

## Philippines : Metro Manila Flood Management

### 1. Project Information

Project ID:	P000023	Instrument ID:	L0023A
Member:	Philippines	Region:	South-Eastern Asia
Sector:	Water	Sub-sector:	Water disaster resilience
Instrument type:	<input checked="" type="checkbox"/> Loan:207.60 US Dollar million <input type="checkbox"/> Guarantee	Lead Co-financier (s):	World Bank
ES category:	A	Borrowing Entity:	Department of Finance, Philippines
Implementing Entity:			
Project Team Leader:	Ronald Muana		
Responsible DG:	Rajat Misra		
Responsible Department:	INF1		
Project Team Members:	Odil Akbarov, OSD - Social Development Specialist; Liu Yang, Project Counsel; Yi Geng, OSD - Financial Management Specialist; Gerardo Pio Parco, OSD - Environment Specialist; Rabindra Shah, OSD - Procurement Specialist; Jinghui Li, Project admin		
Completed Site Visits by AIIB:	Mar, 2018 Mar. 5-12, 2018 Oct, 2018 Oct. 1-10, 2018 Jun, 2019 Jun. 3-7, 2019 Jan, 2020 Jan. 20-24, 2020 Dec, 2020 Dec. 7 – 10, 2020 (virtual) Apr, 2021 Apr 12-16, 2021 (virtual) Jan, 2022 Jan-Feb 2022 (virtual) Aug, 2022 August 10, 2022 (Site-inspection: PTL Ronald Muana) Oct, 2022 October 19 to Nov 4, 2022 (Supervision mission: online participation by PTL Ronald Muana, Gerry Parco, Odil Akbarov) Mar, 2023 March 27 to April 4, 2023 (Supervision mission: PTL Ronald Muana, Gerry Parco, Odil Akbarov)		
Planned Site Visits by AIIB:	Jul, 2023 Proposed supervision mission with WB. On-site		
Current Red Flags Assigned:	1		
Current Monitoring Regime:	Regular Monitoring		
Previous Red Flags	1		

Assigned:	
Previous Red Flags Assigned Date:	2022/11

## 2. Project Summary and Objectives

The Project aims to improve flood management in selected areas of Metro Manila. The Project focuses on about 56 potentially critical drainage areas with an approximate land area of 11,100 ha or over 17 percent of the total area of Metro Manila. The total population of these drainage areas is estimated at 3.5 million while the direct Project beneficiaries, i.e., those adversely affected by regular flooding, are estimated at 1.7 million.

The project objective will be achieved through the following activities: (i) modernizing drainage areas, involving the construction of new pumping stations or rehabilitation of existing ones and associated drainage infrastructure; (ii) strengthening of solid waste collection and disposal; and (iii) supporting participatory housing and resettlement, involving land acquisition, housing construction, rental support and livelihood assistance.

## 3. Key Dates

Approval:	Sep. 27, 2017	Signing:	Dec. 19, 2017
Effective:	Mar. 15, 2018	Restructured (if any):	
Orig. Closing:	Nov. 30, 2024	Rev. Closing (if any):	

## 4. Disbursement Summary (USD million)

Contract Awarded:		Cancellation (if any):	0.00
Disbursed:	27.75	Most recent disbursement (amount/date):	1.30/Mar. 29, 2023
Undisbursed:	179.85	Disbursement Ratio (%) <sup>1</sup> :	13.37

## 5. Project Implementation Update

**Component 1 - Modernizing Drainage Areas.** This component includes the rehabilitation of 25 pumping stations (PS) and the construction of 9 new pumping stations. Since the November 2022 supervision mission, significant progress has been achieved. Out of 25 PS for rehabilitation, one PS has been completed; six PS (three in previous PIMR) are under implementation; seven PS (four in previous PIMR) are under bid evaluation; and the remaining eleven PS are in bid document preparation. The site identification for the nine new PS has been finalized and land acquisition is ongoing. For the five dredging contracts, three have been awarded and two are under bid evaluation. For the improvement of PS facilities, one contract has been awarded; one is under bid evaluation; and four are being prepared for bidding.

**Component 2 - Minimizing Solid Waste in Waterways.** For the facility-based initiatives, the MMDA currently produces waste recycling products at the Vitas PS. A pilot waste-to-energy (WTE) system is being tested in Vitas PS while a water hyacinth processing facility has been completed in the Tapayan PS. Community-based activities for solid waste management (SWM) such as the operation of

<sup>1</sup> Disbursement Ratio is defined as the volume (e.g. the dollar amount) of total disbursed amount as a percentage of the net committed volume.

