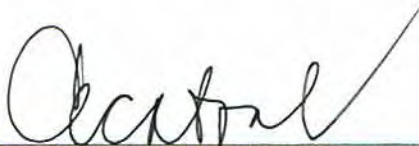


**MINUTES OF STEERING COMMITTEE MEETING  
ON  
THE INCEPTION REPORT  
FOR  
THE PREPARATORY STUDY ON SECTOR LOAN FOR DISASTER  
RISK MANAGEMENT**

**PLANNING SERVICE CONFERENCE ROOM  
DPWH MAIN OFFICE  
MANILA**

**APRIL 28, 2009**



**MARIA CATALINA E. CABRAL, PhD**  
Assistant Secretary for Planning and  
Chairperson, Steering Committee  
for the Study  
Department of Public Works and  
Highways



**YOSHIHARU MATSUMOTO**  
Study Team Leader  
Japan International Cooperation Agency

The Steering Committee (SC), aside from the Technical Working Group (TWG), was also created to ensure the effective and coordinated implementation of the Study in accordance with the Minutes of Discussion on "The Preparatory Study on Sector Loan for Disaster Risk Management" (hereinafter referred to as "the Study") dated March 6, 2009., which was agreed upon between the Department of Public Works and Highways (DPWH) and the Japan International Cooperation Agency (JICA).

Prior to the SC meeting, the TWG meeting was held on April 20, 2009 to discuss the contents of the Inception Report, as well as the related issues including the selection/designation of river basins for the feasibility study that has to be carried out in the Study. In the said meeting, it was agreed that confirmation of the contents of the Study, including the decision regarding the river basins for feasibility study, will be made in the SC Meeting. A copy of the Minutes of the TWG Meeting on the Inception Report is attached in Annex-2.

In line with the above, the SC Meeting chaired by Assistant Secretary Maria Catalina E. Cabral, was held from 3:00 p.m. to 5:00 p.m. on April 28, 2009, mainly discussing the presentation materials of the Inception Report as distributed by the JICA Study Team to the participants. The list of participants is shown in Annex-1.

The main items discussed and/or concluded in the SC Meeting are as follows:

1. Selection/Designation of River Basins with Projects to be Funded by the Sector Loan

Mr. Yoshiharu Matsumoto, Leader of the JICA Study Team, sought clarification and confirmation of the designation of objective river basins covered by the Sector Loan, citing the case-by-case decision-making concerning the medium and small-scale river flood control projects undertaken by DPWH in the past such as those in Ormoc and Iloilo.

In this connection, Mr. Pallo Mert S. Bernardo of NEDA made a comment that there will be no problem with NEDA if DPWH conduct feasibility study (F/S) for 12 river basins and will not oppose for DPWH to conduct flood control projects when they are urgently needed, unless LGUs may have enough capacity to implement the project.

2. Framework of the Sector Loan

Asec. Cabral raised the following issues regarding the framework of the Sector Loan that need to be clarified:

- (1) Verification if the total amount of the Sector Loan is USD200 million.
- (2) Implementation of the third batch of flood mitigation projects in case project costs in the first and second batches may increase due to cost overrun, which will impact the loan amount
- (3) Clarification from NEDA on the possibility of ICC Approval for the whole Sector Loan, including some projects in the second and third batches wherein details may not be defined prior to the Loan Agreement.
- (4) Confirmation of the adverse effect due to the flexible scope of the projects under the Sector Loan especially on the utilization of the funds for disaster emergency purposes.






In connection with the abovementioned issues, Mr. Resito V. David, Director, DPWH-FCSEC PMO, commented that detailed information and explanations on the Sector Loan are required such as the allowable term/period and total amount of the Loan.

Mr. Ramon A. Arriola, Jr., Engineer V of DPWH MFCP-I PMO indicated that there are some advantages of the Sector Loan because of its flexibility, this could be applied to emergency cases such as the rehabilitation of facilities damaged by strong typhoons. He cited the Laoag River Basin project that after it was completed, part of the structure was destroyed by typhoon.

Asec Cabral also suggested looking into the possibility of applying for several loan agreements (L/As).

Mr. Bernardo of NEDA suggested that the above issues should be clarified in the succeeding internal meetings between DPWH, NEDA and JICA.

### 3. Selection of Objective River Basins for F/S

Mrs. Rebecca T. Garsuta, Chief of the Development Planning Division, Planning Service and Chairperson of the TWG, confirmed the decision of the TWG regarding the selection of river basins for F/S in the Study.

In this connection, the following conclusion was obtained through the earnest discussion initiated by Asec Cabral and seconded by Mr. Philip Meñez, Director of MFCP II -PMO, as the collective recommendation of the Steering Committee for the Preparatory Study:

#### Three River Basins for the F/S to be Conducted in the Preparatory Study

Region	Selected River Basin
Luzon	Cagayan
Visayas	Ilog-Hilabangan
Mindanao	Tagoloan

However, Asec Cabral said that the final list of river basins should be approved by DPWH Secretary. She asked the TWG to prepare the Memorandum for the Secretary's signature. In this regard, the JICA Study Team can proceed in feasibility studies on selected three river basins mentioned above.

### 4. Rationalization Plan of DPWH and its effect to the implementation of the Sector Loan

Mr. Matsumoto raised a question regarding the availability of the initial idea for the rationalization plan of DPWH's organization. Based on the study, the Rationalization Plan will enhance and harmonize the organization's function regarding flood control planning and project implementation. He further added that some conditions with regard to the rationalization and reformation of the agencies concerned might be recommended to smoothly implement the Sector Loan.

Asec Cabral replied that the JICA Study Team could contact the personnel in charge of each key function directly. However, she commented that the rationalization plan of DPWH and proposal of JICA Study to strengthen the flood control section of DPWH is still pending with the Department of Budget and Management (DBM).

5. Harmonization with other Related Programs

Dr. Susan Espinueva of PAGASA advised that non-structural measures introduced by the Sector Loan should be harmonized with the related non-structural flood mitigation programs since several provinces have already prepared flood hazard maps and assessment parameters in connection with the Effective Community-Based Disaster Risk Management initiative of PAGASA.

The JICA Study Team replied that the F/S to be conducted will follow up such activities.

6. Closing Remarks

Asec Cabral thanked all members of the Steering Committee for their attendance in the meeting and instructed them to submit any further comments of the Inception Report through Mrs. Garsuta within the week (i.e. until Thursday, April 29, 2009). She further announced that SC meetings will be held from time to time during the study period.





ANNEX-1

## FIRST STEERING COMMITTEE MEETING

ATTENDANCE LIST

Date: April 28, 2009

Place: Planning Service Conference Room, DPWH

NAME	DESIGNATION	OFFICE	CONTACT NUMBER
1. Maria Catalina E. Cabral, PhD	Assistant Secretary for Planning	DPWH	(02) 304-3037
2. Melvin B. Navarro	Director	DPWH-PS	(02) 304-3021
3. Philip Meñez	Director	DPWH-MFCDP II PMO	(02) 304-3820
4. Resito V. David	Director	DPWH-FCSEC PMO	(02) 304-1062
5. Rebecca T. Garsuta	Engineer V	DPWH-PS	(02) 304-3155
6. Sol T. Abasa	Engineer III	DPWH-PS-ESSO	(02) 304-3134
7. Belinda Fajardo	Chief EMS	DPWH-PS-ESSO	(02) 304-3287
8. Pallo Mert S. Bernardo	EDS-II	NEDA-IS	(02) 631-3724
9. Lilia M. Banaag	Engineer V	DPWH-BOM	(02) 304-3613
10. Ramon A. Arriola IV	Engineer V	DPWH-MFCDP I PMO	(02) 304-3752
11. Susan Espinueva	Asst. Chief, Flood Forecasting	PAGASA	
12. Alejandro A. Sosa	PM II	DPWH- MFCDP II PMO	(02) 304-3829
13. Estelita M. Leonaldo	Economist	DPWH-PS	
14. Crispina B. Abat	Planning Division	OCD	(02) 912-5047
15. Lenie D. Alegre	Civil Defense Officer	OCD	(02) 912-0441
16. Minoru Kamoto	JICA Expert	DPWH	(02) 304-3356
17. Yoko Nomura	Project Formulation Advisor	JICA Philippine Office	(02) 889-7119
18. Yoshiharu Matsumoto	Team Leader	JICA Study Team	(02) 643-5365
19. Kazuto Suzuki	Structural Engineer	JICA Study Team	(02) 643-5365
20. Makoto Mitsukura	River Planner	JICA Study Team	(02) 643-5365



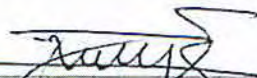
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**MINUTES OF THE TECHNICAL WORKING GROUP MEETING  
ON  
THE PREPARATORY STUDY ON SECTOR LOAN  
FOR DISASTER RISK MANAGEMENT**

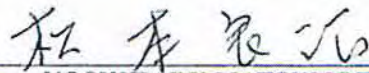
**PLANNING SERVICE CONFERENCE ROOM  
DPWH MAIN OFFICE  
MANILA**

**APRIL 20, 2009**



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**REBECCA T. GARSUTA**  
Chief, Development Planning Division  
Department of Public Works and  
Highways and Chairperson of Technical  
Working Group for the Study



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**YOSHIHARU MATSUMOTO**  
Study Team Leader  
Japan International Cooperation Agency



DPWH had organized the Technical Working Group in accordance with the Minutes of Discussion on "The Preparatory Study on Sector Loan for Disaster Risk Management" (hereinafter referred to as "the Study") dated March 6, 2009, which was agreed upon between the Department of Public Works and Highways (hereinafter referred to as "DPWH") and the Japan International Cooperation Agency (hereinafter referred to as "JICA").

