



PROJECT IMPACT

Mindanao Basic Urban Services Sector Project Improves Urban Facilities

Asian Development Bank

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About This Publication

Over the last 4 decades, the Asian Development Bank (ADB) has been supporting the government's vision of a Philippines free of poverty. This publication focuses on a Mindanao-specific project loan and the impact stories and benefits this partnership has reaped.

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In this publication, "\$" refers to US dollars.

Mindanao Basic Urban Services Sector



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Key Messages

I am pleased to share the achievements of the Mindanao Basic Urban Services Sector (MBUSS) Project which have significantly improved the overall quality of life in Mindanao. Having the highest incidence of poverty in the country, Mindanao was quite left behind and its local government units (LGUs) could barely meet the requirements for basic urban infrastructure and municipal services with their meager resources. There was an urgent need to upgrade and expand infrastructure and improve the capability of the LGUs to provide and manage services and this was the gap that MBUSS aspired to fill. It also improved urban poor communities' access to basic municipal services and the LGUs' capacity to generate additional revenue for their coffers. During its implementation, the project saw subprojects being inaugurated one after another all over Mindanao: public markets, bus terminals, water supply systems, and local government facilities. From old and dilapidated structures, we now see elegant and modern facilities which give dignity to LGUs and elicit pride among local residents. We acknowledge the strong partnership that was cultivated by this project between the regional offices and the Project Management Office under the Department of Interior and Local Government, ADB for financing the infrastructure investment component, the Land Bank of the Philippines for onlending to the LGUs, the Nordic Development Fund which cofinanced the institutional capacity building, and most of all the participating LGUs in making the project a reality.



Neeraj Jain
Country Director
ADB Philippines Country Office

We designed the project with the beneficiaries in mind, mostly poor communities in Mindanao who would gain better access to basic services in their respective localities. The project was able to generate interest among LGUs, and proposals submitted represented local "demand." There is now a wider awareness of urban development priorities and it has opened up opportunities for future investments. These are important investments in priority infrastructure services, and they contribute to significant revenues. Most of these investments can be expected to be sustainable and may help the LGUs to invest in other key infrastructure services, or extensions of existing networks.



Florian Steinberg
ADB Senior Urban Development Specialist

Introduction

Aging and dilapidated municipal halls, unsanitary and leaking public markets, and makeshift or non-existent public terminals. This is what some government facilities in Mindanao looked like. ADB's Mindanao Basic Urban Services Sector (MBUSS) Project sought to improve the way Mindanawans live and transact local business by providing most of the funds to rehabilitate or construct new municipal or city-owned facilities. About 39 local government units (LGUs) availed of the project loan either for public markets, gymnasiums, transport terminals, heavy equipment, water supply systems, or municipal buildings. Aside from the infrastructure, capacity building of LGU executives was also built into the project so they can better manage and sustain the operations of the new facilities. The project benefited mostly poor towns in Mindanao that now have better access to upgraded basic services in their respective localities. It was implemented by the Department of Interior and Local Government (DILG) and the Land Bank of the Philippines. ADB provided a concessionary loan of \$30 million while the Nordic Development Fund cofinanced the institutional capacity building component.

Municipal Halls

Mahayag: From Dirtiest to Most Elegant Municipal Hall

In the 40-year-old municipal hall of Mahayag, Zamboanga del Sur, the municipal engineer's office was so cramped that it could only accommodate four applicants for building permits at a time. Only three other municipal offices could be housed there; other government agencies were housed elsewhere.

In contrast, the P16 million new Mahayag Municipal Hall not only houses the Municipal Engineer's Office but 14 other offices of the municipality and national government agencies as well. It is now a one-stop shop for all national and municipal government transactions. It is bigger and provides a better work environment



The new municipal building holds court beside the old municipal hall (at right) now being used as the municipal library



