PHILIPPINES

MANILA URBAN DEVELOPMENT PROJECT

Report on the Status of the Tondo Foreshore Development Project

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Report on the Status of the Tondo Foreshore Development Project

Summary

i. The upgrading of the Tondo Foreshore is a major component of the Manila Urban Development Project (Loan 1272/1282 PH, approved by the Executive Directors in May 1976).

ii. Supervision of the Project has been intensive, with missions visiting the Philippines at three or four monthly intervals since loan signing. Much has already been learned from the Project about the process of slum upgrading and the provision of health and other social services. Particularly notable is the process which has come to be known as "reblocking". This is the process of preparing a subdivision layout as a basis for providing access and basic services as well as for establishing land tenure. This process involves formal and intensive planning with the families living in Tondo, on a neighborhood by neighborhood basis. This is described fully in paras 16 to 22 and in Annex 4. The reblocking experience in Manila has already influenced the design of subsequent urban projects financed by the Bank.

iii. Perhaps the most important contribution of the Project is the impact it has had on Government policy. The metropolitan Manila area (population 5.5 million) is characterized by great disparities in income and living standards. Estimates are that almost one third of the city live in slum and squatter areas lacking in sanitation facilities, and characterized by high levels of malnutrition, infant mortality and parasitic and intestinal diseases. Following an initial period in which much of its resources were devoted to relocation of squatters from drainage canals and other waterways in metropolitan Manila, the National Housing Authority (NHA) has established and is actively expanding a nationwide program of slum upgrading. Some 450 candidate upgrading areas in metro Manila involving a population of about one million persons have been identified, most with sanitation and health conditions similar to those in Tondo. On June 11, 1977 two Presidential Letters of Instruction (LOI), which carry the force of law, were signed to establish slum upgrading as national policy. In addition, these LOIs specify that relocation of squatters will only take place if necessitated for public infrastructure, and not to distant relocation centers. Local governments of 14 cities and municipalities in the Manila metropolitan area already have established permanent technical teams to undertake design and feasibility studies for upgrading slums in their respective municipalities. Similar teams have also been established in the regional cities of Cebu, Davao, Cagayan de Oro and Baguio.

iv. The Tondo Foreshore Development Project enjoys a very high level of support by residents of the area and is being implemented as originally agreed with the Government. Initial survey results of community attitudes towards the Project indicate that almost 90% of the residents are satisfied with the Project to date (see para 43). While several important steps have to be completed before the Project can be finally labeled a success, the Project continues to merit strong support from the Government and the Bank.
Background

1. Consideration by the Bank of an urban project in the Philippines began in late 1973 when an urban sector mission visited Manila. The sector mission highlighted certain consequences of past growth patterns in the metropolitan Manila area including imbalances between the locations of residences and work places and extreme income differentials and service level disparities.

2. Early work on project identification involved a review of a long list of major infrastructure projects resulting in the selection of a project in the Tondo Foreshore as prototypical of important urban problems requiring solution.

3. A Government task force was established with technical personnel from several agencies to develop plans for the Tondo, a 180 ha site with a population of about 180,000 located directly behind the Port and close to the commercial centers of Manila. In December 1974, this task force recommended a plan, subsequently abandoned, that involved converting approximately half the land to industrial and commercial uses and significantly reducing the residential density on remaining land. That earlier plan would have resulted in approximately 70% of the families being displaced from the area. New housing construction proposed for the remainder would have necessitated high levels of subsidy. Community groups strongly opposed the plan. Following a review by a Bank mission in February 1975, agreement was reached with the Government on a completely different approach, which involved provision of services to families in place, i.e. water supply, human waste disposal, surface water drainage, paved footpaths and streets, schools and clinics. The project was specifically designed to keep relocation to an absolute minimum consistent with satisfactory installation of basic services.

4. A revised "framework plan" for the Tondo, based on this new approach, was prepared and discussed with community groups and other government officials, during staff visits in 1975. The community groups, including Zoto/Ugnayan 1/greeted the revised framework plan for Tondo and Dagatan with a great deal of enthusiasm.

5. Subsequent to Project appraisal, and in consultation with Bank staff, the National Housing Authority (NHA) was established in October 1975 and absorbed the Tondo Foreshore Development Authority (TFDA) which previously had responsibility for the Project. The head of the TFDA was named as General Manager of the NHA. In November of the same year, the Metro Manila Commission (MMC) was established. One of the first major programs of the MMC was to attempt to obtain relief from chronic flooding in Manila by clearing obstructions from rivers and drainage canals in the city. A crash program was established under the NHA to remove all squatter families living on waterways.

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1/ There are many organized community groups in the Tondo, of which Zoto (Zone One Tondo Organization) and Ugnayan (Ugnayan ng mga Samahan ng mga Mamamayan) are two of the more politically active groups.
This was given extra impetus in the Summer of 1976, when fatalities occurred from flash flooding. Since sites for permanent settlement close to the urban core were unavailable, the NHA established temporary relocation centers on land owned by local governments in the MMC and also expanded two distant relocation centers. Thus, the most visible activity of the NHA during the first year of its existence was the program of relocating thousands of families from waterways. While clearing of the flood control canals was needed, the severe time constraints imposed on the program precluded the preparation of permanent relocation settlements in suitable locations. This program very severely soured relations between the NHA and city-wide squatter groups, many of which are headquartered in the Tondo. Apparently it also led some community groups to express doubts about NHA's sincerity in fulfilling promises of not relocating families out of the Tondo Dagat-Dagatan Project area.