The First Technical Working Group (TWG) Meeting chaired by Mrs. Rebecca Garsuta, Chief of the Development Planning Division, Planning Service, DPWH, was held on April 20, 2009, from 1:30 p.m. to 5:00 p.m. The meeting was attended by the TWG members representing the Government of the Republic of the Philippines and the JICA Study Team, as well as the JICA Expert in DPWH. Before the meeting was started, the JICA Study Team distributed copies of the presentation materials and the contents were thereafter explained in the meeting. The list of participants is shown in the Annex. The main items discussed and/or concluded in the meeting are as follows:

#### 1. Study Approach

The JICA Study Team explained the study approach of the Preparatory Study to the TWG members and the other participants as contained in the Inception Report and the Terms of Reference agreed upon in the Minutes of Discussion dated March 2, 2009.

##### 1.1 Designation of Objective River Basins for the Sector Loan

Mr. Matsumoto, Team Leader of the Study Team, wanted to clarify the designation of objective river basins, which can be covered by the sector loan. This is based on the previous medium and small scale flood control projects implemented by DPWH such as Ormoc and Iloilo.

Mr. Alejandro Sosa, Project Manager II of PMO-MFCPII informed the group that as far as the Iloilo Flood Control Project is concerned, the LGU committed to share the responsibility in the implementation of O&M activities through a Memorandum of Agreement between DPWH and Iloilo City Government dated 06 November 2000.

Mrs. Garsuta also explained that the sharing of responsibilities and costs for the implementation of the project between DPWH and the concerned LGUs depends on the capacity of the concerned LGUs. In this connection, she suggested that a multi-stakeholders workshop/discussion be conducted to get LGUs commitment. The willing LGUs will be given priority for the project.

Finally, Mr. Pallo Mert S. Bernardo of NEDA advised that the issue should be confirmed in the succeeding Steering Committee meeting, because the matter could not be decided at the technical level.

##### 1.2 Framework of Sector Loan

DPWH asked the JICA Study Team if the sector loan amount will cover only the project cost of the first batch of river basins, since the proposal which require NEDA ICC approval mainly includes the three (3) objective river basins with completed feasibility study (F/S).

The JICA Study Team explained that the sector loan amount, in principle, will include the total amount for the three batches wherein long list of river basins will be identified. For the ICC approval for the Batch 2 and Batch 3 projects, further discussion should be made



in the future to confirm compliance of the conditions set and to consider the accomplishment of projects included in the first Batch.

## 2. Selection of Objective River Basins for F/S

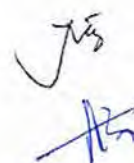
The Study Team presented the current study results regarding the selection of objective river basins for the F/S, including the criteria for the selection.

Mrs. Dolores Hipolito, Project Manager II, Flood Control and Sabo Engineering Center, DPWH, commented the rationale of the selection criteria used in screening projects from the long list to short listing of river basin projects taken from foreign-funded and locally-funded groupings. She suggested that the selection should be based on regional distribution and scale of the project costs. She further explained that it is not necessary to consider the combination of river basins in each group (e.g., foreign-funded and locally-funded).

Mr. Elmo Atillano, of the Flood Control Sub-section of DPD, also suggested that projects that had been recently highlighted as priority of the Department such as Dinalupihan (Bataan) and Cagayan de Oro should still be considered as candidates for F/S.

In this connection, Mrs. Garsuta summarized the position of the TWG, as follows:

- From the technical points of view, river basins for F/S should be selected based on the priority ranking in accordance to the Nationwide Flood Risk Assessment Study Report (JICA 2008).
- As to the Mindanao Region, the Tagoloan, Cagayan de Oro and Tuganay river basins have been selected to be included in the short list. It is deemed that Tagoloan should be selected for F/S because it has the highest priority among the three basins. Whereas, Cagayan de Oro is located in the same province (Region X), it has been highlighted due to the recent occurrence of floodings in the city. In this connection, the final selection of river basins for the F/S shall be determined in the first on-site stakeholders' meeting to be convened by the JICA Study Team and DPWH.
- Taking into consideration the prioritized ranking in terms of technical aspect, Cagayan River Basin, in which the core area to be protected is Tuguegarao City, should be selected for the Luzon area. On the other hand, a river basin recently highlighted such as Dinalupihan (Bataan) is still considerable since the project has urgency and high priority with Presidential Instruction. Therefore, the final decision has to be made by the Steering Committee.





River Basins for F/S to be Conducted in the Preparatory Study

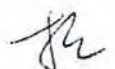
Region	Selected River Basin	Alternative River Basin
Luzon	Cagayan	Dinalupihan (Bataan)
Visayas	Ilog-Hilabangan	-
Mindanao	Tagoloan	Cagayan de Oro

3. Steering Committee Meeting

Mrs. Rebecca T. Garsuta, Chairperson of the Technical Working Group suggested that the succeeding Steering Committee meeting shall be scheduled tentatively on April 28, 2009.

4. Closing Remarks

The meeting was adjourned at around 5:00 p.m. after Mrs. Rebecca T. Garsuta thanked all of those present and the members of the Technical Working Group for their attendance.

ANNEX

## TECHNICAL WORKING GROUP MEETING

ATTENDANCE LIST

Date: April 20, 2008

Venue: Conference Room, Planning Service, DPWH

NAME	DESIGNATION	OFFICE	CONTACT NUMBER
1. Rebecca T. Garsuta	Engineer V	PS-DPWH	(02) 304-3155
2. Dolores M. Hipolito	PM II	DPWH-PMO-FCSEC	(02) 628-1227
3. Alejandro A. Sosa	PM II	DPWHMFCDP II-PMO	(02) 304-3829
4. Ma. Visna M. Manio	Engineer IV	BOM	(02) 304-3634
5. Pallo Mert S. Bernardo	EDS-II	NEDA-IS	(02) 631-3724
6. Leonila R. Mercado	Engineer IV	DPWH-MFCDP II-PMO	(02) 304-3752
7. Elmo F. Atillano	Engineer III	PS-DPWH	(02) 304-3350
8. Estelita Leonarro	Eco II	PS-DPWH	(02) 304-3069
9. Edgar Fabregas	Economist IV	ESSO-DPWH	(02) 304-3520
10. Minoru Kamoto	JICA Expert	DPWH	(02) 304-3356
11. Yohiharu Matsumoto	Team Leader	JICA Study Team	(02) 643-5356
12. Kazuto Suzuki	Structural Engineer	JICA Study Team	(02) 643-5356
13. Makoto Mitsukura	River Planner	JICA Study Team	(02) 643-5356

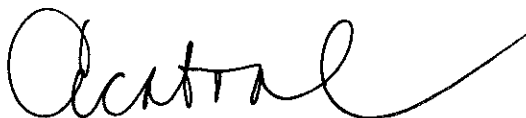





**MINUTES OF  
SECOND STEERING COMMITTEE MEETING  
REGARDING  
THE INTERIM REPORT  
OF  
THE PREPARATORY STUDY ON SECTOR LOAN FOR DISASTER  
RISK MANAGEMENT**

**OPERATIONS ROOM  
DPWH MAIN OFFICE  
MANILA**

**JULY 10, 2009**



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**MARIA CATALINA E. CABRAL, PhD**  
Assistant Secretary for Planning and  
Chairperson, Steering Committee  
for the Study  
Department of Public Works and Highways



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**YOSHIHARU MATSUMOTO**  
Study Team Leader  
Japan International Cooperation Agency

The Steering Committee (SC) created to ensure the effective and coordinated implementation of “The Preparatory Study on Sector Loan for Disaster Risk Management” (“the Study”) was convened for the second time from 9:30 a.m. to 12:00 noon on July 10, 2009 to discuss the Interim Report submitted and presented by the JICA Study Team (“the Study Team”).

The list of participants is shown in Annex-1. The main items discussed and/or concluded in the SC Meeting are as follows:

#### 1. Previous Issues on Project Implementation

Mr. Yoshiharu Matsumoto, Leader of the JICA Study Team, brought out issues on Project Implementation, which are composed mainly of the delays of project completion and the insufficient O&M activities for river facilities as contained in previous reports, such as the SAPI Report on Institutional Capability Building in River Sector (1999), the Study Report on Program Formation in Disaster Mitigation Sector in the Philippines (2004), and the Study on Project Formation in the Disaster Prevention Sector in the Philippines (2008).

In view of the above, ASEC Cabral claimed that “Shortage of Budget” could not be cited as one of the main reasons on the delays of project implementation. She strongly insisted that proper budget allocation for project implementation is being made by DPWH. Mr. Philip Meñez, Director of MFCP II-PMO, also added that some issues regarding project implementation, particularly the reasons described in the SAPI Report, were based on 1980 and 1990 projects, and the implementation system of DPWH at present has already improved.

ASEC Cabral noted that one of the major reasons of delay of project implementation refers not to the original budget allocation, but to the additional scope of works due to unforeseen requirements in actual implementation of the projects.

Mr. Matsumoto then responded that the issues mentioned in the Interim Report will be further confirmed and revised based on further reconnaissance activities, such as Key Informants Interview (KII) and project status reports from various studies in the second-half of this Preparatory Study.

#### 2. Mechanism and Procedure for the Sector Loan

Mr. Matsumoto presented the initial mechanism, procedures and organizational structure for the implementation of the sector loan projects based on the TWG meeting on July 9, 2009. ASEC Cabral suggested to the Study Team and to the TWG to further refine and recommend the most appropriate organizational structure and procedure to manage the Sector Loan Project including the management of the Emergency Response Fund.

