

## Project Implementation Monitoring Report (#18)

Reporting Period From 2023/12 To 2024/05

## 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:	PSC1		
Project Team Members:	Geanella Allyson Cruz, SFD - Multiple Specialists; Liu Yang, Project Counsel; Yi Geng, SFD - Financial Management Specialist; Purnendu Pathak, SFD - Procurement Specialist; Roberto Tordecilla, SFD - Social Development Specialist; David Rollinson, SFD - Environment 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 (Joint supervision mission with World Bank: online participation by PTL Ronald Muana, Gerry Parco, Odil Akbarov) Mar, 2023 March 27 to April 4, 2023 (Joint supervision mission with World Bank: PTL Ronald Muana, Gerry Parco, Odil Akbarov) May, 2024 May 27 to 31, 2024: Joint supervision mission with WB: PTL Ronald Muana, Roberto Tordecilla, David Rollinson Nov, 2024		

## Project Implementation Monitoring Report (#18)

Reporting Period From 2023/12 To 2024/05

	Nov 27 to Dec 1 (Joint supervision mission with World Bank; PTL Ronal Muana, Roberto Tordecilla)
Planned Site Visits by AIIB:	Oct, 2024 Joint supervision mission with World Bank
Current Red Flags Assigned:	1
Current Monitoring Regime:	Regular Monitoring
Previous Red Flags Assigned:	1
Previous Red Flags Assigned Date:	2023/11
Brief justifications for assigned red flags:	Project delay of more than 12 months.

**2. Project Summary and Objectives**

The Project aims to improve flood management in selected areas of Metro Manila. The Project focuses on about 56 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:	46.59	Latest disbursement (amount/date):	0.23/Jun. 10, 2024
Undisbursed:	161.02	Disbursement Ratio (%) <sup>1</sup> :	22.44

**5. Project Implementation Update**

<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.

**Project Implementation Monitoring Report (#18)**

Reporting Period From 2023/12 To 2024/05

---

The project is over 12 months delayed from carried-over delays from the COVID-19 Pandemic lockdowns and start-up issues. Project supervision has focused on addressing bottlenecks to recover the accumulated delays and providing guidance to the Project Implementing Agencies in preparing a restructuring request. Below are key updates per component:

**Component 1: Modernizing Drainage Areas**

- To date, fifteen PS have been rehabilitated, thirteen are ongoing, and the remaining six PS are projected to be awarded by July 2024.
- New Pumping Stations. The bid opening for the four new PS has been conducted on May 28, 2024.
- Presently, 500,000 people have already benefitted from flood protection investments.

**Component 2 - Minimizing Solid Waste in Waterways.**

- The facility-based, community-based, and Metro Manila-wide interventions are ongoing.
- A feasibility study for a Centralized Material Recovery Facility (MRF) is ongoing and is planned to be completed by Q2 2024.
- The joint WB and AIIB teams are working with MMDA to consolidate the remaining activities
- The target reduction in the volume of solid wastes has been exceeded with a 70% reduction against a target of 50%

**Component 3 - Participatory Housing and Resettlement.**

- Around 600 informal settler families (ISFs) need to be resettled under the project. All 283 ISFs in Vitas have already been relocated; 258 were moved to the government resettlement site in Trece Mártires, Cavite, and the remaining 25 were assisted with self-relocation. Livelihood measures continue to be carried out at the resettlement site.
- For Batch 3 PS, out of the 106 ISFs for relocation to Panghulo, Malabon, 70 have been relocated while 28 are to be relocated by August 2024.
- The RAPs for Magsaysay and Dona Imelda sites are targeted to be finalized by the end of July 2023

**Restructuring:**

- The project implementing agencies (PIAs) requested the Philippine government for restructuring. Restructuring request includes: loan closing date extension of 24 months, partial loan cancellation of USD 45 million (USD 22.5 million for AIIB, i.e. 10.8%); and adjustment of KPIs
- The request for restructuring secured approval at the National Economic Development Authority (NEDA) Technical Board and NEDA Cabinet Committee on May 30, 2024, and June 11, 2024, respectively. Final NEDA Board approval is targeted by early July 2024. DOF letter for restructuring is expected by the end of July 2024.