6. Because the waterway relocation program was initiated after the 1975 appraisal of the Tondo Project, it was not reflected in discussions with the Government that led to the Project. The discontent expressed by squatter groups during the time of the 1976 Bank/Fund Annual Meetings seems not to have been brought about by discontent with the Tondo Project (though the residents expressed strong feelings about being able to purchase the land at a low price) but by anger at the NHA over the city-wide waterway relocation program. While no families in the Tondo Project area itself were affected by this program, families living along drainage channels and rivers adjacent to the Project area were affected.

7. It has previously been alleged that families in the Tondo Project area had been or would be relocated to Dasmarinas (a distant relocation center). Any such relocation would have been in violation of public commitments made by the General Manager of NHA and in violation of agreed Project implementation procedures. To our knowledge, no such relocation took place. Within the Project area, the only relocation that has taken place that could be considered inconsistent with the development plan was the widening of Zaragoza Street, which took place in September 1976. Thirty structures were affected by the widening of this road, twenty-four of which were squatter houses and six of which were titled. Families affected were resettled within the Project area. The Zaragoza widening relieved a major bottleneck to Port traffic access. However it was not envisaged for widening under the agreed development plan, because by 1979 the congestion would have been relieved by the construction of R10 roadway. Although the widening of Zaragoza could possibly be justified as a needed interim traffic relief measure, it was hurriedly done and was a cause of local resentment.

8. Other projects have been undertaken in the general Tondo Dagat-Dagatan Project area which the Bank is not financing but with which Press reports have associated the Bank. These are:

(a) Expansion of the International Port

(b) The Kapitbahayan Housing Project

(c) International Design Competition Area
International Port Expansion  Some three thousand squatter families live on the site being reclaimed for the International Port (see map), which is financed with German bi-lateral support. These families are due to be re-located as Port construction proceeds. Although we are not involved with the Port development, we agreed, as a means of assisting these families, to finance sites in Dagat-Dagatan for 1,500 families who would be affected by the first phase of the Port construction. Families living in the International Port area have fully endorsed the plan for permanent settlement in the Dagat-Dagatan area, which is about four kilometers away. In fact, community leaders have indicated that they are anxious to be able to move, because their current location is subject to severe typhoon and flood exposure.

Kapitbahayan  This project is a high standard, relatively high cost (reportedly about P45,000 or US$6,000 per dwelling unit) development in the Dagat-Dagatan area adjacent to the Project site (see map). It was constructed by the NHA's Tondo Project Office prior to the Vancouver Habitat Conference. The Bank is not financing this development. To the contrary, Bank staff have been critical of the high unit costs and high design standards. Rental units in Kapitbahayan were offered to residents of the Tondo who could afford the somewhat high (P70-120 per month or US$9.46-US$16.20) but heavily subsidized rent. While the residents are generally happy with these units, some community groups were concerned that the Government had changed its mind about lower cost sites and services units to be built at Dagat-Dagatan, and expressed fear that the more expensive Kapitbahayan model would be replicated under the Project. These fears are now allayed by the near completion of the first 500 sites and services units at Dagat-Dagatan under the Project (48 m² lots with monthly charge averaging about P 47 or US$6.47).

International Design Competition  In 1974 an international competition was held for the design of improved settlement for low-income and resettled families. The winning design was to have been constructed in a 5 ha site in Dagat-Dagatan (see map). During the Habitat Conference in Vancouver in 1976, the Government was criticized by various participants for holding a competition at all, since by its nature such an international competition results in technical solutions being developed abroad and precludes community participation. Of more significance, however, was criticism of the Government for not permitting a spokesman for Zoto/Ugnayan to participate in the Conference or in judging of the entries. It now appears that the design selected by the award panel will not be constructed.

Implementation Status

9. Construction under the Project is now proceeding reasonably well. After a slow start caused by difficulties in hiring experienced technical staff, the upgrading of the Tondo is now expected to be completed approximately on schedule. The Dagat-Dagatan component is approximately nine months behind schedule.
A. Tondo Upgrading

10. **Sanitation Infrastructure** - Work is progressing on several primary infrastructural components in the Tondo including: main surface drainage (80% completed); secondary watermains (70% completed); and the interceptor sewer (50% completed). Also, substantial fill materials have been added to low-lying areas. In addition, 450 new sites and services units on the former Public Works Compound within Tondo will be completed in December.

11. Work has also begun on "tertiary infrastructure" in an 18 block section of Tondo that has been designated for completion on a priority basis. This tertiary infrastructure includes connections for water and sewers, paving of streets and footpaths and minor drainage.

12. **Health Facilities and Programs** - The new health clinic in Tondo has been completed and upgrading of another existing clinic will start after February 1978. Health programs assisted by the Project are under way in the following areas: mother and child care, nutrition programs, deworming, TB X-Ray, vermin and rodent control, improved garbage collection and health education (leaflets, films, pamphlets, etc). In addition, some 98 barangay health workers, and 285 nutrition aides who were trained under the Project, are actively working on a part-time basis. These health workers in the Tondo Project are considered a model for similar health workers being considered under other proposed population and health projects and have resulted in a 50% increase in referrals to clinics and hospitals.

