

**ENHANCED INTEGRATED FLOOD RESILIENCE AND
ADAPTATION INVESTMENT PROGRAM (EIFRAIP)
CONCEPT NOTE FOR
THE DEPARTMENT OF THE INTERIOR AND LOCAL GOVERNMENT (DILG)**

A. The EIFRAIP Program

1. **Objectives.** The proposed investment program will improve climate resilience in the Apayao-Abulug and Pampanga River basins in Luzon, the Jalaur river basin in Visayas, and the Buayan-Malungon river basin in Mindanao. The program will (i) introduce innovations to improve water resources data management, planning, and early flood warning to communities; (ii) develop flood protection infrastructure and water retention measures towards increased water resilience, improve implementation timelines by facilitating timely acquisition of right-of-way (ROW), and strengthen processes for operations and maintenance (O&M) to improve the sustainability of water infrastructure; and (iii) introduce watershed management measures that restore ecosystems functions of the upper basins, including enhanced erosion control and water infiltration. By combining concepts such as “Room for the River” and nature-based solutions to effectively retain water, water management will be enhanced. The program will have the following impact: water security enhanced to support economic growth; and its outcome will be resilience to climate change for selected river basins enhanced.

2. **Outputs.** To achieve its expected outcome, the investment program will have the following outputs:

(i) **Output 1: Flood risk management (FRM) made operational.** This output will build the capacity of Regional Offices (ROs) of the Department of Public Works and Highways (DPWH), the Philippine Atmospheric, Geophysical, and Astronomical Services Administration (PAGASA), local government units (LGUs), river basin management councils/offices and communities to obtain and manage enhanced information to better adapt to flood risks and other climate risks. The project will modernize the hydrometeorological systems of PAGASA to improve real-time data acquisition. The project will also collaborate with the Philippine Space Agency (PhilSA) to utilize Earth Observation Services (EOS) to better predict and monitor floods and river morphologies, and monitor river infrastructure. The EOS will support flood risk management (FRM) planning in integrating climate change projections and damage assessments to better inform preparedness, response and relief support to communities vulnerable to the effects of floods. The flood forecasting and early warning systems (FFEWSs) will provide timely alert to communities on potential flooding and inform planning of climate-resilient river systems. This output will ultimately support LGUs in adopting climate-risk-informed planning by aligning their development plans, comprehensive land use plans (CLUPs), zoning regulations, and building codes with FRM plans and in preparing Climate and Disaster Risk Assessments (CDRAs).

(ii) **Output 2: Water infrastructure developed and O&M enhanced.** This output improves water resilience and reduces climate risk through construction and upgrading of flood protection infrastructure and improvement (or introduction) of water retention facilities. Where technically, economically, and socially feasible, the project will introduce nature-based solutions (NBS) for river works (e.g., “room for the river”) and water retention improvement interventions. To ensure timely construction, this output will strengthen processes and capacity of DPWH ROs to acquire ROW and deliver

associated programs. Towards infrastructure life cycle management and enhanced O&M, this output will also strengthen asset management including digitalization of river assets into the Asset Management Information System (AMIS) and in developing financial sustainability plans for O&M.

(iii) **Output 3: Watershed management and ecosystem restoration strengthened.** This output will address upstream drivers of flood through ecosystem-based approaches that reduce erosion, improve soil stability, and enhance water infiltration in upper basins. It will identify, develop, and implement priority interventions in forest and landscape restoration approaches. such as through reforestation, agroforestry, riparian buffer rehabilitation, slope stabilization, wetland and floodplain restoration, and, as applicable, mangrove rehabilitation. It will support climate-resilient and inclusive livelihoods. Following the natural capital and climate adaptation investment planning frameworks, it will build capacity and systems of Department of Environment and Natural Resources (DENR) for monitoring watershed health and restoration. It will operationalize innovative financing mechanisms to ensure long term sustainability of ecosystems. It will work closely with river basin councils, LGUs, Department of Agriculture, and National Commission on Indigenous People.