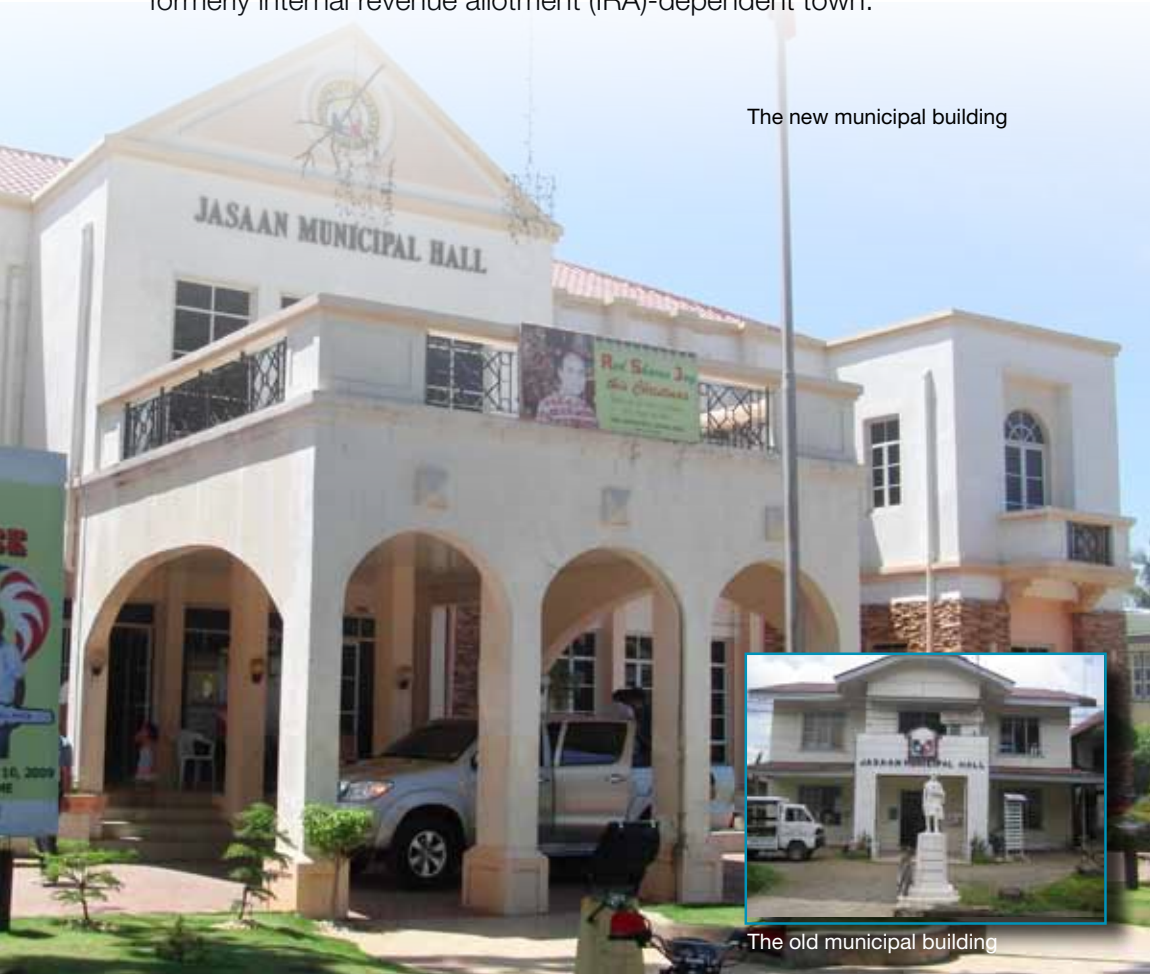
Interior of the new municipal building

for municipal personnel. As a result, the number of clients served has increased and the processing time of business permits was reduced. The new municipal hall is the most elegant and biggest town hall in Zamboanga del Sur. DILG Undersecretary Austere Panadero was so impressed by the building that he called it the “best municipal building in the whole of Mindanao” during its inauguration in 2005. It also promotes transparency since there are no walls between offices. “Before, Mahayag looked like it was left behind,” declared then Mayor Paulino Fanilag. “Now, no more. People pay their taxes because they can see where their taxes go.” Town revenues increased by at least 12% in 2005 as compared to 2004 figures. As a result, the town is now a second-class municipality. From being called the dirtiest municipality in Mindanao in 1997, Mahayag has turned its image around to become one of the cleanest municipalities in the province. MBUSS provided P8 million of the total project cost.