13. **Education** - Families in the Tondo area place a high priority on education. The new Tondo High School is expected to be completed in December, and construction of additional classrooms for the four existing elementary schools in the area will begin in February 1978. Toilets and piped water have already been added to two existing schools.

14. **Materials Loans and Small Business Loans** - Approximately 463 loans for building materials averaging P930 (US$52) each have been awarded. Applications have already been received from 99 businesses for small loans. Of these, about 44 appear to have sufficient merit for continued follow-up. Applications are pending the completion of the layout and lot awarding in the blocks within which the businesses exist.

B. Dagat-Dagatan Sites and Services

15. Construction has started on 1,500 out of 2,000 sites and services units to be constructed in Dagat-Dagatan. The first 500 units will be ready for occupancy in December 1977.

**Reblocking**

16. The most interesting and important aspect of the upgrading program in the Tondo is the process that has come to be known as "reblocking". This is the process of preparing a subdivision layout as a basis for providing
access and other services as well as establishing land tenure and individual plot boundaries. The Tondo Project, as the first Bank-financed slum upgrading Project that involves provision of services to individual lots and the provision of land tenure to beneficiaries, is the first Project involving direct experience in reblocking. As a result, much has been learned regarding appropriate approaches to this process.

17. Houses in the Tondo have been built in an extremely dense and irregular fashion. Access to many properties is by way of very narrow and winding footpaths. Bank missions to the Philippines in the past had argued for an upgrading procedure that was essentially "as is, where is", e.g. footpaths would be paved wherever they were and to whatever width existed. New streets would be added only to provide access to fire protection vehicles. Government Project Office staff, however, argued for an upgrading process that would result in a more regular street and lot layout pattern and involve movement and realignment of structures within blocks. Streets would be straightened in the process. This issue was resolved by leaving the decision about the degree of regularization of streets and plot shapes to each neighborhood.

18. For planning purposes, the Tondo was divided into 24 "superblocks" consisting of areas bounded by main roads within which planning for facilities can most easily be focused. Each of the "superblocks" is in turn divided into neighborhood blocks involving 100-250 families within which the "reblocking" occurs. The process includes the presentation to the block residents of three alternative plans for street layouts and house locations within their neighborhood, from which the residents of the neighborhood designate their preferences in an open forum. The three plans presented to the residents include: (i) Plan "A", involving minimal changes in property alignments and leaving the existing irregular pattern of lot shapes and footways; (ii) Plan "B", creating more regular street and property alignments than currently exist but involving more changes in property layouts; and (iii) Plan "C", a fairly regular pattern of streets with rectangular lot shapes, which requires substantial shifts of houses within blocks.

19. The alternative block layout plans are explained to the block residents in community meetings where the differences in the various options are explained. The Project Office establishes a composite technical team to work with the families comprising an architect, a community relations worker, and a member of the socio-economic development group within the Project Office. The community votes on their preference and is free to propose whatever modifications they desire as a community. The architect and other members of the composite team assist in preparing modifications to block plans. A more complete outline of the steps in reblocking is given in Annex 4. This Annex illustrates the complexity of the reblocking process and the intensity of the community work required to make it a success.

20. It has been interesting to observe that in almost all blocks of Tondo, the residents have voted for Plan "C", even though this usually requires from 50-70% of the houses within the block to be realigned. This option creates a residential layout which most closely resembles that of other
more permanently established neighborhoods, which is one of the aspirations of the residents. Another reason for the selection of the regular block layout appears to be the desire to create a neighborhood which has better access and is therefore less susceptible to fire and health hazards. House movement necessitated by community selection of Plan "C" is the responsibility of the residents and is usually undertaken through "Bayanihan" or community self-help by neighbors. The NHA also provides some additional semi-skilled manpower. Materials loans under the Project are made available at the time of the movement.

21. To date, attention has focused on 18 contiguous blocks in the "priority" area (see map) with a population of about 13,500 persons, although some reblocking has occurred in 22 blocks out of a total of 97 blocks. Annex 3 shows the number of blocks in various stages. Five blocks have completed all movement of houses, and four additional blocks are almost completed. Sample surveys of families that have been involved in reblocking reveal that 27% of houses either have been or expect to move a few lots away, and another 32% involve a shift within approximately the same site to conform to street and lot subdivision plans.

22. It had been originally hoped that realignment of structures, awarding of lots, and completion of construction in the "priority area" would be completed by September 11. However, because of persistent rains, errors in surveys, and slower than expected movement of structures, this priority area is now expected to be completed by December 11. Initial work is shown in attached photographs. In blocks where permanent locations and lot boundaries have been already agreed, there is already substantial evidence of house improvement and expansion through self-help means. Each such block has several substantial buildings under construction -- some to two stories.

Outstanding Issue: Purchase Price of Land and Lease Rate

A. Purchase Price

23. Many Tondo residents feel very strongly about the question of land ownership and tenure. Except for a small area called "Old Tondo", where property is fully owned, the Tondo Foreshore (Project area) is mostly inhabited by squatters, who, after years of residence feel entitled to full legal ownership at a nominal price compared with the current market value of the land.