3. **Components.** The components per output are presented below:

Table 1: Project Components per Output and Implementing Agencies

Output 1: Flood risk management made operational.	
1.A	Flood Forecasting and Early Warning operationalized (DPWH in collaboration with PAGASA and DILG TBC)
1.B	Institutional capacity for Flood Risk Management enhanced (DILG, TBC)
Output 2: Water infrastructure developed and O&M enhanced	
2.A	ROW acquisition; relocation of affected households; and payment of other entitlements, including the delivery of associated livelihood restoration and improvement programs (DPWH and DILG)
2.B	FRM infrastructure and water storage developed or upgraded (DPWH)
2.C	River O&M processes and capacity improved (DPWH in collaboration with DILG and DENR)
2.D	Project Management Construction Supervision, and Engineering Design (DPWH)
Output 3: Watershed management and ecosystem restoration strengthened	
3.A	Capacities and systems for watershed planning and management strengthened (DENR in collaboration with DILG TBC)
3.B	Agroecological landscape restoration interventions scaled up (DENR)
3.C	Rural livelihoods diversified and improved (DENR)
3.D	Sustainable and innovative finance mechanisms implemented (DENR)

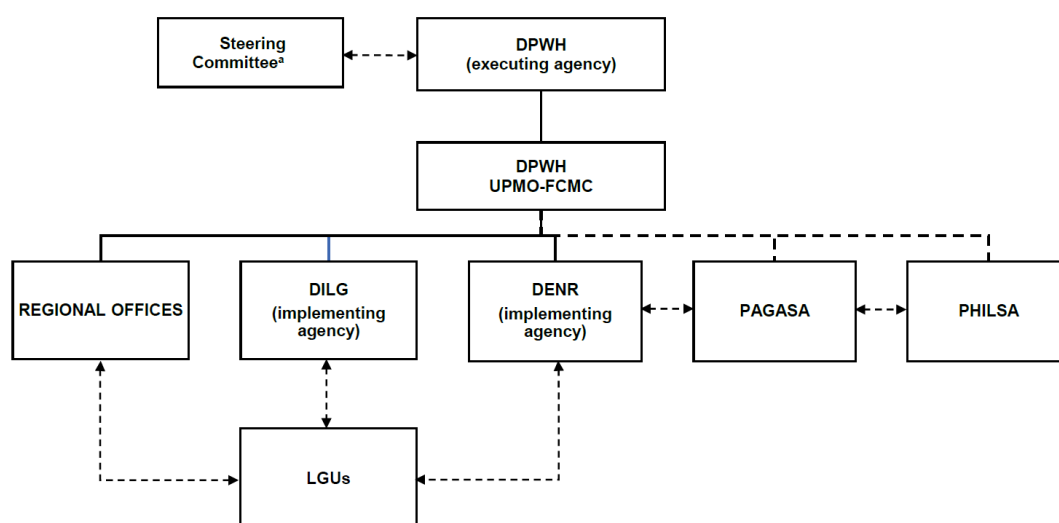
4. **Proposed Implementation Arrangements.** The proposed implementation arrangements are summarized in Table 2 below.

Table 2: Proposed Implementation Arrangements

Aspects	Arrangements
Implementation period	10 years from effectiveness
Management	
(i) Oversight body	Project steering committee chaired by DPWH and composed of DOF, DEPDev, DBM, DENR, DHSUD, DILG, MinDA, NIA, OCD, PAGASA, RBMCs, and other relevant agencies as members
(ii) Executing agency	DPWH
(iii) Key implementing agencies	DPWH UPMO-FCMC, ROs, DILG (TBC), DENR
(iv) Implementation unit	DPWH will establish a CPMU under FCMC, while DILG, DENR are proposed to establish CPIUs. ROs (DILG, DENR) will establish PIUs.

5. The proposed organigram of the implementation arrangement is presented below:

Attachment 3. Proposed Implementation Arrangement



6. **Cost and Financing.** Considering the volume of civil works and other components across the four river basins, the investment program is estimated to cost \$3.1 billion over a period of 10 years, to be delivered in 3 tranches, through a Multi Tranche Financing Facility (MFF). As confirmed with the Department of Finance (DOF), the Asian Development Bank (ADB) and the Agence Française de Développement (AFD) have agreed to co-finance tranche 1 of the MFF, and shall undertake the necessary actions/preparations to help DPWH submit the investment proposal to the government's Investment Coordination Committee.

