for Planning</i> | Metropolitan Manila Development Authority  |
| Dr. Richard Sigua  | National Center for Transportation Study,<br>University of the Philippines (UP-NCTS) |
| Ms. Annelie Lontoc<br>Undersecretary for Road Transport                    | Department of Transportation and Communication                                       |

## 19. Government commitment and approval

Philippine cities participating in the City Development Strategy (CDS) Project have demonstrated commitment to improving the delivery of urban services, among which is the provision of efficient transportation and traffic management systems. The commitment of Cities participating in the project will be secured and formalized through a Memorandum of Agreement (MOA) with the LCP.

As proponent, the LCP is committed to pursuing interventions that will develop the capacity of cities to provide and manage urban infrastructure and services. The MMDA is also is supportive of improvements in

urban transport and traffic management across cities. Enclosed are the letters of commitment and support from the LCP and the MMDA and the LCP.

## 20. Implementation and Financing Plans

The LCP will implement the project. It will take charge in the formation of the Project Advisory Committee and the signing of the Memorandum of Agreement (MOA) with the pilot cities. Apart from the commitments in the MOA, each pilot city will be required to establish a **city project team** composed of technical representatives from the departments concerned with transport and traffic management. The city project teams will work with the project consultants to promote city ownership and facilitate technology transfer.

The World Bank will support the LCP as implementing partner of this project. It will provide technical inputs such as but not limited to the review of the project Terms of Reference and outputs of the project and the consultants. As co-sponsor of this proposal, the Japan International Cooperation Agency will also extend technical inputs to LCP in the implementation of this project. The MMDA, DOTC and the UP-NTCS will provide technical inputs and guidance as members of the Project Advisory Committee.

The LCP will also be responsible for the eventual replication and promotion of the project in other cities through a replication strategy which includes knowledge management and dissemination of innovations and lessons gained through the project.

## 21. Project Schedule and delivery targets

| PROJECT SCHEDULE                      | Month |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
|---------------------------------------|-------|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
|                                       | 1     | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 1. Preparatory Activities             | ■     | ■ |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| 2. Developing Stakeholder Involvement |       | ■ | ■ | ■ |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| 3. Diagnosis                          |       |   | ■ | ■ | ■ | ■ | ■ | ■ | ■ | ■  | ■  | ■  | ■  | ■  | ■  | ■  | ■  | ■  | ■  | ■  | ■  | ■  | ■  | ■  |
| 4. Plan Formulation                   |       |   |   |   |   |   | ■ | ■ | ■ | ■  | ■  | ■  | ■  | ■  | ■  | ■  | ■  | ■  | ■  | ■  | ■  | ■  | ■  | ■  |
| 5. Plan Implementation                |       |   |   |   |   |   |   |   |   |    |    | ■  | ■  | ■  | ■  | ■  | ■  | ■  | ■  | ■  | ■  | ■  | ■  | ■  |
| 6. Evaluation                         |       |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    | ■  | ■  | ■  | ■  |
| 7. Replication                        |       |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    | ■  |

| MILESTONES                      | Month |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
|---------------------------------|-------|---|---|---|---|---|---|---|---|----|----|----|----|----|----|----|----|----|----|----|----|----|----|----|
|                                 | 1     | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 1. Project Launch               | ■     |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| 2. Inception Report             | ■     |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| 3. Quarterly Progress Report    |       |   |   | ■ |   |   | ■ |   |   | ■  |    |    | ■  |    |    | ■  |    |    | ■  |    |    | ■  |    |    |
| 4. Draft Final Report           |       |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    |    |
| 5. Final Report                 |       |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    | ■  | ■  | ■  |
| 6. Knowledge Sharing Conference |       |   |   |   |   |   |   |   |   |    |    |    |    |    |    |    |    |    |    |    |    |    |    | ■  |

## 22. Financing Plan

This proposal requests for grant financing from the Cities Alliance in the amount of US\$500,000. Counterpart financing will be provided by the project partners in the amount of US\$531,312 in terms of staff time, supervision, transportation expenses, office space and equipment. The participating cities will provide in kind contribution amounting to US\$175,716 while the DOTC and the MMDA will each provide counterpart shares of US\$58,026. The LCP, as implementing agency, will provide in kind contribution in the amount of US\$131,544. The JICA is also expected to provide contribution in terms of technical expert inputs estimated at US\$68,700. The World Bank contribution is about US\$108,000 representing project supervision expenses.