mobile materials recovery facilities (MMRF), pilot community-based composting projects, and information, education, and communication (IEC) campaigns in the project drainage areas are reaching more barangays. Under metro-wide interventions, the Management Information System (MIS) is being developed. **Component 3 - Participatory Housing and Resettlement.** DPWH has achieved significant progress on the relocation of informal settler families (ISFs) in the Vitas site. Out of 227 ISFs, the Project has now successfully relocated 199 ISFs to Trece Martires, Cavite. The remainder of ISFs from this site are targeted to be resettled before end of July 2023. **Component 4 - Project Management.** The overall management of the Project has improved, and the DPWH and MMDA teams are using the established cloud-based project monitoring dashboards. **Next Steps.** For component 1: DPWH has targeted to award all major PS contracts on or before Jan 2024. DPWH has ongoing land acquisition activities in partnership with the local government. Land acquisition for the new PS sites is targeted to before the end of 2023. For component 2: MMDA will update the component 2 subproject list and indicator targets by July 2023. For component 3, DPWH targets to resolve the remaining Vitas PS ISF cases; Prepare Resettlement Completion Report by the end of July 2023. As discussed in the last PIMR, the updated work plans confirm that the project needs to be extended by 24 months to complete all the contracts, particularly the 9 new PS. This would bring the loan closing date from Nov 2024 to Nov 2026. The implementing agencies, DPWH and MMDA, have initiated the loan restructuring process, the first step of which is the approval of a restructuring package by the National Economic Development Authority (NEDA) and the Department of Finance (DOF). Once approved, the official restructuring request will be sent to AIIB and WB. AIIB and WB team has closely advised DPWH and MMDA in the preparation of the restructuring package, which is targeted to be submitted to NEDA by June 15, 2023. It is estimated to take around 6 months to go through the NEDA and DOF approval processes. The next supervision mission is planned for July 2023 to follow through on progress and action items toward project restructuring and closely reviewing resettlement progress.

Components	Physical Progress	Environmental & Social Compliance	Procurement
Component 1: Modernizing drainage areas (USD168.84 million)	<p>The modernization of the Balut Pumping Station (PS) has been completed.</p> <p>Ongoing works in Vitas PS at 68% completion; Labasan PS at 65%; Paco PS at 74%.</p> <p>Works at Makati, Libertad, and Sta. Clara Pumping Stations has recently commenced.</p>	<p>E&amp;S implementation overall in compliance with the approved plan</p> <p>DPWH and MMDA have committed to securing required regulatory permits for pumping stations by July 2023</p> <p>DPWH committed to completing the initial environmental due diligence for all new PS by May 2023.</p> <p>DPWH received a formal complaint from ISFs in Magsaysay Street in Malabon City and is working on resolving the issue.</p>	<p>Batch 1 PS, Tripa de Gallina site, is under bid evaluation.</p> <p>Batch 3 PS, 11 Malabon City sites, are all under bid preparation.</p> <p>9 New Pumping Station contracts are all under bid preparation.</p> <p>Minor contracts undergoing procurement include the procurement of mobile pumps, and dredging of Paco, Sampaloc, and Libertad waterways.</p>
Component 2: Minimizing solid waste in waterways (USD21.6 million)	Procurement of solid waste management and cleaning equipment (USD 2 million) has been completed.	<p>E&amp;S implementation overall in compliance with the approved plan.</p> <p>MMDA committed to securing regulatory permits for the solid</p>	MMDA will finalize the updated sub-project list by the end of May 2023. Technical and procurement documents are under

		waste management pilots.	preparation.
Component 3: Participatory and housing and resettlement (USD7.64 million)	Thirteen (13) pumping stations (PS) are anticipated to involve the relocation of informal settler families (ISFs) – Paco, Vitas, Herrera, Artex, Acacia, Magsaysay, Merville, Niugan, Balot, Maysilo, Dona Imelda, F. Manalo, Tatalon.	<p>E&amp;S implementation overall is in compliance with the approved plan. There are on-going resettlement for the Paco and Vitas sites; finalization of RAP for 8 Malabon City sites targeted to completed by June 30, 2023; on-going census preparation for Dona Imelda, F. Manalo, and Tatalon sites targeted to be completed by July 2023..</p> <p>Past delays were related to slow process of local governments (LGUs) who mandated with resettlement activities. DPWH has worked closely with the LGUs to streamline the process and the resettlement activities have gain momentum. Lessons learned from past resettlement activities will be adopted for succeeding ones.</p> <p>The required budget to implement resettlement and other safeguards activities are fully mobilized.</p> <p>A joint mission by World Bank and AIIB is scheduled in July and will review the resettlement progress, and coordinate with the client and key stakeholders the implementation of commitments.</p>	n/a
Component 4: Project management and coordination (USD9.0 million)	All consultants are on board for both agencies.	n/a	n/a

**Financial Management:**

The agencies are in general compliance with financial covenants.

The AIIB-WB team is closely monitoring the progress of ongoing procurement against updated work plans.

**6. Status of the Grievance Redress Mechanism (GRM)**

The project Grievance Redress Mechanism (GRM) of both implementing agencies is operational and continues to register grievances.

(For registered grievances, please refer to section 11)

**7. Results Monitoring (please refer to the full RMF, which can be found on the last page of this PIMR)**

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As of May 2023, ongoing works in 6 pumping stations (Vitas, Labasan, Paco, Makati, Libertad, and Sta. Clara) will contribute the following

additional results upon completion:

2,345 ha flood-prone area free from flooding

275,289 direct project beneficiaries

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**Remarks:**

The implementing agencies are updating the project's key performance indicators as part of the proposed restructuring targeted to be submitted within July 2023.

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