

## ***APPENDICES***

**MINUTES OF DISCUSSION**

**ON**

**PREPARATORY STUDY**

**FOR**

**SECTOR LOAN ON DISASTER RISK MANAGEMENT**

**BETWEEN**

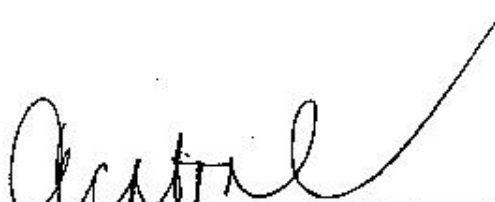
**JAPAN INTERNATIONAL COOPERATION AGENCY**


**AND**

**DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS**

1. The officials of Japan International Cooperation Agency (hereinafter referred to as "JICA") had a series of discussions on the draft Implementation Program of Preparatory Study for the Sector Loan on Disaster Risk Management with the officials of Department of Public Works and Highway (hereinafter referred to as "DPWH").
2. JICA and DPWH hereby agreed upon the draft Implementation Program of the Preparatory Study for the Project as per Annex-1, subject to the approval by the higher authorities of both sides. It should be noted that the implementation of the Preparatory Study does not imply any decision or commitment by JICA to extend its loan for the Project at this stage.

Manila, March 2, 2009

  
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Maria Catalina E. Cabral, PhD  
Assistant Secretary for Planning  
Department of Public Works and Highways

  
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Norio Matsuda  
Chief Representative  
JICA Philippine Office  
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**Draft Implementation Program  
of  
Preparatory Study  
for  
Sector Loan on Disaster Risk Management  
in  
The Republic of the Philippines**

**1. Background**

- (1) The Philippines is one of the most natural disaster prone countries in Southeast Asia. Typical disasters include typhoons, storms, floods, volcanic eruptions, earthquakes, droughts, natural fires, slope disasters, high waves and high tides. According to the EM-DAT: Emergency Events Database, the number of casualties in disaster between January 2000 and September 2007 was approximately up to twelve thousand and 92.5 percent of the total casualties were caused by floods and storms. There have been serious economic and human damages from annual disasters, and repeated damages in social infrastructure of agriculture and logistics have had serious and long-term impact on economic activities.
- (2) The Government of the Philippines (GOP) sets priority on the “mitigation of the occurrence of natural disasters to prevent the loss of lives and properties” in the Medium-Term Philippine Development Plan (MTPDP) for 2004-2010. Nonstructural measures especially focus on community-based disaster management such as, preparation of geo-hazard mapping and introduction of community-based flood warning system in hazardous areas. While structural measures places emphasis on keeping the optimum conveyance capacities of existing river channel floodways and drainage canals through riverbank protection, dredging and relocation of informal settlers in flood /sediment disaster prone areas.
- (3) However, institutionalization and technical capacities of the Philippine disaster management have not been fully developed. Public investments in terms of budget and human resource for disaster management measures are insufficient due to the financial constraints and low-priority development area. Thus, the complementary use of institutional reforms, structural measures, and non-structural measures can be considered as urgent tasks.
- (4) JICA conducted the “Study on the Nationwide Flood Risk Assessment and the Flood Mitigation Plan for the Selected Areas in the Republic of the Philippines” between 2007 and 2008. The flood mitigation plan was formulated through (1) the flood risk assessment using the indexes which represent flood damage potential in terms of socio-economic and natural conditions, and (2) the selection of prioritized areas considering the amount of possible investment, regional distribution of flood control projects, and strategic significant river basins.
- (5) Both GOP and JICA recognize the importance of implementing both structural and non-structural measures with institutional reforms to strengthen the Philippine disaster risk management. Therefore, a JICA Preparatory Study Team will be

dispatched to assist GOP in the project formulation of sector loan on disaster risk management in the Philippines.