In this connection, Mrs. Rebecca T. Garsuta, Chairperson, TWG, DPWH, informed that a follow-up meeting at the TWG-level on the mechanism and procedure of the Sector Loan is scheduled to be held on July 14, 2009.

Mr. Minoru Kamoto, the JICA Adviser in DPWH, advised that the MOA between DPWH and the LGU concerned should contain a provision on the imposition for O&M budget from the direct beneficiaries in the communities benefitted from the implementation of river improvement works.



### 3. Emergency Response Fund

Ms. Lenie D. Alegre, CDO-PMO, OCD, suggested that the Emergency Response Fund proposed in the Study should be carefully formulated, taking into consideration the effectiveness and efficiency of the fund utilization, and should be separate from the National Calamity Fund. In this connection, it was agreed that this matter shall be taken up also in the follow-up meeting on July 14, 2009.

On the other hand, Mr. Kamoto implied the possibility of considering the reconstruction of short bridges under the Emergency Response Fund, because of the inadequacy of the existing length of some bridges which are not aligned with the proper channel width resulting in the decrease of flood flow capacity.

### 4. Information regarding the Joint Meeting among NEDA, DPWH and JICA

In response to a query from ASEC Cabral regarding NEDA's policy on the ICC approval of the Sector Loan Project, Mrs. Garsuta informed that NEDA had basically agreed in principle on the concept of Sector Loan for Disaster Risk Management including the Emergency Response Fund component to be managed by DPWH subject to the submission of proper ICC requirements. (See Annex-2, MINUTES OF JOINT MEETING AMONG NEDA, DPWH AND JICA.)

### 5. Progress of Feasibility Study for Three (3) River Basins

#### 5.1 Close Coordination with Agencies concerned in Environmental and Social Survey

Mr. Edwin G. Domingo, Asst. Director of DENR-MGB, advised that the F/S should be coordinated with the DENR staff concerned in Environmental and Social Survey, he stressed that earlier coordination is essential to guarantee better results.

Mrs. Criste Z. Navida, the Chief of ESSO, DPWH, also requested the JICA Study Team to coordinate with the ESSO for Environmental and Social Survey for them to recognize and understand the issues on river improvement works on these river basins.

In response, the JICA Study Team agreed on the requests for close coordination with the concerned agencies to obtain appropriate results especially on environmental and social issues. The Study Team also informed the group that their survey team had already contacted the DENR staff concerned regarding this matter.

#### 5.2 Harmonization of Non-Structural Measures with Other Flood Mitigation Programs

Ms. Alegre advised that non-structural measures under the Sector Loan should be harmonized with the related non-structural flood mitigation programs, such as the READY Project under NDCC funded by UNDP.

The Study Team replied that it is essential for structural flood mitigation measures in targeted areas to harmonize with the non-structural measures to enhance the effectiveness and obtain synergy effect. In this connection, the Study Team added that JICA has expected cooperation activities between the Sector Loan Project and the other related programs of the government.

6. Closing of Meeting

ASEC Cabral thanked all members of the Steering Committee for their attendance in the meeting and requested them to submit any further comments on the Interim Report through Mrs. Garsuta until July 14, 2009. She further announced that SC meeting will be held around the end of September 2009 to confirm the progress of the Study prior to the submission of the Draft Final Report sometime in November, 2009.





ANNEX-1

## SECOND STEERING COMMITTEE MEETING

ATTENDANCE LIST

Date: July 10, 2009

Place: Operations Room, DPWH

NAME	DESIGNATION	OFFICE	CONTACT NUMBER
1. Maria Catalina E. Cabral, PhD	Assistant Secretary for Planning	DPWH	(02) 304-3037
2. Melvin B. Navarro	Director	DPWH-PS	(02) 304-3021
3. Philip Meñez	Director	DPWH-MFCDP II PMO	(02) 304-3820
4. Resito V. David	Director	DPWH-FCSEC PMO	(02) 304-1062
5. Rebecca T. Garsuta	Engineer V	DPWH-PS	(02) 304-3155
6. Criste Z. Navida	Chief of ESSO, PM	DPWH-PS-ESSO	(02) 304-3287
7. Lilia M. Banaag	Engineer V	DPWH-BOM	(02) 304-3613
8. Marlon B. Obligado	CDO 3	OCD	(02) 728-09-92
9. Lenie Duran Alegre	CDO-PMO	OCD	(02) 912-0441
10. Edwin G. Domingo	Asst. Director	DENR-MGB	(02) 928-8937
11. Leonila R. Mercado	Engineer IV	DPWH-MFCDP II-PMO	(02) 304-3752
12. Mari Sawa	Country Officer	JICA HQ	-
13. Yoko Nomura	Project Formulation Advisor	JICA Philippine Office	(02) 889-7119
14. Yoshiharu Matsumoto	Team Leader	JICA Study Team	(02) 643-5365
15. Kazuto Suzuki	Structural Engineer	JICA Study Team	(02) 643-5365

**MINUTES OF THE  
THIRD STEERING COMMITTEE MEETING  
REGARDING  
THE PROGRESS  
OF  
THE PREPARATORY STUDY ON SECTOR LOAN  
FOR DISASTER RISK MANAGEMENT**

**OPERATIONS ROOM  
DPWH MAIN OFFICE  
MANILA**

**SEPTEMBER 16, 2009**

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**MARIA CATALINA E. CABRAL, PhD**  
Assistant Secretary for Planning and  
Chairperson, Steering Committee  
for the Study  
Department of Public Works and Highways

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**YOSHIHARU MATSUMOTO**  
Study Team Leader  
Japan International Cooperation Agency

The Steering Committee (SC) for “The Preparatory Study on Sector Loan for Disaster Risk Management” (“the Study”) was convened for the third time from 9:30 a.m. to 12:00 noon on September 16, 2009 to discuss the Progress of the Study. Chaired by Dr. Maria Catalina E. Cabral, Assistant Secretary for Planning of the Department of Public Works and Highways (DPWH), the Third SC Meeting was attended by the SC members representing the Government of the Republic of the Philippines, and the JICA Officials including the JICA Preparatory Study Team and the JICA Expert in DPWH.

Before the meeting was started, the JICA Preparatory Study Team distributed copies of its presentation material, the contents of which were later explained in the meeting by the Leader of the JICA Preparatory Study Team. The list of participants is given in Annex-1. The main items discussed and/or concluded in the meeting were as follows:

#### 1. Presentation of Progress of the Study

Mr. Matsumoto, the JICA Preparatory Study Team Leader, presented the progress of the Study to the SC members as contained in the handout materials. The presentation mainly addressed the following three (3) main items for the application of Sector Loan:

- Framework and Concept of the Sector Loan consisting of the Sector Loan Sub-Projects (Hard Component), the Emergency Response Fund (ERF), and the Technical Assistance (T/A) components with the following objectives:
  - To provide assistance in facilitating the actual implementation of the Sector Loan Flood Control Project specifically to avoid delay in the implementation through the prompt implementation of ROW acquisition and resettlement by DPWH; in coordination with LGUs and
  - To provide assistance geared towards the proper and adequate operation and maintenance (O&M) of the constructed river facilities.
  - To consider the special annual interest (0.004%) for ERF account.
- NEDA's Comments on the Sector Loan, dated August 17, 2009, summarized as follows:
  - It may be difficult for the ICC to assess the overall benefit/impact of the whole Sector Loan without project details.
  - DPWH should also focus on finding the merits/needs for the proposed Sector Loan as against a loan with a number of sub-projects and/or components. (Normally, the objectives of a sector loan include institutional reforms for the sector leading to increase investments in the future and/or pilot testing and eventual up-scaling of technologies that may justify a program approach in investments.)
- Other Particular Concerns and Items to be confirmed:
  - Emergency Response Fund (ERF)
  - Necessary information, data and other requirement for evaluation by ICC



## 2. Issues brought out in the SC Meeting

ASEC Cabral asked Engr. Rebecca T. Garsuta, Chief of the Development Planning Division, Planning Service, DPWH and Chairperson of the Technical Working Group (TWG), about the results of the TWG Meeting on September 10, 2009. In response, Engr. Garsuta cited the following issues brought out in the TWG Meeting, which should be clarified in the SC Meeting:

- Considering the suitable organizational structure to operate and manage the Sector Loan, Case-1 is recommended by the TWG. The concept of Case-1 is to create or re-organize a PMO for the implementation of Sub-Projects; BOM will manage the ERF in harmony with the QRF and NCF, and the team/group/task force for ICD (Institutional Capacity Development) will be created whose members would come mainly from the DPWH Planning Service (P/S) and FCSEC.
- To share the responsibilities with the LGUs to shoulder a part of the Project Cost. (e.g. ROW acquisition, resettlement, non-structural measures)

### 2.1 Management Organization for the Sector Loan

Based on the conceived alternatives by the JICA Preparatory Study Team, several suggestions have been discussed, as follows:

In connection with the management of the Sector Loan, Mr. Resito V. David, Director, DPWH-FCSEC PMO, made a comment that the proposed Sector Loan Project for Disaster Risk Management should be managed under one office for easier management. Engr. Navida, the Chief of DPWH-ESSO, also supported the one-office management system.

In addition to the various ideas from the SC members, ASEC Cabral requested the TWG Chairperson to make a further clarification on the advantage of the One-Office Management System as well as a final recommendation on the suitable organizational structure for the effective and good administration of DRM by DPWH together with the other mandated tasks on flood control. Engr. Garsuta recommended that the Bureau of Maintenance (BOM) should be involved in the system of operation of ERF because it manages the existing system with regard to the releases of QRF and NCF.