24. Legislative acts passed in 1956 (particularly R.A. 1597) provided for the subdivision and sale of part of the Tondo Foreshore area at P5 per square meter, a fraction of the current market value. In implementing the program, families in what is now called the "Old Tondo" section of the Project area, were offered lots of 96 square meters. This relatively large lot size meant that many families would be dislocated because there was insufficient land to provide all of the families in the area with lots of that size. As a result, only a few Tondo residents took advantage of the provisions of the earlier acts, and most were not able to do so.
25. Presidential Decree (PD) 814 was issued in October 1975 reaffirming the Government's intention to provide all Tondo residents with security of tenure and the right to purchase land; it also expanded the geographical area of land available for lease and purchase to cover the Dagat-Dagatan area. PD 814 provided that residents of Tondo would lease their property from the National Housing Authority under 25-year leases, renewable at the option of the leaseholder. Lease rates would cover development costs and amount to about US$6.40 per month for a typical 48 square meter lot. Families were to be allowed to purchase their lots after five years under a purchase plan which would require higher monthly payments than under leases. Those wishing to continue the lower-cost leases will be able to do so with security of tenure assured. The purchase option in PD 814 specified that purchase will be at the market value at the time the purchase option is exercised. Government technical staff insisted on this provision to minimize land turnover and speculation. The residents of the area, however, argue strongly for a lower than market price. In an effort to resolve this difference, we have been in consultation with Philippine authorities during the past year, and the NHA has now devised a formula whereby the charge for services will be distinguished from the charge for land, and the total purchase price for land and services will be lower than market values. The formula adopted by NHA has the twin objectives of providing full cost recovery within the Project area (thereby ensuring Project replicability), while at the same time establishing a purchase price which can be afforded by the current residents in Tondo.

26. On several occasions, Bank staff and NHA have discussed the determination and timing of the announcement of the purchase price to the residents. NHA has been concerned that, if an announcement of a price significantly below market value were made prior to the completion of the legal subdivision and assignment of lots to all families, excessive disputes by families over the size of lots to be obtained might occur. Discussions between the Tondo Project Office and community groups (including Zoto/Ugnayan) on the question of the purchase price were scheduled to begin in November/December. It is expected that an announcement of the revisions to PD 814 will be made shortly.

B. Lease Rates 1/

27. During appraisal, the proposed monthly lease payment of roughly P0.95 (US$0.13) per month (on average) per square meter was widely discussed in a series of meetings with all community groups. All groups, at that time, indicated that the amount was affordable; this was confirmed by careful analysis of the income distribution of families in the Tondo Foreshore (Table V-4, Staff Project Report). The analysis in the Staff Project Report assumes that families can spend 18% of income on housing and related services including water and property taxes. 2/ The analyses also indicate that an average size

1/ The question of affordability is discussed in paras 62-63 of the President's Report and 5.15 to 5.17 of the Staff Project Report.

2/ Most Bank-supported sites and services projects assume that families can afford to spend between 15% and 25% of family income on housing and services.
lot (48 square meters) could be afforded by about 75% of the Tondo residents, that a somewhat smaller lot could be afforded by 85%, and that the vast majority of families below the fifteenth percentile are transients or renters. The poorest group is expected to continue renting rooms in the area and should receive substantial indirect benefits from the Project.

28. Developing an affordable cost recovery scheme for a slum upgrading project requires a series of difficult judgements and compromises. It is impossible to make everyone happy. Also, there is inevitably some degree of bargaining on the part of the residents for as favourable a deal as possible.

29. The debate over whether P0.95 (US$0.13) per square meter per month is affordable however, may turn out to be moot. Current estimates of Project costs (see Annex 2) are lower than those at the time of appraisal, and NHA is currently revising its estimates of the lease price. It is expected that when the final lease rate is announced the amount may be 15-20% below original estimates.

Relocation

30. The amount of relocation in the Project is still substantially the same as described in the appraisal report. However, the concept of relocation and community attitudes towards relocation need to be clarified. As the Project is now being implemented, the number of houses affected by construction of streets and footpaths within the Tondo depends largely on the decisions of the community itself. As noted earlier, families are electing to shift the location of houses to permit construction of a fairly regular pattern of streets and footpaths. Thus, although certain minimum circulation patterns and street access standards for fire safety purposes are dictated by general planning considerations, the community is electing a degree of house movement far in excess of minimum requirements. Families affected by the realignment are generally accommodated in the same block though there is also movement from denser blocks to less dense blocks and other open space (e.g. former Public Works Storage Compound). Relocation in this sense is voluntary and based on community consensus and therefore does not generate social and political problems.

31. The infrastructure items that do not fit this pattern of movement through community choice are the R10 and C2 roadways and the International Port. R10 and C2 are important national roadways which pass through Tondo and are financed under the Project. The alignment of both roads has been designed to keep relocation to a minimum, but the construction Right-of-Way of the R10 will nevertheless affect an estimated 422 families and that of the C2 an estimated 69 families. Channel reclamation associated with the C2 will affect another 200 families. The International Port Expansion (not financed by the Bank) will cause the eventual relocation of some 3,000 squatter squatters.