Jasaan: Preserving the “Old” with the “New”

There is greater ease in transactions and payments in the new P24 million municipal hall of Jasaan, Misamis Oriental, such that municipal collections now make up half of its total revenues. Previously, the town was mostly dependent on its Internal Revenue Allotment and the old municipal building could hardly cope with activities due to lack of space. Instead of demolishing the old municipal hall which was still structurally sound, Mayor Redentor S. Jardin, a civil engineer by profession, had it physically transferred “bayanihan style” near the new municipal hall. MBUSS made it possible for the old and new municipal halls to coexist in this formerly internal revenue allotment (IRA)-dependent town.

The new municipal building



The old municipal building

Datu Paglas: A Municipal Hall for Strategically-Located Autonomous Region in Muslim Mindanao Town

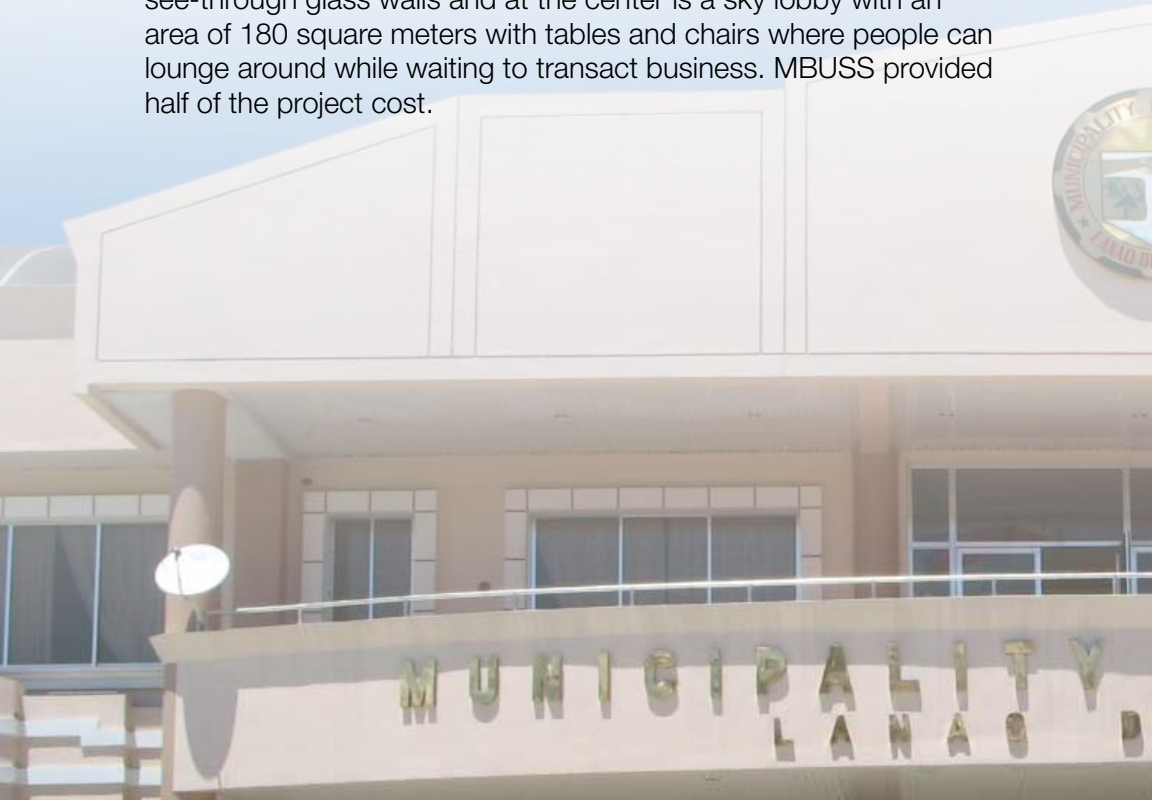
Datu Paglas, Maguindanao, is one of the most progressive towns in the Autonomous Region in Muslim Mindanao but remains a fourth-class municipality. While it thrives on its vast banana plantations, the municipality is strategically located along the national highway and accessible to major trading centers and market outlets in Maguindanao and Cotabato. It has embarked on several socio-economic development projects to improve the quality of life of residents. The town availed of a P16 million MBUSS loan for its municipal hall.