**Key Action Items:**

- MMDA: Securing the land for the centralized and decentralized MRF is a critical path. The Chairman of MMDA has committed to pursuing multiple potential locations in parallel and aims to have them signed by August 2024.
  - DPWH: Finalizing land possession of the sites for the four new PS should be immediately resolved before August 2024, to ensure contractor mobilization will be unimpeded.
-

**Project Implementation Monitoring Report (#18)**

Reporting Period From 2023/12 To 2024/05

Components	Physical Progress	Environmental & Social Compliance	Procurement
<p>Component 1: Modernizing drainage areas (USD168.84 million)</p>	<ul style="list-style-type: none"> <li>• 15 PS for rehab have been completed (+13 since Q4 2023)</li> <li>• 13 PS for rehab are ongoing (+7 since Q4 2023)</li> <li>• 6 PS for rehab are for award by July 2024</li> </ul>	<p>E&amp;S implementation overall in compliance with the approved plan. Environmental and Social Management Plans (ESMPs) and ESMP monitoring checklist for updating by end of June 2024.</p>	<p>Bid opening for the four (4) new Pumping Station conducted in May 28, 2024. Target award by August 2024.</p> <p>The Team is regularly monitoring the status of procurement activity to avoid further delays.</p>
<p>Component 2: Minimizing solid waste in waterways (USD21.6 million)</p>	<p>On-going implementation of awarded contracts:</p> <ul style="list-style-type: none"> <li>• Implementation of the community-based solid waste management program (Batch 2) on track</li> <li>• Pyrolysis pilots at Vitas and San Andres sites are physically completed. On final stages of completion of environmental certificates for operation. Targeted for full operation by Dec 2024</li> <li>• Centralized and decentralized Materials Recovery Facility (MRF) under preparation. Target to secure land by Aug 2024 to remain on track to finish by extended loan closing date.</li> </ul>	<p>E&amp;S implementation overall in compliance with the approved plan. MMDA to expedite compliance with the regulatory requirements for SWM facilities, i.e., environmental compliance certificate (ECC) amendment and ECC transfer of ownership</p>	<p>Three (3) packages (Processing and Conversion of Water Hyacinth into Eco Pots, Supply and Delivery of a Portable Weigh-in-motion Axle Weigher, and Consulting Services for the Planning and Demonstration of Community-Based Solid Waste Management Initiatives - Batch 2) amounting to US\$2.7 million in total are at the stage of procurement evaluation or award preparation.</p>
<p>Component 3: Participatory housing and resettlement (USD7.64 million)</p>	<ul style="list-style-type: none"> <li>• Around 600 ISFs need to be resettled under the project. All 283 ISFs in Vitas have already been relocated; 258 were moved to the government resettlement site in • Trece Mártires, Cavite and the remaining 25 were assisted with self-relocation. Livelihood</li> </ul>	<p>E&amp;S implementation overall complies with the approved plan. The latest visit to relocation sites yielded the following recommendations:</p> <ul style="list-style-type: none"> <li>• Follow up on the livelihood support from the LGU for the resettled ISFs from Oreta Compound.</li> <li>• Coordinate with local authorities to protect project sites from encroachers.</li> </ul>	<p>n/a</p>

**Project Implementation Monitoring Report (#18)**

Reporting Period From 2023/12 To 2024/05

	<p>measures continue to be carried out at the resettlement site.</p> <ul style="list-style-type: none"> <li>• For Batch 3 PS, out of the 106 ISFs for relocation to Panghulo, Malabon, 70 have been relocated while 28 are to be relocated by August 2024.</li> <li>• The RAPs for Magsaysay and Dona Imelda sites are targeted to be finalized by the end of July 2024</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure proper OHS/hazard mitigation measures are in place at construction sites.</li> <li>• Improve Livelihood Restoration Program (LRP) implementation, starting with a third-party review of Vitas ISF resettlement.</li> </ul> <p>The team will monitor the implementing agency's progress on these recommendations.</p> <p>The PMU is coordinating with local authorities i.e. officials of barangay (villages) regarding the protection of project sites from encroachers. Barangays have assigned staff to make rounds through project sites and report findings to the PMU. Incidents of re-encroachment has been prevented by this system.</p> <p>External Monitoring Agent to review RAP implementation is required under the RPF and the RAPs. It was raised and suggested during the May 2024 ISM. The team will follow up this with the PMU.</p>	
<p>Component 4: Project management and coordination (USD9.0 million)</p>	<p>All consultants are on board for both agencies.</p>	<p>n/a</p>	<p>n/a</p>