## **2. Outline of the Disaster Risk Management Project for Sector Loan to be formulated by the Preparatory Study**

### **(1) Objectives**

To strengthen the capabilities of the concerned Philippine Government Agencies on disaster risk management and to mitigate the flood damage in the vulnerable areas through the following:

1. Implementation of structural and non-structural measures for improvements of rivers in the high-risk flood damage areas. Such rivers are based on the results of the "Study on the Nationwide Flood Risk Assessment and the Flood Mitigation Plan for the Selected Areas in the Republic of the Philippines".
2. Improvement of disaster risk management system including fund management of emergency response for flood control.

### **(2) Scope of the Project**

- (a) Structural Measures
- (b) Non-structural Measures
- (c) Institutional Reforms
- (d) Consulting services

### **(3) Executing Agency**

Department of Public Works and Highways (DPWH)

## **3. Terms of Reference of the Preparatory Study Team**

### **(1) Verification of the Background and Necessity of the Project**

- (a) Verification of consistency of the Project with the existing laws, policies, and development plans as listed:
  - (i) Medium-Term Philippine Development Plan 2004-2010
  - (ii) DPWH Medium-Term Infrastructure Investment Program 2005-2010
  - (iii) Laws regarding disaster risk management; Presidential Decree No. 1566, Republic Act No. 7160 (Local Government Code), and Philippine Disaster Risk Management Act of 2007
  - (iv) Regional/LGUs development plan of target areas
- (b) Review of system and criteria for the utilization of the National Calamity Fund, and Quick Response Fund

### **(2) Verification of the Project Scope**

- (a) Identification of the components and scale of Structural Measures:
  - (i) Formulation of appropriate criteria to be used in the selection of Project areas and scope for the sector loan
  - (ii) Review of the final report of the "Study on the Nationwide Flood Risk Assessment and the Flood Mitigation Plan for the Selected Areas in the Republic of the Philippines" and confirmation of river basins that should be

- prioritized
- (iii) Confirmation/Monitoring of the status on DPWH Feasibility Study Plan on twelve (12) river basins selected by DPWH
  - (iv) Review of the Master Plans/other studies of three (3) rivers (Upper Agno - Ambayawan and Banila, Ilog-Hilabangan, and Tuganay), which are specified in the proposal of the "Study on Flood Mitigation for Prioritized Areas in Major River Basins in the Philippines" and included in 2008 Request Survey; Preparation of strategic area protection plans for the above rivers; Confirmation of prioritization of the above projects in accordance with the results of items (a) (i) and (ii).
  - (v) Confirmation of the necessity of the Project based on flood risk assessment and economic analysis, etc. for selected river basins
  - (vi) Confirmation of urban development plan, such as drainage/solid waste management plan, watershed management plan/structure (forest preservation in the selected river basins)
  - (vii) Formulation of best mix of intervention for small, principal and major rivers that will be selected and prioritized based on the approved criteria
  - (viii) Consideration of the scale and magnitude of projects to be financed under the sector loan by preparation of list of priority rivers and possible scope based on critical areas approach
  - (ix) Formulation/review of feasibility studies for the top three (3) prioritized rivers selected in items (ii)-(viii) (flood control plan, irrigation plan, mudflow estimation, inundation estimation, damage prediction, flooding capacity, dike design, and design of flood control facilities such as Sabo dam, drainage facility, floodway, and retarding basin and so forth) in consideration of the effect of climate change.
  - (x) Estimation of the Project cost based on items (v)-(viii). (Cost shall be estimated for each river except for three (3) rivers conducted F/S in item (a):(ix).
  - (xi) Formulation of Project proposal for a sector loan program in consideration of the above-mentioned items.
- (b) Identification of non-structural measures
- (i) Confirmation of disaster management plan prepared by the concerned local communities in collaboration with local Disaster Coordinating Councils (DCCs)
  - (ii) Confirmation of status/ and implementing structure of the damage risk assessment and preparation of hazard maps
  - (iii) Confirmation of installation status of flood early warning system, preparation of evacuation plan and evacuation guide system for disasters, and their implementing structures
  - (iv) Consideration of climate change adaptation measures and other non-structural measures under the Project
  - (v) Confirmation of current issues on non-structural measures and preparation of action plans for countermeasures in each Project area
  - (vi) Setting of possible conditionalities to promote disbursements of the loan proceeds for implementation under the Project
- (c) Examination of implementing structure and institutional framework for the National Government, Provincial Government and LGUs