### 2.2 Involvement of LGUs on the Cooperative Agreement for Each Target Area of F/S

Engr. Garsuta inquired from the JICA Preparatory Study Team about the involvement of the LGUs concerned with regard to the execution of F/S and the scope of their cooperation. Mr. Suzuki, structural engineer of the Study Team, answered that all of the LGUs they have consulted are amenable to the implementation of the flood control project and have agreed on their responsibilities. However, some LGUs stressed that their responsibility will be limited because of budgetary constraints.

In this connection, the Study Team presented a sample MOA between the DPWH and LGU concerned as a basic requirement. In the sample MOA, it is recommended that the actual amount for project implementation to be shouldered by the LGU shall be, sourced from the Local Development Fund (20% of Internal Revenue Allotment (IRA)). As for the responsibility of the LGU on O&M, it will depend on the river facilities to be constructed and the financial affordability of the LGU concerned. MOA for the Laoag Flood Control Project is a good reference.

### 3. Management System and Operation of Emergency Response Fund (ERF)

ASEC Cabral pointed out that the success of the ERF would depend on the activities and advance preparedness before the actual operation of ERF. She further pointed out that the Technical Assistance (T/A) activities and the preparation of DPWH regarding the operation of ERF are essentially necessary.

In this connection, Mrs. Nomura commented that the JICA Philippine Office is willing to commence the T/As proposed by the Preparatory Study Team to support the Implementation of the Sub-Projects and the Capacity Development on Disaster Risk Management in advance before the commencement of the Sector Loan Project, especially the T/A to setup the mechanism on the utilization of ERF, Further she stressed that this TA still subject to the concurrence of the JICA Tokyo Head Office. Mrs. Nomura also emphasized that it is deemed that some kind of budget like the ERF shall be setup under the budgetary system of DPWH to provide funds for the rehabilitation/repair of damaged structures due to calamities, which is indispensable for the sound management of any flood control system.

### 4. Response to NEDA's Comment on Sector Loan

After the presentation of the JICA Study Team, Mr. Bernardo, Sr. EDS of NEDA, suggested that all the results of the study on the framework of Sector Loan including the current issues and proposed countermeasures, the management system of ERF and ICD component shall be indicated on the application for NEDA's evaluation and ICC approval.

In relation to the comments of NEDA, the following matters were discussed:

#### 4.1 Stage of ICC Approval and L/A for Sector Loan Project

In accordance with the comments of NEDA, the JICA Preparatory Study Team presented several cases of time for ICC Approval and Loan Agreement (L/A), as follows:

- Case A: To implement the Sector Loan as early as possible
  - Expected Time for L/A: End of 2010
  - Documents required for ICC Approval: F/S of the 3 river basins under the 1<sup>st</sup> Batch, Long List, Framework of Sector Loan, including Merit / Benefit / Impact together with ERF and T/A
- Case B-1: ICC Documents prepared after the F/S for all River Basins under the long list
  - Expected Time for L/A: Early 2012
  - Documents required for ICC Approval: F/S of all river basins, Framework of Sector Loan, including Merit/ Benefit/ Impact together with ERF and T/A
- Case B-2: ICC Documents prepared for each Batch of River Basins
  - Expected Time for L/A: End of 2010, 2011 and Early 2012

- Documents required for ICC Approval: F/S of river basins in each Batch, Long List, Framework of Sector Loan, including Merit / Benefit / Impact together with ERF and T/A
- Case AB: ICC Documents prepared after Preliminary Evaluation of Long-Listed Rivers
  - Expected Time for L/A: Early of 2011
  - Documents required for ICC Approval: F/S of all river basins for preliminary evaluation, Long List, Framework of Sector Loan, including Merit/ Benefit/ Impact together with ERF and T/A

The SC members recommended Case A Scenario.

#### 4.2 Long and Short Lists of Candidate River Basins for Sector Loan Project

The Sector Loan was originally conceived for the river basins selected from the Long and Short lists of candidate river basins for the Project. In this connection, ASEC Cabral recommended that as many candidate river basins as DPWH proposes shall be included in the Long List, and the short-listed river basins will be considered as pledged river basins to be implemented with Sector Loan funds.

#### 4.3 Pursuit of Original Concept

In view of the length of time needed for the L/A as well as the selection of river basins, Mr. Mella of the JICA Philippine Office reminded the objectives of the Sector Loan and stressed that DPWH should seek for the approval of ICC as early as possible to achieve the desired impact on the strengthening capacity for disaster risk management of DPWH and the other agencies concerned, so that earlier receipt of the ICC approval and earlier implementation of the Sector Loan Project are desirable. In addition, Mrs. Nomura seconded that a Stand-alone type of Flood Mitigation Loan Project shall be pursued together with the monitoring of effects of the Sector Loan Project on disaster risk management. She further stated that JICA supposedly not to pledge support for other stand-alone loan projects prior to the commencement of the Sector Loan Project.

#### 4.4 Arrangement for a Meeting with NEDA

Concerning the issues brought out in this SC Meeting, the SC suggested to arrange a meeting with NEDA in order to confirm the direction of the Preparatory Study and clarify the issues as soon as possible.

### 5. Other Issues and Concerns

#### 5.1 Harmonization with Relevant Studies and Activities

Mr. Cruz, OIC of ODA, DOST-PAGASA and Ms. Lenie D. Alegre, CDO-PMO, OCD, suggested that the Sector Loan and the related activities on DRM shall be coordinated with the other related studies and activities such as the "Ready Project" under OCD and PAGASA.



In response to the suggestion, the JICA Preparatory Study Team agreed to maintain a close coordination with the other agencies concerned with regard to the DRM activities and policies.

## 5.2 Relationship with IWRM

Engr. Navida of DPWH-ESSO advised that the Sector Loan should be harmonized with the IWRM Policy and the related agencies.

In response, the JICA Preparatory Study Team agreed on the harmonization with the IWRM. As a matter of fact, a T/A is proposed for the coordination activities related to the IWRM, as well as the necessity and recognition of a legal setup for a unified organization of IWRM.

## 6. Closing of the Meeting

ASEC Cabral thanked the Steering Committee members for their attendance and requested them to submit any further comment on the Progress of the Preparatory Study through Engr. Garsuta. She also requested the JICA Preparatory Study Team to answer any query that may be made during the remaining term of the Study. She further announced that the next SC meeting will be held around the beginning of November 2009 to discuss the contents of the Draft Final Report on the Study.

**ANNEX-1****THIRD STEERING COMMITTEE MEETING****ATTENDANCE LIST****Date: September 16, 2009****Place: Operations Room, DPWH**

<b>NAME</b>	<b>DESIGNATION</b>	<b>OFFICE</b>	<b>CONTACT NUMBER</b>
1. Maria Catalina E. Cabral, PhD	Assistant Secretary for Planning	DPWH	(02) 304-3037
2. Melvin B. Navarro	Director	DPWH-PS	(02) 304-3021
3. Philip Meñez	Director	DPWH-MFCDP II PMO	(02) 304-3820
4. Resito V. David	Director	DPWH-FCSEC PMO	(02) 304-1062
5. Rebecca T. Garsuta	Engineer V	DPWH-PS	(02) 304-3155
6. Criste Z. Navida	Chief of ESSO, PM	DPWH-PS-ESSO	(02) 304-3287
7. Belinda I. Fajardo	ESSO	DPWH-PS-ESSO	(02) 304-3287
8. Antonio Apostol, Jr.	Chief Geologist	MGB-DENR	(02) 928-85-44
9. Pallo Mert S. Bernardo	EDS-II	NEDA-IS	(02) 631-3724
10. Marlon B. Obligado	CDO 3	OCD	(02) 728-09-92
11. Lenie Duran Alegre	CDO-PMO	OCD	(02) 912-0441
12. Edwin G. Domingo	Asst. Director	DENR-MGB	(02) 928-8937
13. Ramon A. Ariola III	OIC-Asst. Project Director	PMO-MFCP I	(02) 304-3752
14. Leonila R. Mercado	Engineer IV	DPWH-MFCDP II-PMO	(02) 304-3752
15. Betty S. Sumait	Director III	BOM-DPWH	(02)-304-3607
16. Yoko Nomura	Project Formulation Advisor	JICA Philippine Office	(02) 889-7119
17. Erwin Mella, Jr.	Sr. Program Officer	JICA Philippine Office	(02) 889-7119
18. Yoshiharu Matsumoto	Team Leader	JICA Study Team	(02) 643-5365
19. Hideki Imai	Environmental Specialist	JICA Study Team	(02) 643-5365
20. Makoto Mitsukura	River Engineer	JICA Study Team	(02) 643-5365
21. Kazuto Suzuki	Structural Engineer	JICA Study Team	(02) 643-5365
22. Nathaniel Cruz		PAGASA	


**MINUTES OF THE JOINT MEETING  
AMONG NEDA, DPWH AND JICA**

**REGARDING**

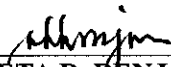
**THE PREPARATORY STUDY  
ON  
SECTOR LOAN FOR DISASTER RISK MANAGEMENT**

**CONFERENCE ROOM NO.4  
JICA PHILIPPINE OFFICE  
MAKATI CITY**

**JULY 7, 2009**

  
REBECCA T. GARSUTA  
Chief, Development Planning Division  
and Chairperson of Technical Working  
Group for the Study  
DPWH

  
YOSHIHARU MATSUMOTO  
Study Team Leader  
JICA

  
AMETA B. BENJAMIN  
Officer-in-Charge  
Asia Pacific Division  
Public Investment Staff  
NEDA

Aside from the regular meetings of concerned committees such as the Technical Working Group (TWG) and the Steering Committee (SC), a joint meeting among the officials of NEDA, DPWH and JICA was held on July 7, 2009 to clarify issues regarding the framework of the Sector Loan for Disaster Risk Management.