**Financial Management:**

The implementing agencies are in general compliance with financial covenants. They incurred some delays in submitting the quarterly interim financial reports. The Audited Financial Statements for CY 2022 were received before the due date of June 30, 2023. The auditor rendered an unqualified opinion for DPWH and a qualified opinion on MMDA's financial statements. The issues raised by the auditors were already addressed. The due date for submission of CY 2023 audited financial statements will be on June 30, 2024.

**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.

**Project Implementation Monitoring Report (#18)**

Reporting Period From 2023/12 To 2024/05

---

The DPWH PMO and the MMDA PMO employ PMO- and field-level teams to receive and manage complaints from PAPs. Both agencies also have a complaints page on their respective website that contains contact information, QR codes, and instructions/templates to register their complaints. For the DPWH GRM, the agency formed a project site-based coordination cell with representatives from the implementing agencies, local government units, and PAPs themselves. This mechanism enables the Project to respond to complaints immediately.

(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)**

As of May 2024, over 500,000 people benefitted from completed flood protection investments. A total of 231 out of 271 barangays (villages) have been reached by community-based solid waste management programs. Disbursement is gaining momentum as the final major contracts are being awarded. The project is processing restructuring to extend the loan closing date to allow the completion of physical works. Component 2 has achieved a 70% reduction in solid waste volume against a target of 50%. Component 3 has successfully resettled 390 households from the project footprint, which is 65% of the latest census of 600 ISFs in the project footprint. (Note that original estimates indicated 2,500 ISF for resettlement but this was brought down to 600 ISF with changes to subproject scope and design. The RMF will be updated to reflect this and other changes once the proposed restructuring is approved).

**Remarks:**

While there is positive progress with the KPIs, the project is in general still behind and is working on catch-up. The implementing agencies are also updating key performance indicators as part of their proposed restructuring package, which includes reduction in scope, and extension of closing date by 24 months. The results monitoring framework will be updated accordingly once the restructuring is approved.

---

Project Objective Indicators	Indicator level	Unit of Measure	Cumulative Target Values																				Frequency	Responsibility	Comments				
			Baseline		2017		2018		2019		2020		2021		2022		2023		2024		End Target								
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual			
Flood-prone areas that are free of water within 24 hours after a major rainfall event.	Project	Hectares (cumulative)	2017	0	0	-	0	0	0	0	400	0	1,500	61	3,000	61	4,200	740	4,900	1,292									Targets are for updating in view of restructuring/extension
Direct Project beneficiaries	Project	Number (in million) Number of females in brackets	2017	0	0	-	0	0	0	0	0.55 (0.27)	0	0.71 (0.35)	0.03 (0.015)	1.16 (0.58)	0.03 (0.015)	1.40 (0.70)	0.32 (0.16)	1.70 (0.85)	0.70 (0.35)									Targets are for updating in view of restructuring/extension
Solid wastes collected at targeted existing pumping stations.	Project	Cubic meters (in thousand)	2017	17	17	-	17	15.9	17	11.1	17	6.5	13.5	4.4	11.4	6.2	9.5	2.4	8.5	4.9									Targets are for updating in view of restructuring/extension
Households successfully resettled from areas where they would obstruct proper O&M of the drainage systems.	Project	Percentage	2017	0	0	-	0	0	0	0	137	0	1,451	0	2,500	169	2,500	300	2,500	390									Targets are for updating in view of restructuring/extension
Beneficiaries satisfied with reduced	Project	Percentage	2017	0	0	-	0	-	0	-	0	-	20	-	50	-	70	99.7	80	99.7									Targets are for updating in view of restructuring/extension

vulnerability to flooding in Project areas.																																									n
---	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	---

Project Intermediate Indicators	Indicator level	Unit of Measure	Cumulative Target Values																				Frequency	Responsibility	Comments	
			Baseline		2017		2018		2019		2020		2021		2022		2023		2024		End Target					
			Year	Value	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Target	Actual	Year	Target				Actual