The new municipal hall

Kapatagan: A Town Emerges from Ruins

Kapatagan in Lanao del Norte suffered considerably during the conflict between government forces and the rebels in the early 2000s. The town center was bombed and houses were burned and leveled to the ground. The old town hall was also affected and was in such a dilapidated state that it could not provide constituents with efficient service. From the ruins, the LGU embarked on a massive reconstruction of the town as it implemented resettlement housing, constructed school buildings, and restored the mosque, among others. Part of the reconstruction is a new P32 million municipal hall which stands as one of the most elegant municipal halls in Mindanao today. The building's interior shows transparency and ease in the delivery of services. The completion of the building is a manifestation of the LGUs' pursuit to balance socioeconomic development and improve the quality of life of its residents. The municipal hall is a two-story building with a total area of 2,800 square meters. Offices have see-through glass walls and at the center is a sky lobby with an area of 180 square meters with tables and chairs where people can lounge around while waiting to transact business. MBUSS provided half of the project cost.





The new municipal building interior (above)
and facade (below)



Jabonga: A Center for Government, Not Just a Municipal Hall

The old town of Jabonga, Agusan del Norte, was a fourth-class municipality that was IRA-dependent. It is closely associated with Lake Mainit, the fourth largest fresh water lake in the country. Its municipal hall was built in 1925 and was the same building being used for decades, undergoing just minor repair and repainting. It was rundown and unable to accommodate all personnel, much less all the local and national agencies. In its new P12 million Government Center/Municipal Hall, inaugurated in July 2006, it now has adequate office space in its three-story building and has significantly improved working conditions for all its employees. It has also been upgraded as a third-class municipality. Calling it a Government Center, and not just a Municipal Hall, is only fitting. MBUSS provided P7 million of the total project cost.



Public Markets

Dumalinao: Sleepy Town Gives Peace a Chance

A third-class municipality, Dumalinao in Zamboanga del Sur was a sleepy town that hardly had any economic activity decades ago. Today, however, with the favorable impact of the peace process, the town has a vibrant local economy with more traders and buyers from neighboring towns engaging in local business. The new public market was completed in 2005 at a cost of P15 million and generates additional income with its 117 stalls serving the municipality's 30,000 residents. MBUSS provided P9 million of the total project cost.



The market dry section



Facade of the market

The old Ozamis City Public Market was old and much dilapidated



The new Ozamis City Public Mall puts the city on the map, being the trade center of Misamis Occidental



Ozamis City: Big Bright Mall Puts City on the Map

Ozamis City in Misamis Occidental had a very dilapidated decades-old public market that had wide gaping holes on its roof, making the vendors scamper away with their goods in tow when it rained. Women vendors joke that when it rains—and it rains a lot in this city—it pours both inside and outside the public market. Nowadays, the city has more than just a public market but a public mall. It is the biggest subproject of MBUSS and is considered a world-class market facility. The mall is brighter, more spacious and secure, and sanitary. Built at a cost of P166 million, the public mall is a two-story edifice with 15,484 square meters of available space and facilities for market-goers and stallholders. It can accommodate up to 136 stalls and 18 rentable spaces for commercial establishments and offices. Commercial operations started in May 2009. MBUSS provided P114 million of the total project cost.

Ozamis City used to be known as Misamis City. It was renamed after Jose Fortich Ozamiz, touted as the “forgotten hero of Misamis” because he is virtually unknown among his fellow residents in the province despite being its first governor, and its only Senator, and his pioneering work in the resistance movement during World War II. A public mall in his honor certainly makes his memory live on.





Meat vendor Lani dela Vega (second from left) and other vendors point to the gaping holes in the old Ozamis City public market



At the new Ozamis City Public Mall, Lani dela Vega points to the new and more modern roof, with just a skylight and no holes

Guipos: More Space for More Facilities

The old market facility in Guipos, Zamboanga del Sur, lacked space and had waste management issues. In the new P17 million public market, vendors and consumers benefit from convenient and accessible facilities. The existing three-story and single-story commercial buildings were renovated. There is a new two-story building, wet market section, dry goods section, vehicle shed, public toilet, and guardhouse. The building area is more than 1,000 square meters with an elevated water tank and drainage system. With the new public market, the LGU is generating additional revenues with increased economic activities. Guipos, a fourth-class municipality, is now geared toward sustaining its economic development. MBUSS provided P15 million of the project cost.