Prior to the joint meeting, a SC meeting was held on April 27, 2009 to discuss the contents of the Inception Report for the Study, as well as the issue on ICC approval which be clarified by NEDA. A copy of the Minutes of the SC Meeting on the Inception Report is shown in Attachment-1, Annex-2.

The joint meeting was chaired by Mr. Resito V. David, Director, DPWH-FCSEC PMO and attended by the concerned officials of NEDA, DPWH and JICA including members of the JICA Study Team and the JICA Expert in DPWH. Before the meeting was started, the JICA Study Team distributed copies of the presentation materials (Annexes 2 to 4) and the contents were thereafter explained. The list of participants is attached in Annex-1.

The main items discussed and concluded in the joint meeting, which remain subject to the approval by competent higher authorities by the Government of Japan (GOJ) and the Government of the Philippines (GOP) are as follows:

1. The Necessity of Sector Loan for Disaster Risk Management

Based on lessons learned from project implementation issues of previously-assisted flood control projects, the Study Team shall recommend institutional capacity building activities not only for DPWH but other agencies involved in disaster mitigation and LGUs. Financing such component may include JICA TA or the sector loan itself. NEDA suggested that the Team should consider that ICC's financing preference for soft components such as capacity building activities is either grant or local funds.

2. ICC Approval regarding the Disaster Risk Management Sector Loan

As required by NEDA, DPWH has to submit ICC documents for the proposed Sector Loan Projects including the results of the feasibility study (F/S) of the selected three (3) river basins included in the first batch of flood mitigation projects, as shown in Annex-3. The loan package also includes more or less 10 candidate river basins to be included in the second and third batches. In this arrangement, it is understood that, except for the above 3 river basins, the ICC documents for the Sector Loan Projects will not yet include any detailed description such as the results of F/S and economic evaluation for the river basins to be considered in the second or the third batches. With this set up, DPWH sought clarification from NEDA on whether or not the said concept has the merit for ICC approval considering that not all projects are not yet defined.

According to NEDA representative, the Sector Loan concept could be pursued following the abovementioned arrangement provided that the application documents for the said Sector Loan such as the appropriate **criteria**, **concept** and **procedure** for the selection of rivers to be considered under the Sector Loan, as well as the **organizational structure** of the implementing unit in DPWH are in order. In principle, the DPWH shall submit and request ICC approval of the whole package comprising of three batches with three projects in the first batch and candidate projects for the second and third batches. The candidate projects will still be subjected to economic evaluation and screening procedure such as compliance to certain conditionalities. Once these projects are finally selected, then subsequent ICC evaluation is necessary if the total cost of the project is more than P500 million.

*JG mlt*

*[Signature]*



In view of the foregoing, it has been agreed in the joint meeting that the implementation plan for the three (3) river basins, F/S report, Memoranda of Agreement (MOAs) between the DPWH and the LGUs concerned, ROW and Resettlement Action Plan, duly accomplished ICC Project Evaluation Forms and other ICC requisite clearance, such as, Regional Development Council (RDC) endorsements, ECC/CNC and the Funding Strategy, among others, for the project, shall be secured and submitted by DPWH to NEDA for ICC evaluation and approval.

### 3. Procedure in the Utilization of the Emergency Response Fund (ERF)

The Emergency Response Fund is to be established as one of the components of the sector loan for the proper maintenance of properties and assets (e.g. flood control projects constructed by DPWH). See Table-1 in Annex-2.

NEDA suggested that the application documents should include the appropriate **criteria**, **mechanism** and **procedure** for selection of structures to be rehabilitated/retrofitted and the utilization of the fund, as well as the **organizational structure** of the implementing unit in DPWH. Basically, NEDA has no objection for DPWH' s utilization of the Fund for emergency purposes as long as it is in accordance with the proper procedures which should be clearly defined in the proposal to be presented to ICC for approval.

Also, it was agreed that NEDA will require that the utilization of the Emergency Response Fund be appropriately reported as part of the periodic DPWH quarterly monitoring report for the Sector Loan to be submitted to NEDA Project Monitoring Staff. .

### 4. Project Management Office (PMO)

DPWH expressed concern that the existing DPWH-PMO for Flood Control may not be able to manage the whole sector loan program. NEDA suggested that Team should also consider that ICC may not support creation of new PMOs, instead the Team should study existing arrangements of ongoing and completed projects with a unified PMO and as much as possible tapping the expertise of organic personnel of the implementing agency.

Jey mlt

~~mt~~

ANNEX-1

**JOINT MEETING  
AMONG NEDA, DPWH AND JICA**

**ATTENDANCE LIST**

**Date: July 7, 2009**

**Place: Conference Room NO. 4, JICA Philippine Office, Makati City**

NAME	DESIGNATION	OFFICE	CONTACT NUMBER
1. Resito V. David	Director	DPWH-FCSEC PMO	(02) 304-1062
2. Melvin B. Navarro	Director	DPWH-PS	(02) 304-3021
3. Rebecca T. Garsuta	Engineer V	DPWH-PS	(02) 304-3155
4. Amy Benjamin	Officer-in-Charge, Asia Pacific Division	NEDA-PIS	(02) 631-2165
7. Yoko Nomura	Project Formulation Advisor; Assistant for Disaster Management	JICA Social Development and Livelihood Section	(02) 889-7119
8. Kumiko Uchida		JICA	(02) 889-7119
9. Ervin F. Mella, Jr		JICA	(02) 889-7119
10. Minoru Kamoto	JICA Expert	DPWH	(02) 304-3356
11. Yoshiharu Matsumoto	Team Leader	JICA Study Team	(02) 643-5365
12. Kazuto Suzuki	Structural Engineer	JICA Study Team	(02) 643-5365

*Jig mlt*

*[Handwritten signature]*

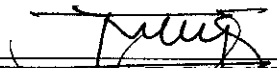
**MINUTES OF THE JOINT MEETING  
AMONG NEDA, DPWH AND JICA**

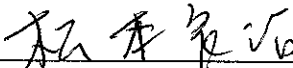
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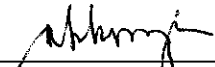
**THE PREPARATORY STUDY  
ON  
SECTOR LOAN FOR DISASTER RISK MANAGEMENT**

**CONFERENCE ROOM NO.2  
JICA PHILIPPINE OFFICE  
MAKATI CITY**

**SEPTEMBER 18, 2009**

  
\_\_\_\_\_  
**REBECCA T. GARSUTA**  
Chief, Development Planning Division  
and Chairperson of Technical Working  
Group for the Study  
DPWH

  
\_\_\_\_\_  
**YOSHIHARU MATSUMOTO**  
Study Team Leader  
JICA

  
\_\_\_\_\_  
**AMETA B. BENJAMIN**  
Officer-in-Charge  
Asia Pacific Division  
Public Investment Staff  
NEDA  
JIC

As agreed during the Third SC Meeting on September 16, 2009, a joint meeting among the officials of NEDA, DPWH and JICA was held on September 18, 2009 to further clarify the issues regarding the framework of the Sector Loan for Disaster Risk Management. The list of attendants is shown in Annex-1.

The main items discussed and agreed in the Joint Meeting were as follows:

1. Definition of Terms used in the Preparatory Study

For the understanding of all parties concerned, the terms used in the JICA Preparatory Study are defined as follows:

- Long List : "Long List" means the list containing the name of the fifty-eight (56+2=58) river basins that have been proposed and selected as priority areas for implementation of river improvement works or flood control projects during the period 2009-2034. (See Annex-2)
- Short List : "Short List" means the list containing the name of candidate river basins with completed and/or ongoing feasibility studies to have river improvement works or flood control projects implemented as candidate sub-project components of the Sector Loan Project for Disaster Risk Management.
- Nationwide Flood Risk Study : "Nationwide Flood Risk Study" means "The Study on the Nationwide Flood Risk Assessment and the Flood Mitigation Plan for the Selected Areas in the Republic of the Philippines (JICA and DPWH, 2008)."
- ERF : "ERF" means the Emergency Response Fund to be established under the Sector Loan Project for Disaster Risk Management and intended to finance for the rehabilitation and restoration of damaged river structures.
- T/A : "T/A" means the Technical Assistance activities or services to support and enhance the implementation of the Sector Loan Project for Disaster Risk Management, and to develop Institutional Capacity to be provided with either through Grant or Loan.

2. Possibility of ICC Approval of the Sector Loan for Disaster Risk Management

Throughout the three Steering Committee meetings and the focal group discussions among the officials concerned in NEDA, JICA and DPWH, it was resolved that the concept of Sector Loan for Disaster Risk Management is eligible for ICC evaluation or appraisal. Tentatively, the indicative amount for the DRM Sector Loan is US\$200 million of which US\$20 million will be earmarked for ERF, subject to loan appraisal and negotiation.

However, NEDA pointed out that the Study Team and DPWH should provide details on the criteria for the selection of rivers to be included in the Short List, as well as detailed mechanism for the utilization of the ERF.

NEDA also clarified that the ICC will evaluate and approve the DRM Sector Loan as a Facility, as well as the 1<sup>st</sup> batch of projects with completed Feasibility Studies (F/S). For other shortlisted projects which are to be included in the 2<sup>nd</sup> or 3<sup>rd</sup> batches, only project features with preliminary project cost and indicative economic analysis may be required considering that these will be subjected to ICC evaluation after the completion of the respective F/S by the DPWH. Reprioritization among shortlisted projects may be possible for as long as the same is justified.