7. **Table 3** below presents the estimated investment program base costs.

Table 3. Estimated investment program base costs per tranches and components (\$)

Component	Tranche 1	Tranche 2	Tranche 3	Total
Output 1: Flood risk management made operational	10,000,000	5,000,000		15,000,000
Output 2: Water infrastructure developed and O&M enhanced	290,000,000	1,110,000,000	1,580,000,000	2,980,000,000
Output 3: Watershed management and ecosystem restoration strengthened	20,000,000	30,000,000	50,000,000	100,000,000
TOTAL	320,000,000	1,145,000,000	1,630,000,000	3,095,000,000

B. Relevance to Current DILG Actions

8. By virtue of Republic Act 6975 (on the reorganization of the agency) and Republic Act 7160 or the Local Government Code of 1991, the DILG is mandated to, among others: (a) establish and prescribe rules and regulations relevant to the general supervision over local governments, (b) establish and prescribe rules and regulations to strengthen the administrative, technical and fiscal capabilities of local government offices and personnel; and (c) formulate plans, policies and programs which will meet local emergencies arising from natural and man-made disasters¹.

9. The issuance of Executive Order 138 signed in June 1, 2021 aims to empower LGUs by transferring responsibilities for basic services to them, financing such activities from the just share of local governments in a larger base of the national revenues, and to reinforce DILG mandate in overseeing capacity development interventions on the LGU devolution process. The DILG Memorandum Circular No. 2020-043 issued in February 24, 2020 also encouraged all LGUs to adopt and implement the LGU Resilience Readiness Monitoring Framework that aims for a long-term LGU disaster risk management by broadening the scope of disaster preparedness beyond traditional response and emergency management (e.g. expansion of disaster preparedness audit).

10. The DILG Strategic Plan 2023-2028 likewise identifies outcomes aligned with the national development agenda. The 3rd Outcome is **Resilient Communities Reinforced** where the associated strategic goal is to intensify the adaptive capacities of LGUs and communities to natural and human-induced hazards/disasters.

11. EIFRAIP capitalizes on the current outcomes and activities under the associated technical assistance (TA) of the **Disaster Risk Reduction Enhancement at the Local Level (DRREALL) Policy-based Program** (ongoing until 2027). The TA enhances the capacity of national (mainly DILG supervision) and local governments in undertaking risk-informed planning by ensuring close coordination with the Philippine Institute for Volcanology and Seismology (PHIVOLCS) and the Department of Human Settlements and Urban Development (DHSUD) in training LGUs on the use of the GeoRiskPH Platform and Climate and Disaster Risk Assessment (CDRA), respectively. DRREALL also aims to conduct the nationwide rollout of the LGU disaster preparedness audit, and support LGUs in effectively utilizing the mitigation component of their respective Local Disaster Risk Reduction Management Funds.

¹ <https://dilg.gov.ph/page/Powers-Functions/21>

12. This investment program will also build on the lessons learned from the **Pampanga Delta Development project** with JICA of which DILG was closely consulted. (for DILG to confirm).

