Metro Manila Wastewater Management Project (P113844)

Key Dates

**Key Project Dates**

- Bank Approval Date: 15-May-2012
- Effectiveness Date: 19-Oct-2012
- Planned Mid Term Review Date: 22-Jan-2014
- Actual Mid-Term Review Date: 30-Jan-2014
- Original Closing Date: 30-Jun-2017
- Revised Closing Date: 30-Jun-2019

Project Development Objectives

Project Development Objective (from Project Appraisal Document)
To improve wastewater services in selected sub-catchments of Metro Manila and surrounding areas.

Has the Project Development Objective been changed since Board Approval of the Project Objective?
No

Components

Name

- Investments in Wastewater Services by MWCI:(Cost $193.42 M)
- Investments in Wastewater Services by Maynilad:(Cost $178.33 M)

Overall Ratings

<table>
<thead>
<tr>
<th>Name</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>Moderately Satisfactory</td>
<td>Moderately Unsatisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>Moderately Satisfactory</td>
<td>Moderately Unsatisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
</tbody>
</table>

Implementation Status and Key Decisions

The project became effective on October 19, 2012, and the closing date was extended for two (2) years until June 30, 2019. As of November 30, 2018, the project is 73% (72% for MWCI and 75% for MWSI, respectively). Disbursement as of November 30, 2018, is at 65.42% (52% and 79% for Manila Water Company Inc. (MWCI) and Maynilad Water Services Inc. (MWSI), respectively, although both concessionaires have submitted billings which are being processed by Land Bank of the Philippines (LBP).

The support mission conducted in May 2018 and its consequent monthly follow-through activities maintain the findings from earlier missions that MWCI will fully disburse and physically complete its programmed works, while MWSI may not fully complete its programmed works. MWCI’s implementation program continues to experience delays due to the local government’s action to limit construction works in the densely populated project areas.
Heeding NEDA’s recommendation to optimize the loan and following the agreements made in earlier support missions, MWCI on November 6, 2017 enrolled to LBP seven (7) additional sewer network sub-projects from the Marikina and UP Sewerage Systems to replace the four (4) sewer network contracts proposed for dropping in the Ilugin Sewerage System. LBP approved the inclusion of these sub-projects last May 25, 2018 and forwarded to NEDA the request for approval on June 8, 2018. The request was resubmitted on October 30, 2018 to justify that these sub-projects are within the Project Development Objective (PDO) and loan agreement. LBP and MWCI are working on the completion of all the project evaluation requirements of NEDA. NEDA approval/decision is being awaited and is expected to be received within January 2019.

The replacement of delayed conveyance sub-projects of MWCI with fast-moving conveyance sub-projects will allow the full utilization of the loan and the achievement the PDO. The project is being closely supervised and monitored by the Bank and LBP team through monthly coordination reporting since June 2018.

### Risks

#### Systematic Operations Risk-rating Tool

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Rating at Approval</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political and Governance</td>
<td>--</td>
<td>Moderate</td>
<td>High</td>
</tr>
<tr>
<td>Macroeconomic</td>
<td>--</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Sector Strategies and Policies</td>
<td>--</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Technical Design of Project or Program</td>
<td>--</td>
<td>Moderate</td>
<td>High</td>
</tr>
<tr>
<td>Institutional Capacity for Implementation and Sustainability</td>
<td>--</td>
<td>Low</td>
<td>Low</td>
</tr>
<tr>
<td>Fiduciary</td>
<td>--</td>
<td>Moderate</td>
<td>Moderate</td>
</tr>
<tr>
<td>Environment and Social</td>
<td>--</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>--</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
<tr>
<td>Other</td>
<td>--</td>
<td>--</td>
<td>--</td>
</tr>
<tr>
<td>Overall</td>
<td>--</td>
<td>Substantial</td>
<td>Substantial</td>
</tr>
</tbody>
</table>

### Results

#### PDO Indicators by Objectives / Outcomes

To improve wastewater services in selected sub-catchments of Metro Manila and surrounding areas.

- **Reduction of BOD in the collected wastewater in MWCI (Tones/year, Custom)**

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>620.20</td>
<td>620.20</td>
</tr>
<tr>
<td>Comments</td>
<td>Did not change pending NEDA's approval of the UP and Marikina sub-projects.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Intermediate Results Indicators by Components

Investments in Wastewater Services by Maynilad

► Progress in construction for Maynilad (Percentage, Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value 0.00</td>
<td>76.00</td>
<td>74.49</td>
<td>100.00</td>
</tr>
</tbody>
</table>
### Increase in wastewater treatment capacity in Maynilad (Cubic Meter(m3), Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
</table>

### Increase in septage treatment before disposal in Maynilad (Cubic Meter(m3), Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
</table>

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**Investments in Wastewater Services by MWCI**

### Progress in construction for MWCI (Percentage, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
</table>

### Increase in wastewater treatment capacity in MWCI (Cubic Meter(m3), Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
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<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
</table>

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**Data on Financial Performance**

### Disbursements (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>% Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>P113844</td>
<td>IBRD-81620</td>
<td>Effective</td>
<td>USD</td>
<td>275.00</td>
<td>275.00</td>
<td>0.00</td>
<td>179.90</td>
<td>95.10</td>
<td>65%</td>
</tr>
</tbody>
</table>

### Key Dates (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Orig. Closing Date</th>
<th>Rev. Closing Date</th>
</tr>
</thead>
</table>
Cumulative Disbursements

Restructuring History
Level 2 Approved on 14-Jun-2017

Related Project(s)
P145661-FS for Sewerage System Improvement in Caloocan, Malabon and Navotas