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1/ The NHA would prefer to relocate families on the remaining ROW of the R10 roadway (another 450 families) even though construction of future lanes would not be required for about 15 years. This proposal is still under discussion between Bank staff and NHA.
families living within the Port boundaries and account had to be taken of this fact when planning the development of Dagat-Dagatan and assigning lots there. As a means of assisting these families, the Project includes finance for about 1,500 lots in Dagat-Dagatan for families affected by the first phase Port expansion. As noted earlier (para 8) the families living in the International Port area fully support the idea of permanent resettlement in Dagat-Dagatan, which they regard as a desirable area.

32. It had been expected earlier that, apart from the International Port families, only 500 families from the interior of Tondo would need to be resettled in Dagat-Dagatan. However, the options being elected by neighborhoods in the reblocking process are utilizing existing vacant land to a greater extent than previously envisaged and there may be an additional 200 families from the interior of the Tondo Project area who are resettled in Dagat-Dagatan, for a total of about 700 families (out of a total in the Tondo of about 27,000 families). Total movement to Dagat-Dagatan under the Project is therefore estimated at 2,200 (comprising 1,500 families from the International Port plus 700 families from the Tondo itself).

33. The amount of relocation in the Project as agreed with the Government, is not and has not been an issue within the community. Where concern about relocation has been expressed, it has been the concern that the plan would not be implemented as agreed.

34. Our discussions with squatter families in the MMC, including many outside the Project area indicate in fact that these families do not object to relocation to nearby areas, when necessitated by public utility construction, provided their needs are taken into account. What these families ask for is that the relocation site be a permanent one (so that unnecessary investment in temporary house building and public services and facilities are not required) and also that sites be located within reasonable commuting distance to jobs. Under such circumstances, it is our impression that squatter families are in fact pleased with resettlement and feel that they are the beneficiaries of a positive program under which they are finally being given a chance to settle permanently.

Current Status of Community Relations

35. The Community Relations and Information Organization (CRIO) is a department within the Project Unit which serves as a liaison between community residents and NHA staff. CRIO, faced with an extremely difficult and delicate task because of the history of political unrest in Tondo and changing Government policies affecting the Tondo area, appears to be succeeding in building trust with the community residents. CRIO is responsible for discussing the objectives and implementation schedule for the Project with the community, for assisting them at the time of relocation, and for maintaining contact with all leaders of the community about problems as they may arise during the course of implementation. CRIO also publishes a Project newsletter "Pahayag" which is written in Tagalog and which discusses various aspects of the Project. This newsletter is distributed at least monthly and usually more often.
36. The exact position towards the Project of some of the more radical groups within the area such as Zoto/Ugnayan is unclear at this time. They seem supportive when Bank missions discuss the Project with them but on other occasions, they are alleged by both NHA and moderate citizens groups to be lobbying against the Project. It is hard to tell how many residents belong to each group; nevertheless, moderate groups, (e.g. the barangay chairmen, the Women’s League and the Don Bosco Fathers) are quite influential among the residents and are supportive of the Project.

37. As far as Bank staff are concerned, relations with all community groups including Zoto/Ugnayan have been good; during one of the missions Zoto even referred to the Bank as its "hero" because of revisions in Project brought about by the Bank’s involvement. It was perhaps in large part because of the Bank’s interest in what Zoto and Ugnayan had to say that after loan signing in May 1976, letters began to be written to the Bank requesting intervention in activities not related so much to the Project as to other happenings in the Philippines. It appears that Zoto/Ugnayan began to look to the Bank for non-project-related assistance for the following reasons:

- The Bank staff had proven its capacity for listening carefully to the problems of the most vocal community groups;
- There was confusion in the minds of many as to the Bank’s participation in other projects in the Tondo area, such as the architectural competition project and the Kapitbahayan project, which were not designed in consultation with community residents; and
- The Bank was a participant in the Vancouver Habitat Conference, which Zoto community leaders were not allowed to attend.

38. Although it has avoided being involved in discussions not related to the Project, the Bank has continued to meet with community representatives during supervision missions. Each mission holds meetings with groups ranging from barangay leaders to religious groups, to Zoto/Ugnayan and representatives of the Fishermen’s Channel Association. The meetings usually take place in the Project Unit’s office. Representatives of the Tondo Project Office are always asked to attend. The sole purpose of the meetings are to serve as a forum for the residents to express their feelings about Project implementation. The primary concerns most recently expressed by all community groups are that the final purchase price of the land and the terms of payment be announced. The Zoto/Ugnayan also believe that more frequent meetings should be held between themselves and the Project Office. On the latter point, the NHA considers the barangay leaders 1/ to be official representatives of the community and directs its communications through the barangay organization.

1/ A barangay is the smallest political unit comprising 500-2,000 families.
The issue is made more difficult because the NHA considers Zoto/Ugnayan to be anti-government and does not want to enhance their credibility in the community. While few regular meetings have been held during the past year with Zoto/Ugnayan apart from those requested by Bank staff, arrangements have now been made to schedule meetings on a bi-weekly basis for the next several months. These meetings would focus primarily on tenure, lease, and purchase price options.

Project Monitoring and Evaluation

39. As part of a larger effort of monitoring and evaluating Bank-financed urban development projects in El Salvador, Senegal and Zambia, the Bank, with co-funding from the International Development Research Centre of Canada (IDRC), is sponsoring research to assess the overall socio-economic impact of the Project on the Tondo population and to comment on the efficiency and effectiveness of the Project components. A local field research team composed of Filipino social scientists, has been established within the NHA under the leadership of a Filipino sociologist on an IDRC consultancy. Its findings are to be reported simultaneously to the Bank, IDRC and NHA management; they are also discussed in periodic conferences held with the researchers of the evaluation programs and project managers of the three other countries.