- (i) Confirmation of regulation/rules, implementing structure, budget and personnel arrangement for flood control measures in DPWH (central and field offices), and recommendation for improvement (confirmation of the DPWH Rationalization Program for 2010 shall also be considered as much as possible).
  - (ii) Confirmation on the operation and maintenance (O&M) plan such as demarcation among organizations concerned, implementing structure and budget, and recommendation for strengthening O&M including capacity development
  - (iii) Recommendation for improving the O&M structure for disaster prevention/response and flood control facilities
  - (iv) Recommendation on possible creation of quick response fund for disaster risk management
  - (v) Confirmation of GOP procedures to use the loan proceeds of the Project for quick disaster response
  - (vi) Confirmation of the current coordination framework among organizations concerned such as DPWH, OCD under DND, DENR, and DILG and recommendation on strengthening and improvement
  - (vii) Setting of possible conditionality to promote disbursements of the loan proceeds for implementation of the Project (e.g. conclusion of MOA between LGU and other entities concerned)
- (3) Verification of Environmental and Social Considerations
- (a) Verification of Environmental Impact
    - (i) Confirmation of the necessity for the issuance of the environmental compliance certificate (ECC)/Certificate Non Coverage (CNC) before the implementation of the Project
    - (ii) Confirmation of the contents for environmental impact assessment (EIA) report/Initial Environment Examination (IEE) report, and verification of consistency between laws/regulations/policies in the Philippines and JICA Guidelines for Environmental and Social Considerations
    - (iii) Identification of additional information required regarding environmental considerations, and assistance for conducting additional survey
    - (iv) Recommendation on environmental management and monitoring procedures
  - (b) Verification of Social Considerations
    - (i) Recommendation on the role of steering committee for public consultations on implementation of the Project
    - (ii) Confirmation of the necessity of Right-of-Way (ROW)/land acquisition and resettlement
    - (iii) Confirmation of the contents of the Resettlement Action Plan (RAP), and consistency between laws/regulations/policies in the Philippines and JICA Guidelines for Environmental and Social Considerations
    - (iv) Identification of additional information required regarding social considerations, and assistance for conducting additional survey
    - (v) Recommendation on monitoring methods for living conditions after the implementation of ROW/land acquisition and resettlement
    - (vi) Assistance for implementing public consultations on RAP

- (4) Recommendation on coordination with other agencies
  - (a) Review of current/future projects of other donor agencies
  - (b) Recommendation on collaboration with JICA technical cooperation project
  - (c) Recommendation on coordination with other donor agencies and private organizations based on the results of item (a)
- (5) Verification of Economic Evaluation
  - (a) Determination of operation and effect indicators
  - (b) Identification of qualitative effect
  - (c) Calculation of Internal Rate of Return (IRR)

#### 4. Implementation Framework of Preparatory Study

##### (1) Preparatory Study Team (the Team)

JICA will dispatch the Team to carry out the services as specified in the draft TOR. The Team is expected to include the following experts.

