



PHILIPPINES

PROVINCIAL TOWNS WATER SUPPLY PROGRAM I & II



Client LWUA, Local Water Utilities Administration, Manille, Philippines

Financing Kreditanstalt für Wiederaufbau (KfW)

Duration of Services 11/2003-04/2007

Cost of Implementation 19 627 000 EUR

Scope of Services

Acting as Technical Advisor to LWUA and the PMO in:

- Review concept-/detailed designs and economic/ financial analysis for 85 Water Supply Utilities.
- Review and assist in preparation of tender documents with reference to FIDIC Red Book.
- Assist in tendering, evaluation of bids and awarding of contracts.
- Assistance in contract negotiations.
- Assistance in construction supervision where LWUA act as “the Engineer” according to FIDIC
- Preparation and control of implementation schedules, milestones, investment schedules, disbursement schedules.
- Advice LWUA on the system that would be acceptable to the Financing Agency for tendering procedures, tender evaluation and financial control of the contractors.
- Check the budget control and the control of flow of funds of the Government and KfW.
- Prepare the progress reports.
- Sign with LWUA the request for disbursement by KfW for the disposition fund as KfW’s trustee.
- Control disbursements and liquidations of joint accounts between LWUA and water utilities.
- Assess the need of training program.

Brief Project Description

Provincial Towns Water Supply Program has been established for the extension, rehabilitation and new construction of water supply systems for 85 small and medium-sized water supply utilities.

The project is funded by KfW and LWUA (Project Executing Agency – PEA). The goods and services financed under the Loan a special account (Disposition Fund) are opened in the name of the PEA. For goods and services tendered and implemented by the water utilities (end user) financed under the project joint account are opened in the name of the PEA and the water utility.



Project includes the detailed design for two water supply systems (Component 1) and concept design for 83 water supply systems (Component 2 and 3).

Bulk tendering for pipes, valves, treatment plants, water meters, well drilling. Individual tendering by the water utilities for fittings, well drilling, mechanical & electrical equipment, reservoirs and pipe-laying works, distribution networks.

KfWs ex-post-evaluation revealed the following:

Effectiveness: The intended outcome was to provide residents of densely populated districts in selected small and medium-sized towns of the Philippines with a sufficient and continuous supply of drinking water. The following indicators were set at appraisal and were only adapted slightly during programme implementation. They were also cited for the ex-post evaluation:

- Rise in the number of service connections (by 31,140)
- Adequate availability of drinking water (120 l/cd for Urdaneta, 80 l/cd for small WDs)
- Supply outages less than 20 days a year
- Reduction of total water losses to 29% one year after programme completion



Sustainability: The WDs operate financially sustainable thanks to adequate tariff structures; they cover operating costs and - to a large part – even achieve full cost recovery (60% of the sample). They have steadily expanded their systems in the past, often from their own resources. Various WDs conduct marketing campaigns to attract new customers. The WD staff appear well trained and highly motivated. Most of the infrastructure is still in a satisfactory condition even years after installation (largely completed in 2006).

Component 1: Mabalacat and Urdaneta Water Utilities:

- population served: actual 89,639 and an additional 119,724 inhabitants (2010 horizon).
- Drilling and equipping of 4 deep wells (30 – 40 l/s; depth < 150 m);
- topographical survey & soil investigations;
- construction of three ground reservoirs,
- supply and installation of 3 booster pumping stations;
- supply and installation of transmission mains and

Component 2 and 3: 83 Water Utilities:

- population served at present: 820,413 and an additional 759,609 inhabitants (horizon 2010).
- Drilling and equipping of more than 40 deep wells (10 – 40 l/s; depth < 180 m); 15 shallow wells;
- rehabilitation of 18 spring captures. 2 river intakes;
- supply and installation of 2 water treatment plant (20 – 28 l/s);
- supply and installation of water treatment facilities for removal of Fe and Mn.
- Construction of 50 elevated and ground reservoirs,
- supply and installation of booster pumping stations;
- supply and installation of transmission mains and distribution networks.