C. Relevant EIFRAIP Components to DILG

13. Table 4 below presents the components most relevant to DILG:

Table 4. DILG-Relevant Components

Components	Description	Implementing Agency(ies)
Component 1B Institutional Capacity for Flood Risk Management enhanced	This component is specifically designed to mainstream FRM into local planning, support LGU institutional strengthening in FRM, and enhance the use of Local Disaster Risk Reduction and Management Fund (LDRRMF) to finance local FRM initiatives.	DILG to lead
Component 2A Right of Way Acquisition (ROWA) and associated programs delivered	This specific component supports the complex process required for ROW acquisition including coordination with LGUs. DILG participation aims to facilitate the necessary coordination and ensure that concerned LGUs are properly involved in the implementation of Resettlement Action Plan (RAP) and their associated Livelihood Restoration Programs (LRP) and relocation sites and access to livelihood and social programs.	DPWH to lead DILG to support as applicable
Component 2C River O&M processes and capacity improved (DPWH)	This component supports the definition and implementation of O&M plan. Budgeting for regular O&M requires updating asset inventory and finalising the arrangement between the different stakeholders involved within each River Basin. DILG participation aims to facilitate the coordination with LGUs, and ensure that LGUs are properly involved in the definition and implementation of O&M action plan.	DPWH to lead DILG to support as applicable
Component 3C Watershed management and ecosystem restoration strengthened	This component is designed to upscale sustainable and climate-resilient watershed management (e.g. forest preservation, nature-based solutions), to reduce erosion of upper watershed, hence helping maintaining flow capacity of dredged rivers. It will associate LGUs to establish mechanisms for supporting Local Communities initiatives.	DENR to lead DILG to support as applicable (implementation arrangements under development)

14. The proposed responsibilities of the DILG may be summarized as follows:
- (a) **Component 1B.** Ensure that local planning documents are flood risk-informed **(DILG to lead)**.
 - (b) **Component 1B.** Strengthen LGUs capacity to design and implement FRM initiatives **(DILG to lead)**.
 - (c) **Component 2A.** Facilitate the necessary coordination and cooperation of concerned LGUs in implementing the respective RAP and more especially the corresponding LRP **(DILG to support DPWH)**.
 - (d) **Component 2C.** Strengthen LGU institutional capacity for inter-agency coordination to define and implement EIFRAIP O&M plan at the river basin level **(DILG to support)**.
 - (e) **Component 3C.** Strengthen LGU institutional capacity to support local communities' initiatives and participate in inter-agency mechanism to enhance watershed management. **(DILG to support)**
 - (f) Establish strong central and regional project implementation units **(DILG to lead)**.
15. The table below presents the specific proposed program implementation roles for the DILG:

	DILG Roles	Other Agencies' Roles
A. Project Implementation Lead (Component 1B).	(1) Ensure that local planning documents are flood risk-informed. Ensure that LGUs (provincial and municipalities), especially with areas that continue to experience residual flooding, have mainstreamed flood risk management plans (FRMPs) into their local development plans to reduce exposure and increase local government and community participation. Key documents targeted: - Climate and Disaster Resilience Assessments to integrate residual flood map from the project - Local Disaster Risk Reduction and Management Plans (LDRRMPs) and Local Climate Change Action Plan (LCCAP) - Comprehensive Development Plan (CDP) and Annual Investment Plan (including DDRM Fund) - Comprehensive Land Use Plans and (CLUP) and Forest Land use Plan (FLUP)	DPWH: develop flood maps based on hydrodynamic modelling. DPWH: identify priority LGUs based on residual flood exposure. DHSUD: update comprehensive planning guidelines incorporating CDRA and endorse CLUPs through the Regional Land Use Committee (RLUC) DPWH: propose supplemental provisions to the National Building Code IRR to strengthen standards for flood-prone area.

	DILG Roles	Other Agencies' Roles
	(2) Strengthen LGUs capacity to design and implement FRM initiatives. Provide tailored technical assistance (TA) to LGUs through a menu of support options aligned with their needs and capacities. Activities will be prioritized using a multi-criteria Assessment framework, considering: (i) relevance, (ii) readiness, (iii) feasibility, (iv) social acceptability, and (v) environmental impact. Indicative outputs include: - Assessment of drainage and solid waste management systems, and water supply with action plans - Preparation of feasibility studies and detailed engineering designs (DEDs) for priority investments, adapted to river basin contexts. These may include access for water reservoirs, etc. - Implementation of projects aligned with program objectives, financed through the LDRRM Fund; - Public awareness campaigns and capacity-building on FRM (e.g., communication, coordination) - Assessment and strengthening of land use regulation enforcement, including support to households in flood-prone areas	DHSUD: provide guidelines and standards for area-based development. DPWH: issue technical guidelines for infrastructure projects; DPWH (with PAGASA): provide the flood forecasting and early warning systems DHSUD: support Enforcement of land use regulation
B. Program Implementation Support (Component 2 and Component 3).	(1) Ensure LGU active participation in RAP/LRP implementation. Coordinate and support LGUs in implementing the Resettlement Action Plan (RAP) and Livelihood Restoration Program (LRP) under DPWH leadership. Support the inclusion of project-affected persons (PAPs) in LGU social programs. The role and responsibility may be hybrid, based on the LGU capacity and the scope of works.	DPWH: Lead preparation and implementation of RAP and LRP through consultants DPWH: Finance activities under project funding (e.g., ADB loan).