- Team leader/ Disaster Prevention
- Flood Control
- River Planning
- Environmental Assessment
- Economic Effectiveness Analysis

##### (2) Implementation Schedule

- |               |                                                                                                               |
|---------------|---------------------------------------------------------------------------------------------------------------|
| February 2009 | - Discussion and confirmation of the Terms of Reference of the Preparatory Study                              |
|               | - Signing of Minutes of Discussion between JICA and DPWH on the draft implementation of the Preparatory Study |
|               | - Selection of consultants by JICA                                                                            |
| March         | - Commencement of Preparatory Study and submission of Inception report                                        |
| June          | - Submission of Interim Report                                                                                |
| October       | - Submission of Draft Final Report                                                                            |
| January 2010  | - Submission of Final Report                                                                                  |

##### (3) Reports

- (a) The Team shall prepare and present the following reports in English and Japanese.

- |                    |                                                                        |
|--------------------|------------------------------------------------------------------------|
| Inception Report   | : 10 copies (English)                                                  |
| Interim Report     | : 6 copies (English), 3 copies (Japanese)                              |
| Draft Final Report | : 10 copies (English), 3 copies (Japanese)                             |
| Final Report       | : 15 copies (English), 3 copies (Japanese) including electronic copies |

- (b) The Final Report may be disclosed to the public on request based on Japan's Law concerning Access to Information held by the administrative organization. JICA shall consult with GOP and the executing agency as to the contents and sections to be disclosed.

##### (4) Monitoring

The work of the Team shall be subjected to periodic review by JICA. The JICA staff shall attend meetings between the Team and GOP and/or other organizations concerned

during the implementation of the Preparatory Study as necessary.

#### **5. Undertakings by GOP and other organizations concerned**

The executing agency and other organizations concerned shall undertake to provide the following in order to assist the implementation of the Preparatory Study on schedule, through close cooperation with the authorities concerned within the GOP.

- (1) To furnish the Team with all available and relevant data, information and documents requested by the Team
- (2) To assign counterpart personnel for the Team
- (3) To provide the Team with an appropriate office space and office equipment
- (4) To ensure issuance of entry permits necessary for the members of the Team to conduct the study
- (5) To ensure safety of the members of the Team , if and when required
- (6) To assist the Team in making transportation arrangements
- (7) To assist the Team in medical services as needed
- (8) To permit the members of the Team to enter, leave and sojourn in the Philippines for the duration of their assignments therein and to assist in any foreign registration requirements
- (9) To assist the team in customs clearance, exempt from any duties with respect to equipment, instruments, tools and other articles to be brought into and out of the Philippines in connection with the implementation of the services
- (10) To assist the Team to obtain other privileges and benefits if necessary

#### **6. Others**

- (1) The nature of the services to be rendered by the Team shall be exclusively advisory. All decisions as to whether to accept or implement any recommendations(s) made or instruction(s) given in the course of the implementation of the services shall be the responsibility of GOP and other concerned agencies.
- (2) The GOP through relevant agencies shall take, with their own responsibility, all the necessary measures for the utilization of the recommendations and outcomes of the Preparatory Study in the JICA financed projects.
- (3) The Study will be conducted in a participatory manner with intensive consultation with all concerned stakeholders.

[END]



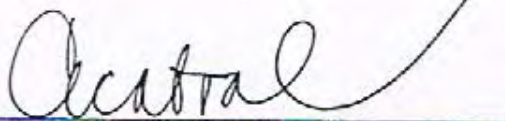
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The Japanese Preparatory Study Team and Advisory Team (hereinafter referred to as "the Team") organized by Japan International Cooperation Agency (hereinafter referred to as "JICA") visited the Republic of Philippines from March 4<sup>th</sup> to 6<sup>th</sup>, 2009 for the purpose of explanation of Inception Report of preparatory study (hereinafter referred to as "IC/R").

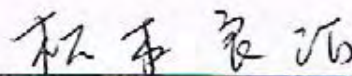
During its stay in the Republic of Philippines, the Team exchanged views and had a series of discussions with Department of Public Works and Highways (hereinafter referred to as "DPWH"), and Philippine authorities concerned with respect to desirable measures to be taken by JICA and the Government of Philippines for the successful implementation of the preparatory study.