With regard to the utilization of the ERF, DPWH should clearly specify the criteria for the identification and approval of potential projects for urgent repair/rehabilitation. The criteria and mechanism for the ERF will also be reviewed by the ICC.

In this connection, DPWH is going to prepare the ICC requisite documents and accomplish the ICC Project Evaluation forms to be reviewed by the NEDA-ICC Secretariat. The ICC documents to be prepared and the conditions are described in accordance with Item 3 of this Minutes of Joint Meeting.

3. Documents to be Prepared by DPWH for ICC Approval

The ICC documents to be prepared by DPWH for ICC approval of the Sector Loan for Disaster Risk Management shall be consistent with, but not limited to, the Preparation Concept given in the following table.

4. On Cooperative Agreement and Possible JICA Technical Assistance

Aside from identification of Cooperative Agreements (Conditionality) for the implementation of DRM, JICA mentioned that it is also considering providing Technical Assistance (T/A) in order to develop capacities of DPWH and concerned LGUs for the implementation of the Sector Loan. JICA, through close consultation with appropriate GOP agencies, will identify which T/A will be provided under Technical Cooperation, Grant, as well as those which will be included in the "soft" component of the Sector Loan.

*JTB* *mt*

*for*

## Documents to be prepared for ICC-Approval (Umbrella Facility)

Documents	Timing of Submission			Main contents/Requirements
	TB	CC	Imp.	
<b>Implementation Program of Sector Loan</b>	⊙			
Outline of Sector Loan for DRM				Background/Necessity, Objectives and Scopes
Components of Sector Loan				Flood control projects for 3 F/S River Basins and other candidate river basins, ERF and Technical assistance .
Flood control projects of 3 F/S River Basins				Project features, costs and economic evaluations
Flood control projects of other candidate river basins (short listed)				Selection Process for short list (*1) Project features, costs and economic evaluations
Implementation Schedule				Overall implementation schedule and Cost Estimation (*2)
Report on Preparatory Study				incl. analysis on the common issues/problems of the sector
<b>Annex-1 Flood control projects of 3 F/S River Basins</b>				<b>For 3 F/S River Basins</b>
ICC-PE Form	⊙			including economic evaluation (EIRR) and implementation schedule
RDC Endorsement			⊙	
ROW Acquisition and RAP		⊙		
EIA w/ ECC or CNC			⊙	IEE being prepared by Study Team
DBM Certification of Budget Availability for the projects		⊙		
MOA	⊙			With subject LGUs for ROW and O&M
Endorsement of other agencies (*3)		⊙		Such as IWRM Policy by DENR, if necessary
Project location map	⊙			
F/S Reports	⊙			
<b>Annex-2 Flood control projects of other candidate river basins</b>				<b>Description for other candidate river basins</b>
Project area	⊙			Outline of natural, socio-economy and flooding conditions
Project feature	⊙			Main flood control works
Project location map	⊙			1/50,000 showing project area
Project cost and economic evaluation (EIRR)	⊙			Based on Nationwide Flood Risk Study
Nationwide Flood Risk Study Report	⊙			
<b>Annex-3 Establishment of ERF</b>				
Mechanism and Guideline	⊙			Principle concept and draft guideline
Operation Manual			⊙	Draft operation manual (if prepared)
<b>Annex-4 Technical Assistance</b>				<b>Through the consultation with JICA</b>
Objective of TA (draft)	⊙			
Contents of TA (draft)	⊙			Proposed scheme under TCP
Proposed implementation schedule of TA (draft)		⊙		

Note:

\*1: The Outline of Civil Works shall include the Manner of Selection of Candidate River Basin as well as the manner of selection from the prioritized 56 river basins based on the Report of the Nationwide Flood Risk Study.

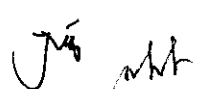
\*2: The Assumed Total Cost of the candidate river basins in the Short List shall be more than the Requested Loan Amount.

\*3: if necessary, as per requirement of NEDA.

TB : Technical Board  
CC : Cabinet Committee  
Imp. : Implementation of the Sub-Project

**ANNEX-1****JOINT MEETING  
AMONG NEDA, DPWH AND JICA****ATTENDANCE LIST****Date: September 18, 2009****Place: Conference Room No. 2, JICA Philippine Office, Makati City**

NAME	DESIGNATION	OFFICE	CONTACT NUMBER
1. Rebecca T. Garsuta	Engineer V	DPWH-PS	(02) 304-3155
2. Alejandro A. Sosa	PM II	DPWH MFCDP II-PMO	(02) 304-3829
4. Amy Benjamin	Officer-in-Charge, Asia Pacific Division	NEDA-PIS	(02) 631-2165
5. Joseph Norley Y. Capistrano	Sr. Economic Development Specialist	NEDA-PIS	(02) 631-3759
9. Pallo Mert S. Bernardo	EDS-II	NEDA-IS	(02) 631-3724
7. Yoko Nomura	Project Formulation Advisor; Assistant for Disaster Management	JICA Social Development and Livelihood Section	(02) 889-7119
9. Ervin F. Mella, Jr.		JICA	(02) 889-7119
10. Minoru Kamoto	JICA Expert	DPWH	(02) 304-3356
11. Hitoshi Kin	Project Manager	Consultant	(02) 524-9149
12. Kazuto Suzuki	Structural Engineer	JICA Study Team	(02) 643-5365




ANNEX-2 (1/2)

Fund	Prioritization	River name	Basin Area (km <sup>2</sup> )	Classification	2009	2015	2020	2025	2030
Foreign	1	EAST MANGAHAN	84	P(D)					
	2	MEYCAUAYAN	154	O(D)					
	3	PANAY/MAMBUSAO	2,311	M					
	4	MINDANAO	20,673	M					
	5	NANGALISAN/BAGGAO-PARED(CAGAYAN)	27,743	M					
	6	UPSTREAM of AONO (include AMBAYAWAN BANLA)	5,722	P(D)					
	7	ILOG-HILABANGAN	2,162	M					
	8	DAVAO	1,992	M					
	9	KABILUGAN/VELASCO/BATO LAKE/BICOLI	2,999	M					
	10	GUAGUA	1,605	O(D)					
	11	CEBUMANDAWA	241	O(D)					
	12	UPPER AGUSAN	1,745	P(D)					
	13	UPPER MARIKINA	515	P(D)					
	14	SAN JUAN	90	P(D)					
	15	JALAU	1,534	M					
	16	TAGUM-LIBUGANON	2,434	M					
	17	PATALAN/CAYANGA/ANGALACAN	656	P					
	18	IMUS	112	P(D)					
	19	TUGANAY	747	P(D)					
	20	UPSTREAM of PAMPANGA(include RIO CHOCO)	8,122	P(D)					
	21	SINOCALAN/MAROSOV(DAGUPAN)	1,023	P					
	22	TAGO	1,370	P					
	23	ABULUG	2,766	M					
	24	ABRA	4,951	M					
	25	SIBUGUEY	994	P					
	26	ANGAT	917	P					
Local	1	YAWA BASUD-QUIRANGAY(LEGAZI CITY)	126	O(D)					
	2	KINANIMAN(REAL-I)	10	O					
	3	MANDALAGAN(BACOLOD CITY)	187	O					
	4	TAGOLOAN	1,762	M					
	5	AGUSBUAYAN	1,898	M					
	6	AGOS	483	P(D)					
	7	SANTA RITA-KALAKLAN(OLONGAPO CITY)	102	O(D)					
	8	AKLAN	1,010	P					
	9	BUAYAN-MALUNGUN	1,400	M					
	10	TUMAGA	255	P(D)					
	11	MALUPA-DIAN(AGUANG)	666	P					
	12	DONSOL/MANLATO	413	P(D)					
	13	GUINABASAN	131	P(D)					
	14	DINAGGASAN(CATARAMAN-1S)	25	O(D)					
	15	IPONAN	412	P					
	16	AMBURAYAN	1,307	P(D)					
	17	BALETE	132	P					
	18	BAGO	868	P					
	19	LIPADAS	163	P(D)					
	20	TALOMO	279	P(D)					
	21	ARINGAY	421	P					
	22	BAUANG	510	P					
	23	DUNGCAAN(PAGBANGANAN)	176	P					
	24	SILWAY-POPONG-SINAUAL(POLOMOLOK)	577	O					
	25	CAGAYAN DE ORO	1,365	M					
	26	CAGURAY	361	P					
	27	PAMPLONA	698	P					
	28	DAGUITAN-MARABONG	292	P					
	29	LAKE MAINIT-TUBAY	473	P					
	30	MATALING	420	P					
Exceptional Rivers									
	Iloilo (Phase II)								
	Dinalupihan-Hermosa-Lubao								

Locally-Funded Project: (Project Cost) < 1 bil Pesos L: Luzon : F/S  
 Foreign Assisted Project: (Project Cost) > 1 bil Pesos V: Visayas : D/D  
 M: Mindanao : Construction

(Source: Nationwide Flood Risk Assessment Study)

THE PREPARATORY STUDY ON  
 SECTOR LOAN FOR  
 DISASTER RISK MANAGEMENT  
 IN THE REPUBLIC OF THE PHILIPPINES  
 JAPAN INTERNATIONAL COOPERATION  
 AGENCY