The old public market



The rehabilitated old market with a third floor for eateries



The wet section of the new market

Hagonoy's Old Market Gives Way to New Market

The P6 million municipal market was opened in 2009 to serve the town's 50,000 residents. It has 45 stalls. MBUSS provided P5 million of the project cost.



The old Hagonoy public market



The new Hagonoy public market

Datu Odin Sinsuat: Mayor Fulfills Father's Dream of a New Public Market

The old market in Datu Odin Sinsuat was razed by fire in the early 2000s. Thus, a new public market was urgently needed by market vendors. With the MBUSS project, the P60 million new Dalican public market became a reality. Former Mayor Datu Ombra Sinsuat started the legwork for the project, and, when he stepped down after his three-term limit, it was ardently pursued by his son, Mayor Datu Lester Sinsuat who succeeded him. The younger mayor vowed to complete the public market, to spur socioeconomic development and promote trade and investments in the town, which is emerging as a commercial and industrial boom town in Maguindanao. Inaugurated in January 2006, the public market is considered a prime local venture that not only provides modern and convenient amenities to local traders and market goers but generates substantial revenues for the municipal government. The public market has two design structures. The perimeter structure has a total floor area of 3,244 square meters for 160 stalls, hallways, water system, comfort rooms, electrical room, and administration office. It also has two open buildings as the wet market section with a total floor area of 577 square meters. In addition, there is a two-story corner structure for commercial lease. MBUSS provided P54 million of the total project cost.

The new public market



Makilala: Old and New Public Markets Side by Side

The public market in Makilala, North Cotabato, is an extension of an existing but much older public market. It has 68 stalls and the new market section is for dry goods. It serves the city's 70,000 residents. With the P23 million new public market, there is an increase in economic activity with more business permits issued, at an average of 60 new investors annually. The increases in the volume of meat and fish being supplied to the market and in the average gross annual income of stallholders are the baseline data being monitored to gauge the impact of the market. MBUSS provided P20 million of the total project cost.



The old public market



The new public market

Alicia: Trading Is Robust in This Gateway to Zamboanga Sibugay

Local residents and market vendors of Alicia, a third-class municipality in Zamboanga Sibugay, had long been clamoring for a new public market due to the congestion and the dilapidated condition of its 30-year-old market. Aside from its sorry state, the old market had illegal stall occupants, inadequate water supply, unattended garbage, and unsanitary condition. With increasing economic activities brought about by good harvest from farming and fishing activities, the need for a new public market was evident. In 2006, the P13 million new public market in Alicia was opened to serve its 33,000 residents. It has 32 stalls in the fish and meat sections. The well-designed new public market serves more than two-thirds of Alicianons and a third of the population of the adjacent towns of Mabuhay, Olutang, Payao, and Talusan. The coastal town of Alicia is the only access to nearby towns and provinces and is therefore the gateway to the eastern seaboard of Zamboanga Sibugay. MBUSS provided P7 million of the total project cost.



The new public market

R. T. Lim: Better, Safer, and Cleaner

The P17 million market in the young town of Roseller T. Lim, Zamboanga Sibugay, was completed in 2005 to serve the town's 42,000 residents. One of the main features of the subproject is the community participation process which was much appreciated by stakeholders. The clamor of consumers, ambulant vendors, and stallholders was for a better market place that is safe and convenient. The result is the construction of the two dry market buildings and one wet market building. Sanitation was improved in the area where garbage used to be indiscriminately dumped in the center of the 30-year-old public market area. R. T. Lim was once part of Ipil town and became independent in 1982. With its new public market and the better trading environment, it is closer to making its Comprehensive Development Plan a reality. MBUSS provided P9 million of the total project cost.



Market's dry section



Market's wet section



Barobo: Brighter in Yellow

The new P18 million public market in the third-class town of Barobo, Surigao del Sur, serves the town's 42,000 residents. It was completed in March 2009 and has 165 stalls. MBUSS provided P16 million of the total project cost.