The breakdown of the budget by component and by expenditure category is provided in the following table.

**A. CITIES ALLIANCE GRANT FINANCING**

| Components/Main Activities                     | Type of Expenditure (In US\$) |                     |                             |                    |       |
|--|-------------------------------|---------------------|-----------------------------|--------------------|-------|
|  | Total                         | Consulting Services | Training/ Capacity Building | Dissemination Cost | Other |
| <b>Project Activities/Phases</b>               |                               |                     |                             |                    |       |
| 1. Preparatory Activities                      | 10,000                        | 10,000              |                             |                    |       |
| 2. Developing Stakeholder Involvement          | 20,000                        | 10,000              | 10,000                      |                    |       |
| 3. Diagnosis                                   | 60,000                        | 40,000              | 20,000                      |                    |       |
| 4. Plan Formulation                            | 125,000                       | 100,000             | 25,000                      |                    |       |
| 5. Plan Implementation                         | 150,000                       | 125,000             | 25,000                      |                    |       |
| 6. Evaluation                                  | 20,000                        | 20,000              |                             |                    |       |
| 7. Replication                                 | 40,000                        | 10,000              |                             | 30,000             |       |
| <i>Subtotal:</i>                               | <i>425,000</i>                | <i>315,000</i>      | <i>80,000</i>               | <i>30,000</i>      |       |
| <b>Project Administration and Supervision</b>  |                               |                     |                             |                    |       |
| Independent Audit (1)                          | 10,000                        |                     |                             |                    |       |
| Supervision Costs (2)                          | 65,000                        |                     |                             |                    |       |
| a. fees/labor/wages                            |                               |                     |                             |                    |       |
| b. travel costs                                |                               |                     |                             |                    |       |
| c. office running costs                        |                               |                     |                             |                    |       |
| <i>Subtotal:</i>                               | <i>75,000</i>                 |                     |                             |                    |       |
| <b>TOTAL A (Cities Alliance Grant Request)</b> | <b>500,000</b>                |                     |                             |                    |       |

**B. CO-FINANCING**

|   |                |  |  |  |  |
|---|----------------|--|--|--|--|
| Co-financing Partner #1: Participating Cities | 175,716        |  |  |  |  |
| Co-financing Partner #2: LCP                  | 131,544        |  |  |  |  |
| Co-financing Partner #3: World Bank           | 108,000        |  |  |  |  |
| Co-financing Partner #4: JICA                 | 68,700         |  |  |  |  |
| Co-financing Partner #5: DOTC                 | 58,026         |  |  |  |  |
| Co-financing Partner #6: MMDA                 | 58,026         |  |  |  |  |
| <b>TOTAL B (Co-Financing)</b>                 | <b>600,012</b> |  |  |  |  |

**C. TOTAL**

|  |                  |  |  |  |  |
|--|------------------|--|--|--|--|
| <b>TOTAL PROJECT BUDGET COST (A+B)</b> | <b>1,100,012</b> |  |  |  |  |
|--|------------------|--|--|--|--|

**23. Expected currency of expenditure**

Into what currency will the grant funding (provided in US Dollars) be converted? **Philippine Peso**

What exchange rate assumptions have you used: **Php50: US\$1**

**24. Co-financing arrangements**

| Co-financing Source     | Description of Co-financing                                      |
|-------------------------|--|
| 1. Participating Cities | Technical staff time, workshop venue, office space and equipment |
| 2. LCP                  | Management and technical staff time, office space and equipment  |
| 3. World Bank           | Staff time for project supervision                               |
| 4. JICA                 | Management and technical expert time and inputs                  |
| 5. MMDA                 | Management and technical staff time, office space and equipment  |
| 6. DOTC                 | Management and technical staff time, office space and equipment  |

Is all co-financing confirmed / committed? **Yes**

**25. Costing Assumptions**

- Number of participating cities: Estimated at 15
- Project will hire only local consultants