40. The evaluation unit is charged with two main tasks. First it will seek to determine the overall impact of the Project on the socio-economic characteristics of the Tondo population; i.e. demographic composition, income and expenditure patterns, employment, housing conditions, and health. It will do so by noting changes in these variables through sets of surveys applied over time in the Tondo. These changes will then be compared with developments in other areas which have conditions similar to the Tondo but which are not affected by the Project. We expect reports periodically, depending on the timing of the surveys.

41. Second, the unit will also evaluate the appropriateness of Project components to local conditions, their efficiency in delivering the services, and their effectiveness in achieving the Project goal of improved housing at minimum cost to the maximum number of low-income residents. For example, a report on the reblocking exercise is currently being finalized which will comment on its efficiency as a means of improving services in a way that is affordable by the bulk of the population (see para 43 for initial survey results). The unit will also produce interim reports on the general progress of the Project each calendar quarter.

42. The evaluation unit started its work in the Summer of 1977. Thus far, the full cooperation of NHA general management has been received in establishing the team. It is hoped that as the unit’s reports are submitted Project management will perceive them as inputs into making informed policy decisions.

43. Survey Results of Community Attitude Towards Reblocking - Initial surveys of community attitude in the areas that have been reblocked have been
conducted by the evaluation unit (see para 39). These surveys reveal a fairly high level of community satisfaction, despite the fact that construction is still in progress, and there is considerable disruption being caused by the works underway in the community. The results of this survey are summarized below:

(a) Satisfaction with Reblocking Process: Approximately 65% of families stated that they were very satisfied with the reblocking process and another 22% stated that they were slightly satisfied for a total of 87%. Only 6.4% were very dissatisfied and 5.4% were slightly dissatisfied.

(b) Information About the Project: About 92% stated that they were aware of the objectives of reblocking, and in response to another question, about 75% stated that they felt that NHA had provided adequate information.

(c) Participation in Decision Making: Some 72% of families feel that they were given a chance to participate in decision-making; 14.5% believe decisions were made by NHA, and 8.0% believe that decisions were made by barangay leaders.

(d) Satisfaction with Lot Size: Some 55% have expressed high satisfaction with their lot size and another 33% have expressed slight satisfaction. Only 6% are dissatisfied with their lot size (mostly those who suffered decreases in lot size).

(e) Affordability: When families were asked about their ability to pay, some 33% indicated that they could well afford the proposed development charges (currently estimated at P0.95 per square meter per month). Another 55% indicated that they would manage. Only three respondents (1.6%) stated that they could not afford the proposed charges.

(f) Perception of Extent to which the Welfare of Residents has been Considered by NHA During the "Reblocking" Process: About 64.5% feel that the welfare of residents was to a great extent taken into account, and another 31.2% believe that it was to some extent taken into account. Only 3.8% believe that it was not taken into account at all.

Remaining Risks and Implementation Issues

44. Foremost among the outstanding issues is the pending revision to the previously announced policy for establishing the purchase price for land.

1/ Percentages for responses to various questions do not total to 100% because of either non-response or no opinion expressed.
and the charge for services (see paras 23-29). This issue could continue to be picked up by some of the more politically minded community groups, who may attempt to use bargaining for lower prices as a means of increasing local support. Our discussions with a wide range of community groups, however, lead us to believe that the formula worked out by NHA will be acceptable to the residents and will be seen as fair by them.

45. Misinformation about the nature of the Project and the attitude of residents towards the Project continues to persist mostly outside the Philippines. The start of the reblocking process and the assignment of lots to residents has had a very positive impact on the attitude of the residents within the Project area. On the other hand, it must be recognized that some groups will see it in their interests to complain whatever happens. To improve information about the Project, this status report could be distributed along with the appraisal report, in response to all serious inquiries.

46. Other implementation problems exist, but are of a more normal type for a project of this size and complexity. These relate to staffing, training and management difficulties and are being discussed with the NHA in the course of Project supervision.
# STATISTICAL REVIEW OF TONDO FORESHORE/DAGAT-DAGATAN PROJECT STATUS

(As of October 31, 1977)