	DILG Roles	Other Agencies' Roles
	(2) Strengthen LGU institutional capacity for inter-agency coordination to define and implement EIFRAIP O&M plan at the river basin level. Enhance LGU participation in policy development and implementation of coordinated measures at the river basin scale, including: - Development and implementation of Operations and Maintenance (O&M) plans using the Asset Management Information System (AMIS). LGU-led activities under each O&M plan may include routine easement clearing, vegetation control, routine upper river basin inspections and primary enforcement (Component 2C) - Restoration of ecological watershed functions and establishment of watershed management systems (Component 3C) These activities will involve River Basin Management Councils (RBMCs), led by DENR-RBCO, and Regional Disaster Risk Reduction and Management Councils (RDRRMCs).	DPWH: Develop and operationalize the AMIS; DPWH: Provide O&M requirements for project sustainability DENR: Define a strategic framework for ecological watershed restoration DENR-RBCO: Strengthen or reactivate RBMCs OCD: Strengthen RDRRMCs
	(3) Strengthen LGU institutional capacity for inter-agency coordination to enhance watershed management. Enhance LGU capacity to support community projects for restoring ecological functions of watershed and support the establishment of watershed management systems.	DENR: Define a strategic framework for ecological watershed restoration

16. In terms of **program governance**, the expected roles of DILG are the following:
- (a) Participate in the project steering committee as a key implementing agency.
 - (b) Participate as a member of a technical working group comprised of DPWH, DEPED, DILG and DENR.
 - (c) Establish a central project implementation unit (CPIU) at the DILG Central Office and establish regional project implementation units (RPIU) at the concerned DILG regional offices to constitute the DILG Project Management Office **(to be supported by the program)**.
 - (d) Hire a project management consultant (PMC) team to support the implementation by the CPIU/RPIU **(to be supported by the program)**.
 - (e) Support approval of proposed interventions by the Regional Development Councils (RDCs).

F. Next Steps/Recommendations:

17. **Provide Guidance to the program preparation through TTAC.** Under the present preparation phase, AFD will finance and procure a team of Technical Transactions Advisory Consultant (TTAC) under its project preparatory funds. The TTAC aims to recommend an effective methodology, implementation strategy (including the design, early recruitment and exit/sustainability plans of the PMO), detailed activities, costing and implementation arrangements to strengthen the local government ownership of the program towards effectiveness and sustainability. The TTAC Terms of Reference will be shared with DILG for comments prior to recruitment.

18. **A TTAC Technical Working Group (TWG)** will be set up to facilitate the implementation of the consultancy under DILG guidance. Hence, it is recommended that DILG appoint TWG representatives to work with the TTAC on the program preparation. Also, it is recommended to onboard DILG BLGD for local planning matters.

19. **Early establishment of DILG CPIU and RPIUs as a Project Management office (PMO).** Through the TTAC recommendations, the DILG shall recruit CPIU and RPIU. An early recruitment will ensure early orientation, planning and readiness for implementation of EIFRAIP. These institutions will be financed by ODA. The Project Management Consultant contract will also be fast tracked to accelerate the PMO operational support.

20. **ED Council approval.** After the TTAC preparation, the EIFRAIP is target for presentation and approval by the Economy and Development Council (ED Council) by 2027. In this presentation, DPWH as the lead implementing agency is expected to present the description of project components, activities and costs including those to be led and to be supported by DILG. ADB and AFD will aim to secure the respective board approvals for the investment program and Tranche 1 financing within 2027.

*****END*****