The new public market

Cabadbaran: A Resurgence in the Town's Economic Activities

The 50-year-old public market in the town was an eyesore with its old and dilapidated structure and deteriorated drainage and water system. It was congested and could not cope with increasing local commerce and trading activities. In contrast, the P13 million new public market in Cabadbaran, Agusan del Sur, has aesthetic features that instill a sense of pride and renewed enthusiasm among market vendors. It took off from the unfinished public market structure funded by Senator Teofisto Guingona which was expanded, and, where required, additional facilities were put in place. Residents say it signaled the resurgence of the town's socioeconomic progress, being strategically located along the growth corridor of Region XIII. It also significantly improved the social and environmental conditions of both vendors and consumers and addresses its current and future development needs. MBUSS provided almost P12 million of the total project cost.



The new public market

Mati: Addressing the Town's Many Infrastructure Needs

The old public market was overcrowded, with alleys and open spaces occupied and with a poor drainage system that resulted in constant flooding and unsanitary surroundings after heavy rains. Part of the town's development strategy to becoming a city is addressing the infrastructure needs of the municipality, including the construction of a modern public market to serve more residents and generate income for the municipality. The P80 million new public market in Mati, Davao Oriental, has 588 stalls to serve the city's 109,000 residents. It has been in operation since 2008. The market is situated in a 1.42-hectare area adjacent to the newly constructed overland public transport terminal, and where banks, schools, agricultural supplies and hardware stores, and other commercial and institutional establishments are operating. MBUSS provided P71 million of the total project cost.



The new public market



Facade of the Panabo Integrated Bus and Jeepney Terminal



Buses line up at the terminal

Terminals

Panabo: Bus Terminal Establishes Panabo as Gateway to Davao City

Before the realization of its transport terminal, residents of Panabo City in Davao del Norte would envy transport terminals of other towns since they did not have a terminal of their own. Being next door to Davao City, they realized the town should capitalize on this proximity. They only had a makeshift and outdoor gym as a terminal where buses pass by to pick up passengers. Today, Panabo City has an integrated bus and jeepney terminal that can rival the major modern terminals in Mindanao. Built at a cost of P38 million, the terminal established the town as *the* gateway to Davao City. The terminal provides safety, comfort, ease of mobility, and transport to commuters and passengers to and from Davao City and the northern part of Davao Province. It has been operational since 2006. MBUSS provided P30 million of the total project cost.



Before Panabo had its terminal, it was using this old gym as a new terminal for 8 years



Exterior shot of the terminal



Buses line up for passengers at the terminal



Interior shot of the terminal

Kidapawan: New Facilities Improve City's Infrastructure Landscape

The P65 million Integrated Transport Terminal in Kidapawan City in North Cotabato is combined with a public market to serve this fourth-class city's 60,000 inhabitants. Buses and vans from the cities of Davao, General Santos, Koronadal, and Tacurong, among others, wait at the terminal for passengers who are ferried there by tricycles. The terminal is a priority urban infrastructure investment of the City Government headed by Mayor Rodolfo Gantuangco. The terminal is situated in a 2.4-hectare area approximately less than a kilometer away from the old bus terminal at the back of the public market. It has loading and unloading bays for buses and jeepneys, public parking areas, and spaces for commercial stallholders and general vending. It includes a building for bus line offices, waiting areas, ticketing booths, comfort rooms, and related amenities. Other facilities include internal roadways and external roads to provide easy access to and from the terminal and storm water drainage channels. MBUSS provided P34 million of the total project cost.



Water Supply Systems

Naawan: Water System Brings Joy to Christmas Town

The fourth-class municipality of Naawan, Misamis Oriental, is just one hour away from Cagayan de Oro City. It was an unheard town until it got national front-page exposure when it bagged the “Christ masterpiece: Bayanihang Pasko 2005” grand prize beating major cities and towns nationwide. Naawan won the landmark Christmas competition with its colorful “Arch of Friendship: Building Future with People” entry. However, behind its fertile creativity was an urgent need for basic services, specifically for potable water.