<table>
<thead>
<tr>
<th>Component</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Land Reclamation</strong></td>
<td></td>
</tr>
<tr>
<td>1. Reclamation (Tondo Channel)</td>
<td>Not designed</td>
</tr>
<tr>
<td>2. Survey</td>
<td>(1) Preliminary survey work and boring tests on Channel;</td>
</tr>
<tr>
<td></td>
<td>(2) Work in progress in re-blocking areas</td>
</tr>
<tr>
<td><strong>Civil Works</strong></td>
<td></td>
</tr>
<tr>
<td>1. Surface Drainage</td>
<td>80% completed; remaining work depends on the reclamation of Channel and infrastructures of the reblocking</td>
</tr>
<tr>
<td>2. Secondary Water Mains</td>
<td>70% completed, the remainder to be completed by mid-December</td>
</tr>
<tr>
<td>3. Interceptor Sewer</td>
<td>50% completed, the remainder to be completed by March, 1978</td>
</tr>
<tr>
<td>4. Tondo Pump Station</td>
<td>Out for Bids by December 15, 1977</td>
</tr>
<tr>
<td>5. Area I Infrastructures</td>
<td>General Design Work completed; to be reviewed and updated</td>
</tr>
<tr>
<td>6. Area II Infrastructures</td>
<td>Designs to be reviewed and updated</td>
</tr>
<tr>
<td>7. Area III Infrastructures</td>
<td>Part of this work included in Area IV, the remainder will go to a Contractor to be selected in end-December, 1977</td>
</tr>
<tr>
<td>8. Area IV Infrastructures</td>
<td>4 blocks in progress and designs for 4 more given to Contractor</td>
</tr>
<tr>
<td>Component</td>
<td>Status</td>
</tr>
<tr>
<td>-----------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>9. Area V Infrastructures</td>
<td>Design work not commenced, selection of contractor and work to commence in January</td>
</tr>
<tr>
<td>10. Civil Engineering Plant</td>
<td>Bids being evaluated</td>
</tr>
<tr>
<td>11. Experimental Area Infrastructures and Core Units</td>
<td>60% completed, completion projected in mid-December</td>
</tr>
<tr>
<td>12. Water Meters</td>
<td>Preparation of contract documents not yet started</td>
</tr>
<tr>
<td>Community Facilities (Tondo)</td>
<td></td>
</tr>
<tr>
<td>1. Elementary Schools</td>
<td></td>
</tr>
<tr>
<td>2. High School</td>
<td></td>
</tr>
<tr>
<td>3. Tondo Health Center (new)</td>
<td>Designs to be completed by late-November; construction to begin on January 1978 on A. V. Hernandez, February for General Lim, and in March for the M.L.Q. and Magat Salamat schools</td>
</tr>
<tr>
<td>4. Health Center Upgrade</td>
<td>85% complete, completion date projected in mid-December, 1977</td>
</tr>
<tr>
<td>5. Barangay Recreation and Community Center</td>
<td>Completed</td>
</tr>
<tr>
<td>6. Fill Materials</td>
<td>Designs under review, work expected to commence early February 1978</td>
</tr>
<tr>
<td>Dagat-Dagatan</td>
<td>Design completed</td>
</tr>
<tr>
<td>1. Sewer Interceptor</td>
<td>Materials being supplied on demand for areas subject to reblocking and flooding areas</td>
</tr>
<tr>
<td>2. Stabilization Ponds</td>
<td></td>
</tr>
<tr>
<td>3. Phase I Development</td>
<td>Phase I completed</td>
</tr>
<tr>
<td></td>
<td>25% completed</td>
</tr>
<tr>
<td></td>
<td>120 core units completed; extension possibly granted: To be completed by end of May, 1978</td>
</tr>
<tr>
<td></td>
<td>500 units to be ready by early December, 1977</td>
</tr>
<tr>
<td></td>
<td>Design under review</td>
</tr>
</tbody>
</table>
COMPARISON OF APPRAISAL ESTIMATE WITH CURRENT ESTIMATES

<table>
<thead>
<tr>
<th>Project Component</th>
<th>Appraisal</th>
<th>Current 1/ As of August 1977</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(P million)</td>
<td>(P million)</td>
</tr>
<tr>
<td>I. Tondo Foreshore</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Land, Reclamation and Survey</td>
<td>12.87</td>
<td>7.80</td>
</tr>
<tr>
<td>2. Civil Works</td>
<td>130.62</td>
<td>106.80</td>
</tr>
<tr>
<td>3. Community Facilities</td>
<td>34.45</td>
<td>40.45</td>
</tr>
<tr>
<td>4. Model Community</td>
<td>4.25</td>
<td>3.96</td>
</tr>
<tr>
<td>5. Purchase of Civil Engineering Plant</td>
<td>3.81</td>
<td>3.81</td>
</tr>
<tr>
<td>7. Housing Materials loans</td>
<td>13.54</td>
<td>13.48</td>
</tr>
<tr>
<td>8. Small Business loans</td>
<td>3.29</td>
<td>3.29</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>202.82</td>
<td>183.49</td>
</tr>
<tr>
<td>II. Dagat-Dagatan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Land, Reclamation and Survey</td>
<td>16.79</td>
<td>16.79</td>
</tr>
<tr>
<td>2. Civil Works (2000 core units)</td>
<td>16.72</td>
<td>23.50</td>
</tr>
<tr>
<td>3. Stabilization Pond</td>
<td>1.82</td>
<td>8.0 2/</td>
</tr>
<tr>
<td>4. Community Facilities</td>
<td>8.12</td>
<td>2.18</td>
</tr>
<tr>
<td>5. Housing Material loans</td>
<td>14.27</td>
<td>14.27</td>
</tr>
<tr>
<td>Sub-Total</td>
<td>57.78</td>
<td>64.74</td>
</tr>
</tbody>
</table>

1/ Not all costs are chargeable to beneficiaries. See appraisal report for full discussion of method of computation of lease rate.