As a result of the discussions, the Team, DPWH and the Philippine authorities concerned agreed on the matters referred to in the document attached hereto.

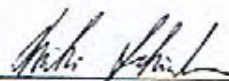
Manila, March 6<sup>th</sup> 2009



\_\_\_\_\_  
Maria Catalina E. Cabral, PhD  
Assistant Secretary for Planning  
Department of Public Works and Highways



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Yoshiharu Matsumoto  
Team Leader  
JICA Preparatory Study Team  
Japan International Cooperation Agency



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Mikio Ishiwatari  
Team Leader  
JICA Advisory Team  
Japan International Cooperation Agency

### Attachment

1. The contents of the IC/R, such as objectives, schedule, and approaches, were agreed in principle. The Study will;
  - (i) Identify the criteria for the prioritization of rivers, review the list of prioritized rivers as identified in “the Study on the Nationwide Flood Risk Assessment and the Flood Mitigation Plan for the Selected Areas in the Philippines”, formulate the long list of candidate rivers, and conduct/review feasibility studies for three rivers to be included in the first batch of projects to be financed under the sector loan,
  - (ii) Prepare cooperative agreements, and necessary technical assistance activities to develop the institutional capacities and non-structural measures through examining (a) current institutional capacities of DPWH, Local Government Units (LGUs) , and concerned organizations, and (b) status of non-structural measures; and
  - (iii) Propose the establishment of a disaster response fund that can be utilized for post-disaster rehabilitation.
2. The cooperative agreements must be set based on mutual understandings among JICA, DPWH, LGUs and other organizations concerned. The Study will provide opportunities for adequate dialogue among JICA, DPWH, LGUs and other organizations concerned. The planned Sector Loan is proposed to be implemented in three batches. Before proceeding with each batch, cooperative agreements will be confirmed.
3. The examination of institutional capacities will mainly cover (i) operation and maintenance, (ii) collaboration among DPWH, LGUs, and organizations concerned, and (iii) disaster risk management program of DPWH.
4. Based on lessons learned from JICA’s past assistance in the Philippines, the Study will target important strategic core areas in principal and major rivers using “core area protection approach” to achieve immediate beneficial results. The Study will not cover large scale projects, such as diversion channels and projects in Metro Manila, considering the size of the Sector Loan.
5. The Study will avoid duplication of feasibility studies being undertaken by DPWH. The Study Team will coordinate with DPWH, and determine the necessity of rivers not included in the DPWH’s studies.
6. Climate change adaptation will be developed based on impact assessment. The Study will take an integrated disaster management approach for the adaptation.
7. A steering committee and technical working group will be established.





## Annex I

**List of persons the Team met**Department of Public Works and Highways : DPWH

Maria Catalina E. Cabral, PhD	Assistant Secretary for Planning
Melvin B. Navarro	Director Planning Service
Rebecca T. Garsuta	Chief, Development Planning Division
Philip F. Meñez	Project Director PMO-MFCDP II
Alejandro A. Sosa	Project Manager II PMO-MFCDP II
Leonila P. Mercado	Engineer, PMO-MFCDP II

Flood Control and Sabo Engineering Center : FCSEC

Resito V. David	Project Director
Dolores M. Hipolito	Project Manager II

Office of Civil Defense: OCD

Florentino R. Sison	OCD-NDCC
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Asian Development Bank: ADB

Ian W. Makin	Senior Water Resources Management Specialist
Aziz Haydarov	Economist
Neil R. Britton	Senior Disaster Risk Management Specialist

World Bank

Catherine Vidar	
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JICA Preparatory Study Team

Yoshiharu Matsumoto	Team Leader
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JICA Advisory Team

Mikio Ishiwatari	Team Leader
Chiaki Kobayashi	
Mari Sawa	

JICA Experts

Minoru Kamoto	
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JICA Philippines Office

Kumiko Uchida	
Masashi Yamamoto	
Yoko Nomura	