In 2003, its water system only served over 500 households. As such, the town applied for a potable water supply system in the amount of P16 million to improve sanitation and upgrade the old system to level 3 and reach more households. Old pipelines were replaced with new ones, and a new 220-cubic meter capacity reservoir was put up. A 10-horsepower pump, one of two to be found at the time, was replaced with a more powerful 25-horsepower pump to boost capacity and cater to the 60-cubic-meter-per-hour requirement of a newly established copper industrial plant nearby. The improvement and expansion of the water system covered three coastal communities, the población and the towns of Manticao and Lugait. With the expansion, almost 1,400 households, or more than 10,000 residents, began to benefit from the water system, including the 300 households in neighboring municipalities. The water supply system was completed in 2005, ahead of schedule. So, in Naawan, water is now “naawas,” or overflowing, not only in this town but to adjacent towns as well for additional revenue. MBUSS provided P9 million of the total project cost.

Impasugong: Cowboy Town Benefits from Water Supply System

The new water supply system in Impasugong, Bukidnon, home of “the country’s finest cowboys,” has connected some 1,300 households in the poblacion and neighboring barangays to running potable water for 24 hours a day. The system requires less energy for pumping since most of the distribution is gravity based. Operations have been ongoing since 2008. The P25 million subproject significantly reduced the incidence of waterborne diseases while generating additional revenues for this progressive town. The water supply system was initiated by Mayor Mario Okinlay who closely coordinated with the Department of Interior and Local Government for the feasibility study and investment package. He himself attended the capacity-building workshops and ensured the completion of the project, one month ahead of schedule. MBUSS provided P24.5 million of the total project cost.



Impasugong water tank



Mayor Mario Okinlay (in cowboy hat) with visiting members of the ADB Board in early 2011

Claveria: Blue and Beige for Water Facility

The project cost of the water supply system was P72 million, for which MBUSS provided P38 million and the Land Bank provided a P28 million loan. The LGU shouldered almost P8 million of the project cost.



The new water system

Gym/Sports Complexes

San Isidro: A Venue for Sports and Cultural Activities

What used to be a sleepy community of San Isidro, a fifth-class municipality in Surigao del Norte, is now a vibrant one with several development projects. The resourcefulness and relentless efforts of the LGU to provide essential infrastructure in the town center has resulted in the realization of its own Municipal Gymnasium. The P12 million gym in San Isidro, Surigao del Norte, serves as the center for sociocultural and sport activities in the municipality. It was inaugurated in May 2006. MBUSS provided almost P8 million of the total project cost.



Interior of the gym

Facade of the gym

Kolambogan: A Center for Youth-Oriented Activities and Trade Fairs

The completion of the P19 million gym in Kolambogan, Lanao del Norte, was eagerly awaited by youth and civic organizations. It was after all a major urban infrastructure undertaking of the fourth-class town that will serve as a public enterprise facility for sociocultural activities, sports events, and exhibit center for agro-industrial trade fairs. MBUSS provided almost P15 million of the total project cost.



Tangub: A Showcase Town in Region X

Tangub's massive multimillion-peso sports and commercial complex aims to establish this third-class city as the sports capital of Misamis Occidental, if not of this region, with the strong commitment of its local chief executive. The project cost is P107 million, for which MBUSS provided almost P77 million.



Mindanao Basic Urban Services Sector Project

Improves Urban Facilities

Project Impact

ADB's Mindanao Basic Urban Services Sector (MBUSS) Project sought to improve the way Mindanawans live and transact local business by providing funds to rehabilitate or construct new facilities. About 39 local government units availed of the project loan either for public markets, gymnasiums, transport terminals, heavy equipment, water supply systems, or municipal buildings. The project benefited mostly poor towns that now have better access to upgraded basic services in facilities of which they can be proud.

About the Asian Development Bank

ADB's vision is an Asia and Pacific region free of poverty. Its mission is to help its developing member countries reduce poverty and improve the quality of life of their people. Despite the region's many successes, it remains home to two-thirds of the world's poor: 1.8 billion people who live on less than \$2 a day, with 903 million struggling on less than \$1.25 a day. ADB is committed to reducing poverty through inclusive economic growth, environmentally sustainable growth, and regional integration.

Based in Manila, ADB is owned by 67 members, including 48 from the region. Its main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance.

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