2/ A larger pond capable of serving a larger population will be built.
I. Status of Reblocking

As of October 1977

There are a total of 97 blocks in the Tondo Foreshore area, of which 18 are in the Priority Area. These 18 plus 9 others from outside the priority area, a total of 27, are in the process of being reblocked. The following chart shows the stages of their reblocking:

<table>
<thead>
<tr>
<th>18 Priority Areas + 9 Other Blocks</th>
<th>Completed</th>
<th>In Process</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Collection of Socio-Economic data</td>
<td>27</td>
<td>0</td>
</tr>
<tr>
<td>2. Preparation of Initial Design</td>
<td>26</td>
<td>1</td>
</tr>
<tr>
<td>3. Community Deliberation and Approval</td>
<td>26</td>
<td>1</td>
</tr>
<tr>
<td>4. &quot;Monumenting&quot; i.e. staking of lot boundaries</td>
<td>11</td>
<td>15</td>
</tr>
<tr>
<td>5. Movement</td>
<td>5</td>
<td>22</td>
</tr>
<tr>
<td>6. Awarding of Lease Purchase</td>
<td>1</td>
<td>5</td>
</tr>
<tr>
<td>Contracts</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
PROCEDURAL STEPS FOR REBLOCKING

1. Based on the experience gained in the 1st block, a reblocking procedure composed of 13 basic steps was developed by the Tondo Project Office. The sequential steps are as follows:

Step I. Block Identification - The Block is identified from the structural map of the area and block boundaries are established by the architect and surveyor. Each reblocking team works with one block composed of 90-150 families.

Step II. Information Campaign - CRIO conducts an information campaign through distribution of the "Pahayag", a newsletter published by the TFDDP and mass meetings. The information campaign is intended to inform the community of the objectives, nature, scope and implications of reblocking, the requirements of prospective lot awardees and to elicit community participation and involvement.

Step III. Ocular Structural Survey - The structure map is updated to ensure that all pertinent data about the block is included. The team verifies/identifies the following:
   (a) structures reflected in the map but not in the block;
   (b) structures not reflected in the map;
   (c) tag numbers reflected in the map against actual as claimed by occupants of the structure;
   (d) present lot size occupied by structure;
   (e) present structural quality;
   (f) exact positions of structure;
   (g) titled lots;
   (h) block area; and
   (i) block boundaries.

Step IV. Census Verification and Interview - A survey of the block is undertaken by the Research group to:
   (a) verify untagged structures and census status of residents of the block;
   (b) determine affordability levels of households;
   (c) determine recommended lot size;
   (d) determine total number of people occupying the structure; and
   (e) determine place of origin of structure owners.

Step V. Verification of Eligibility - Letters of Inquiry are sent by the Legal Division of the Project Office to the Register of Deeds of various provinces and cities requesting information on urban land ownership
of household heads and spouses. Ownership of other urban land disqualifies a prospective lot awardee.

Step VI. Planning of Alternative Designs - The architect prepares the preliminary alternative plans to be presented to the community, utilizing the data on present occupied lot size affordable lot size, recommended lot size and other pertinent information gathered from the interviews and surveys. Three alternative plans are designed: Plan A which allows for a minimum dislocation; Plan B which allows for 25% – 50% dislocation and Plan C which provides for regular shaped lots with a uniform lot size of about 48 sq. meters. The alternative designs are prepared to provide the community some planning alternatives for their consideration. The community may opt for any of the three alternative designs, propose modifications, or develop an entirely different plan.

Step VII. Approval of Preliminary Alternative Designs by Project Manager - The Project Manager signs the alternative plans to be presented. The approval of the plan by the Project Manager signifies the approval by NHA of the plan as well as the intention and capacity of NHA to implement the plan.

Step VIII. Community Discussion of Block Plans -

(a) Plans are presented to the community.
(b) People discuss among themselves and with the team the alternatives.
(c) People will vote on the alternatives to be chosen.
(d) People will propose modifications on the alternative chosen.
(e) The architect will consider modifications and make changes accordingly.
(f) Project Manager approves revised plan.
(g) Revised plan is again discussed with the community.

Step IX. Final Subdivision Plan - Surveys computes for exact lot areas, prepares technical description of lot and prepares final subdivision plan. Final subdivision plan is approved.

Step X. Movement Into Assigned Lots - Team assists structure owner in moving structures.

Step XI. Preparation of Certificate of Awards

(a) Estate Management checks if subdivision plan is same as approved by the community.
(b) List of proposed lot awardees is prepared.
(c) List of proposed lot awardees is endorsed by Project Manager and approved by General Manager and Bureau of Lands Director of Subdivision Plans.
(d) Certificates of Awards are prepared.

Step XII. Awarding of Lots
Movement of house to new site within the block as part of "reblocking" process
Installation of streets and footpaths in three locations within Tondo
Street and Footpath Construction

Bottom photograph shows substantial upgrading of buildings already underway
Installation of drainage and paving of street
Sites and Services Units (Fire Wall and Sanitary Core) in vacant land of former Public Works Compound in Tondo

Substantial House Under Construction
PHILIPPINES
MANILA URBAN DEVELOPMENT PROJECT
Tondo and Dagat-Dagatan
Main Infrastructure

IBRD PROJECT EXISTING
--- Main water supply lines
----- Main drainage lines
---- Main sewer lines
----- Proposed bridges
----- Proposed primary roads
Municipal boundaries

Note: Red tone covers area of IBRD project
Gray cross hatched area are Government Funded Non-IBRD project.

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