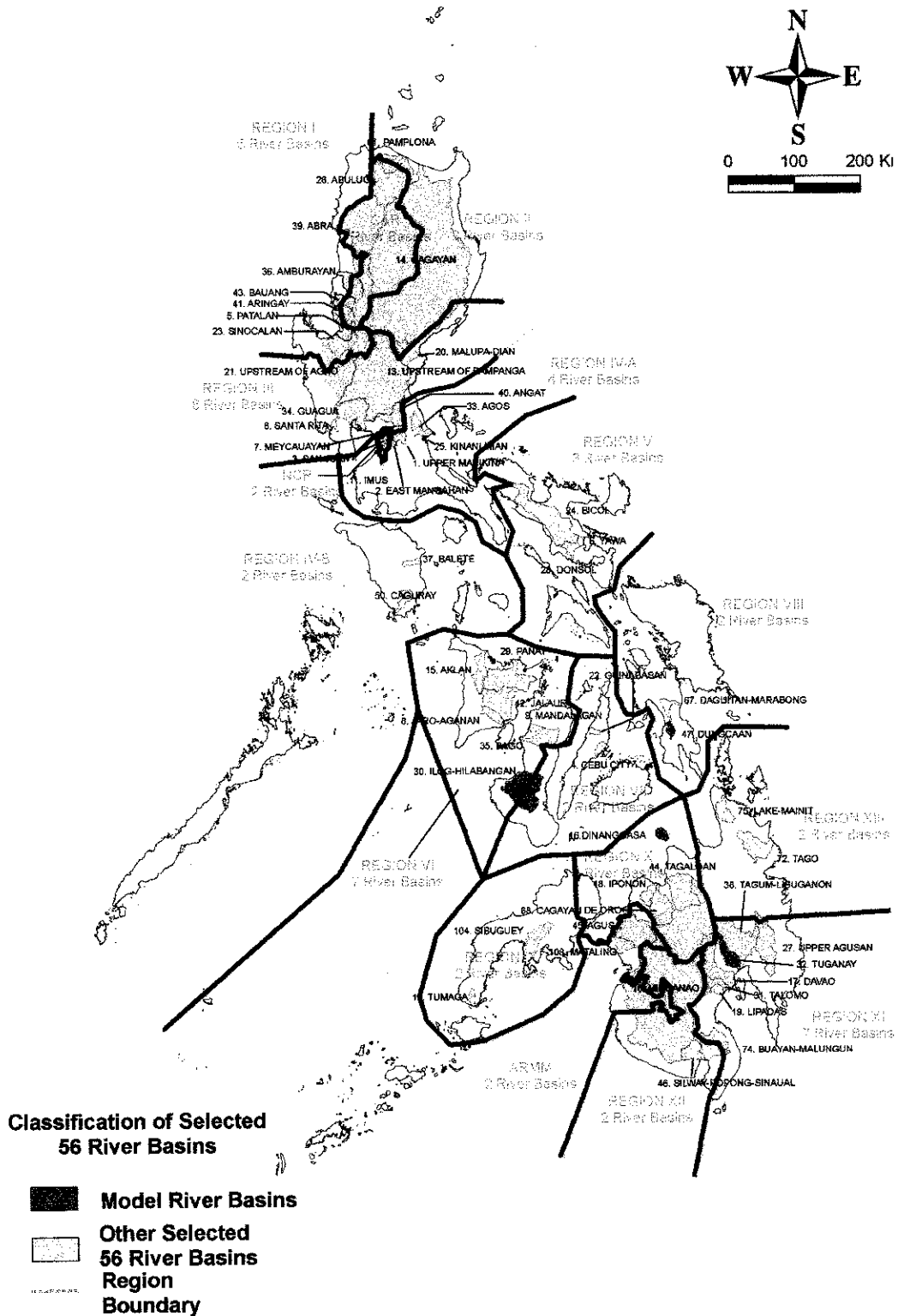
Figure 3.1  
 Investigation Schedule of  
 56 + 2 River Basins

*JG mhk*

*JK*



**ANNEX-2 (2/2)**



**Location of Selected 56 River Basins in the Second Screening**  
(Source: Nationwide Flood Risk Assessment Study)


*JG Mh*

*JK*

**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**

The Japan International Cooperation Agency (hereinafter referred to as "JICA") dispatched a Study Team on the Preparatory Study for Sector Loan on Disaster Risk Management in the Philippines (hereinafter referred to as the "Preparatory Study") to the Republic of the Philippines in March 2009. Through a series of discussions, field surveys, and studies in accordance with Terms Of Reference (TOR) described in the Inception Report, the Preparatory Study Team prepared a draft final report of the said study. JICA Advisory Team visited the Republic of the Philippines from 11 to 13 November 2009 to discuss the contents of the study report. The Steering Committee (SC) for "The Preparatory Study on Sector Loan for Disaster Risk Management" ("the Study") was convened on 12 November 2009 to discuss the components of the draft final report. The SC was chaired by Dr. Maria Catalina E. Cabral, Assistant Secretary for Planning of the Department of Public Works and Highways (DPWH) and attended by the SC members representing Government organizations and the Officials of JICA Philippine Office, the JICA Study Team, the JICA Expert in DPWH, and the JICA Advisory Team. DPWH, JICA Advisory Team and JICA Study Team agreed on the matters referred to in the document attached hereto.

Manila, November 13<sup>th</sup> 2009



**MARIA CATALINA E. CABRAL, PhD**  
Assistant Secretary for Planning and  
Chairperson, Steering Committee  
for the Study  
Department of Public Works and Highways



**YOSHIHARU MATSUMOTO**  
Study Team Leader  
Japan International Cooperation Agency



**MIKIO ISHIWATARI**  
Team Leader  
Japan Advisory Team  
Japan International Cooperation Agency

**Attachment**

1. The Ilog-Hilabangan and Upper Agno sub-projects will not be anymore included in the list of sub-projects for the sector loan to avoid delays in loan preparation. These sub-projects are classified as category A according to the JBIC environmental guidelines, and would require at least an additional year for the conduct of environmental impact assessment and ECC processes within GOP. DPWH will assess/evaluate if there are potential candidate sub-projects to replace/substitute for Ilog-Hilabangan to be included in the first batch for NEDA /ICC approval process.
2. DPWH will start the feasibility study for 12 rivers by December 2009, which is expected to be completed by August 2010. These rivers are candidate sub-projects for the second and third batches of the sector loan. According to the JBIC environmental guidelines, a full environmental impact assessment and resettlement action plan are required for category A sub-projects while environmental screening form is required for all sub-projects regardless of the category.
3. It is planned that Disaster Rehabilitation Fund (DRF), originally named as Emergency Response Fund, will be disbursed through special account procedure. DPWH will follow standard procedures to open up the special account and propose the amount of initial deposit provided with justifications.
4. JICA is considering of providing the following technical assistance:
  - to establish the mechanism for the Disaster Rehabilitation Fund (DRF) prior to L/A.
  - the creation and mechanism for Institutional Capacity Development (ICD) team prior to L/A.
  - other capacity development of DPWH and other stakeholders in flood management.
5. DPWH will provide the study team with comments/suggestions on the draft final report and further details on capacity development technical assistance on/before 30 November 2009 and December 15 2009 respectively.
6. Members of the Steering Committee confirmed the proposed timelines for the loan preparation (see ANNEX-2). DPWH will follow the proposed timelines by initially submitting ICC application before 31 January 2010 without further technical assistance from JICA.
7. The JICA mission's comments on the draft final report are attached (ANNEX-3). These comments will also be incorporated in the final report.
8. With regard to DPWH's candidate stand-alone projects, DPWH is exerting efforts to conduct public consultations to gain support for Pampanga Delta giving the current situation.



**ANNEX-1****ATTENDANCE LIST in the Discussion****Date: November 12, 2009****Place: Operations Room, DPWH**

NAME	DESIGNATION	OFFICE	CONTACT NUMBER
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16. Ervin Mella Jr.	Sr. Program Officer	JICA Philippine	(02)-889-7719
17. Minoru Kamoto	JICA Expert_DPWH	DPWH	(02)-304-3095
18. Yoshiharu Matsumoto	JICA Study Team	FCSEC_DPWH	(02)-643-5356
19. Kazuto Suzuki	JICA Study Team	FCSEC_DPWH	(02)-643-5356

Proposed Schedule (tentative)

Item	Time	Japanese FY 2010												JFY 2011											
		10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3						
<b>Section 1: Disaster Risk Management</b>																									
● Preparatory Study	2009/11																								
DF/R	2010/3																								
● Loan																									
F/S by DPWH																									
ICC Application (Umbrella)																									
ICC-TB~ICC-CC																									
NEDA Board	2010/6																								
Official Request to GOJ	2010/6																								
Appraisal by JICA	2010/9																								
E/N	2011/1																								
<b>Section 2: Other</b>																									
P/M	2011/1																								
L/A effectuation	2011/1																								
● T/A①(ICC Preparation)																									
Dispatch of Expert	2010/1~3																								
● T/A②(ERF setup)																									
Dispatch of Expert	2010/3~																								
● Other T/As proposed																									
T/A Project																									

**ANNEX-3****JICA Advisory Mission's comment on Draft Final Report of the Preparatory Study for Sector Loan on Disaster Risk Management in the Philippines**

1. P3-33 – 37: The study findings of JICA 2008 are not properly summarized, misleading the study outputs. Since this study is a basis for the preparatory study for sector loans, it is crucial to correctly refer concepts. Figure 8.2.1 in 2008 JICA study report must be directly referred here.
  
2. P3-37—40: Issues are not properly structured. This chapter must examine valuable issues and recommendations in chapter 3.3.1, such as DPWH's reorganization, river basin approach, and public consultation. The chapter 3.3.3 must be restructured as follows:
  - (1) Core issue: limited capacity of integrated flood management
  - (2) Direct causes:
    - (a) Limited performance of structural measures, poor achievement of project target
    - (b) Limited development of non-structural measures
    - (c) insufficient institutional capacity
  - (3) Secondary causes
    - (a) (i) Improper planning
      - (ii) Insufficient budget for counter and O&M
      - (iii) unclear mandates of DPWH and LGUs
      - (iv) improper process of civil works (such as approval of variation order)
      - (v) improper resettlement planning and measures
      - (vi) limited coordination with other sectors and key stakeholders
      - (vii) limited contribution to poverty reduction
    - (b) (i) insufficient capacity of LGUs
      - (ii) insufficient supporting mechanisms of DPWH to LGUs
    - (c) (i) insufficient staffing and organizational arrangement of the headquarters and local offices of DPWH
      - (ii) Insufficient legal arrangement (such as water code, and river easement)
      - (iii) Insufficient governance (coordination among stakeholders, and participation of communities and LGUs)



3. P3-48—49: These key issues must cover not only project related, but also holistic approaches to improve flood management systems in DPWH and other organizations. There is no clear linkage between “3.5.3 points of direction to improve river administration”, and “3.3.3”, “4.2.1”. Figure R 3.4 and Tables R 3.13, R3.14, R 4.1 must be developed from same principle.
4. P4-1: This chapter must cover approaches to improve flood management capacities in DPWH as well as project implementation of sector loan. The core issue should not be set at only “full achievement of project target”, but also improvement of DPWH capacities in flood management.
5. P4-1 – 29: Cooperative agreements (CA)
  - (1) All cooperative agreements are vague and not clear. Since these agreements will become triggers for loan release, these must be revised from an action oriented point of view, and cover the details of actual actions and schedules. For example, how and when will sample MOA be authorized by whom?
  - (2) Necessary issues to improve DPWH's capacities must be included. For example, improvement of QRF and GAA, which is recommended in P7.2, must be proposed,
  - (3) The items discussed between JICA and DPWH, such as permanent organization of FCSES, must be included in the agreements.
6. P4-2: Table R4.1 must be revised as mentioned in para. 2.
7. P4-5: Six items of CA are not enough to resolve the issues identified in chapter 3. Resolving approaches must be holistically examined. For example, river basin governance, which can include consulting process, river basin forums, and information campaign, must be improved for smooth implementation of structural and non-structural measures. CA must be reorganized as follows:
  - (1) Strengthening of DPWH capacity (FCSEC, local offices)
  - (2) Establishing of project process (participatory planning, resettlement planning)
  - (3) Strengthening of management systems for ERF, QRF, and GAA.
  - (4) Development of non-structural measures (DPWH's supporting mechanisms)
  - (5) Coordination with LGUs and other organizations (MOA, O&M, river basin management, environment improvement)
  - (6) River basin governance (ICP, river basin forum, involving LGUs and communities in all project cycle)

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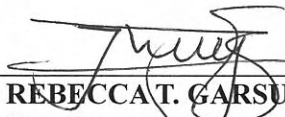
8. P4-6: The concept of DPWH's institutional improvement in flood management, firstly, must be proposed here. It includes proposal for institutional improvement of planning department, FCSEC, local offices, and other organizations concerned. Also, institutional improvement in O&M, including local offices, must be proposed. Based on this arrangement, Sector loan project management should be proposed.
9. P4-8: Permanent institutional arrangement must be proposed. The arrangement of ICD team or task force is not enough, since this would be established on a temporally basis.
10. P4-9: "Promotion of ICP by LGU" must be revised as "River Basin Governance", which can include ICP. Chapter 4.3.4 should include a concept and actions how to improve coordination with and consensus building among communities, concerned organizations, and LGUs on a river basin basis.
11. P5-2: Upper Agno River is included in the list of 18 candidate projects for the sector loan. Since works in the Agno River is planned against the key concept of the loan, core area protection, further examination is required to revise the planning.
12. P5-4: The detailed procedures and information required of JICA concurrences for the second and third batches must be proposed. Environmental impact assessment and resettlement issues must be included in the procedure.
13. P5-10 –11: The mission cannot accept this approach for climate change adaptation. Considering necessity of long term and resources in planning, it can not be expected that flood management plan will be revised according to the progress of climate change impacts. Without considering climate change impacts, there are possibilities that investment planned would be inappropriate. The flood management plans must include the climate change impacts predicted under a current technology level, and planning of adaptation measures against these impacts.
14. P7-2: Recommendations are again vague and unclear. Actual actions and deadlines must be recommended.
15. P-T4-8: Actions should be limited to revising manuals and drawings including climate change impact consideration.

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**MINUTES OF THE TECHNICAL WORKING GROUP MEETING  
ON  
THE PREPARATORY STUDY ON SECTOR LOAN  
FOR DISASTER RISK MANAGEMENT**

**PLANNING SERVICE CONFERENCE ROOM  
DPWH MAIN OFFICE  
MANILA**

**November 10, 2009**



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**REBECCA T. GARSUTA**  
Chief, Development Planning Division  
Department of Public Works and  
Highways and Chairperson of Technical  
Working Group for the Study



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**YOSHIHARU MATSUMOTO**  
Study Team Leader  
Japan International Cooperation Agency

The Third Technical Working Group (TWG) Meeting chaired by Ms. Rebecca Garsuta, Chief of the Development Planning Division, Planning Service, DPWH, was held on November 10, 2009, from 9:00 a.m. to 12:00 a.m. The meeting was attended by the TWG members representing the Government of the Republic of the Philippines and the JICA Study Team, as well as the JICA representatives from JICA Manila Office. Before the meeting started, the JICA Study Team distributed copies of the draft final report including presentation materials, contents of which were thereafter explained during the meeting. The list of participants is shown in the Annex. The main items discussed and/or concluded in the meeting are as follows:

1. Candidate river basins in the short list

The JICA representative asked clarification on the replacement of river basins included in the short list, since it was understood during the joint meeting among NEDA, DPWH and JICA, that it is part of the umbrella ICC approval.

DPWH answered that replacement of subprojects may be possible judging from their experiences for the road sector loan, in which candidate roads/bridges in the short list have been replaced, as long as the replacement satisfies the criteria for inclusion in the short list.

2. Distinction between ERF and QRF

The JICA representative expressed concern that there might be some confusion about the terminology and utilization of ERF and QRF. Therefore, it is preferable to clarify the difference between the ERF and QRF. One of the main differences may be the purpose of utilization; the former is in principle to be used primarily for rehabilitation, while the latter is for immediate disaster response. To avoid confusion, it is considered to change the name to Disaster Rehabilitation Fund (DRF) instead of Emergency Response Fund (ERF).

The Team also suggested to clarify not only the purpose and name, but also criteria as well as the procedure for the release of the fund. This should be further examined through introduction of technical assistance program from JICA and creating the ICD Team by DPWH.

3. Schedule for L/A

The JICA representative informed DPWH that Japanese side will send the appraisal mission to confirm the progress of necessary loan arrangement by the Philippine side some time next year before the conclusion of L/A.

DPWH expressed its intention to accelerate the preparatory works to apply for the loan.

4. Environmental Issues on the Ilog-Hilabangan River Basin

Relative to the F/S for the Ilog-Hilabangan river basin, the Study Team expressed their concern about the number of families to be relocated, which may be more than 50.

In this connection, the JICA representative introduced the JICA guideline for environmental and social consideration, which requires a full EIA study, since the case belongs to the Category A referring to the number of the Project-Affected Families (PAF). In case that one of the candidate river basins in the short list is included under Category A, the other river basins in the short list cannot proceed to conclusion of L/A unless EIA study is conducted subject to further validation of JICA HQ. Under this situation, the following scenarios are conceived:

- It may take an additional year or more for the conduct of full EIA study, before DPWH can proceed with L/A arrangement.
- To start implementation of the project under the sector loan as early as possible, Ilog-Hilabangan river basin will be excluded from the short list. It can be implemented by DPWH using local budget, or request financial assistance by applying the conventional loan as a stand-alone project.

DPWH answered that the issue should be raised in the Steering Committee meeting for their decision.

5 Possibility of Category A for Other River Basins in the Short List

JICA representative commented that there may be other river basins other than Ilog-Hilabangan, which will fall under Category A. To avoid the delay of implementation of flood control projects in the sector loan, it is preferable to re-examine the river basins included in the short list that will require minimal resettlement.

DPWH replied that the issue should also be raised in the Steering Committee meeting.

6 Possibility of Arrangement of Special Account

JICA representative commented about the possibility of arrangement for DPWH to open special account for the utilization of ERF, which was confirmed in the previous Steering Committee meeting.

DPWH agreed to open a special account for ERF but ask JICA to provide DPWH the proper procedure.

7 Implementation Schedule

DPWH representative asked implementation schedule/timeframe for all activities under ICD, to identify which activities will be included in the 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> batches.

The Study Team showed a preliminary schedule for ICD component, for further comment by TWG.

8 Closing Remarks

The meeting was adjourned at around 12:00 a.m. after Ms. Rebecca T. Garsuta reminded the TWG members to submit their comments before the end of November 2009. She further thanked all of those present and the members of the Technical Working Group for their attendance.



ANNEX**TECHNICAL WORKING GROUP MEETING****ATTENDANCE LIST****Date: November 10, 2009****Venue: Conference Room, Planning Service, DPWH**

NAME	DESIGNATION	OFFICE	CONTACT NUMBER
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