

THE WORLD BANK/IFC/M.I.G.A.

**OFFICE MEMORANDUM**

DATE: May 6, 1999

TO: See Distribution Below

FROM: *RS*  
Lars Vidaeus, GEF Executive Coordinator, ENV

EXTENSION: 34188

SUBJECT: **Philippines: Metro Manila Urban Transport Integration Project (MMURTRIP)  
"Bicycle Network Demonstration Pilot"**

Please find attached a proposal for a PDF Block A Request for the Metro Manila Urban Transport Integration Project. We would appreciate your comments by May 13, 1999. Thank you.

**Distribution:**

R. Asenjo, UNDP (Fax: 1-212-906-6998)  
A. Djoghlaif, UNEP (Nairobi) (Fax: 254-2-624-041)  
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cc: Messrs./Mmes.

K. King, GEF Program Coordination, GEF Secretariat (Fax: 23240);  
M. Gadgil, STAP (Fax: 91-80-334-1683 or 91-80-331-5428);  
Burningham (EASTR); Figueroa-Geron, Manuel (EACPF);  
Broadfield (EASES); Sinha (ENVGC);  
Mikitin, Bossard, Towsey (ENV)

ENVGC ISC, IRIS2

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## PROPOSAL FOR PDF BLOCK A GRANT

### Part 1: Eligibility

#### 1. Log Data

- a. Project Title: Metro Manila Urban Transport Integration Project (MMURTRIP)  
– “Bicycle Network Demonstration Pilot”
- b. Identification No: x
- c. Implementing Agency: World Bank
- d. IA contact person: Sally Burningham, Task Team Leader, ex 87378
- e. Principal Focal Area: Climate Change
- f. Cross-cutting area: n/a
- g. Scope: City government
- h. Country: Republic of the Philippines
- i. Country Endorsement: Request received from the mayor of the city of Marikina on March 23, 1999; also requested by the Department of Public Works and Highways (DPWH)
- j. National Focal point: Department of Natural Resources (DENR)

#### 2. Country Eligibility

Republic of the Philippines has ratified the UNFCCC on August 2, 1994 and is eligible to borrow from the International Bank for Reconstruction and Development.

#### 3. Program Eligibility

The proposal is consistent with the objectives of the GEF Operational Program 11 Transportation. “GEF will promote, amongst others, non-motorized transport technologies and measures, especially in medium-scale growing cities”.

#### 4. Policy Framework

Principle 4 of the Operational Strategy Urban transport congestion and related environmental impacts is one of the most pressing problems in the Philippines and addressing these issues, in particular in Metro Manila, is a national priority. Metro Manila, now a gridlocked, massive urban sprawl which accommodates almost 9.5 million people (1995) and produces over one-third of national GDP, and is made up of 17 municipalities. By 2010 Manila is expected to become a massive conurbation of 23 million. Economic prosperity in recent years has accelerated motorization and demand for mobility, causing severe traffic congestion and environmental problems. Residents perceive traffic congestion as the number one problem followed by air pollution, garbage collection, flood control and the need for security.

Data from household interview surveys carried out in 1996 show that the overall number of motorized trips comprised 75% by public transport (41% by jeepney, 13% by bus, 19% by tricycle, 2 % by Light Rail Transit (LRT) Line 1) with only 20% by private car and 5% by taxi and a negligible proportion by Philippines National Railway. 20% of the

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total trips are walking trips. This trend is unlikely to change even after the completion of the two new LRT Lines 2 and 3. The existing LRT Line 1 operates at capacity carrying about 350-400,000 passengers per day.

Mobile source air pollution from the transport sector is the major cause of air pollution in Metro Manila. The Government is pursuing a combination of pricing and administrative control measures to bring mobile emissions down to a healthier level. The Asian Development Bank (ADB) financed Metro Manila Air Quality Improvement Project aims to address the issues of cleaner fuel and vehicle inspection.

Principle 7 of the Operational Strategy The first request for involvement in the project has come from the mayor of the City of Marikina (copy attached) who has submitted a request for funding of their proposal for the development of bikeways in the city of Marikina, one of the 17 municipalities of Metro Manila.

Principle 3 of the Operational Strategy. Cost-effectiveness. Bikeways are a low-cost, low-impact measure to achieve significant environmental impacts both globally and locally in a sustainable manner.

## **5. Nature and Scope of expected project**

The proposed "Bicycle Network Demonstration Pilot" will initially involve a network of bicycle lanes in the city of Marikina.

The MMURTRIP project covers the 17 municipalities of Metro Manila and we expect to receive further requests for bicycles facilities and will respond on a first come first serve basis. The Department of Public Works, as the implementing agency, for the MMURTRIP has requested inclusion of non-motorized transport facilities in the project. In particular the Urban Roads Project Office of DPWH has been undertaking discussing with the Green Forum, an NGO, to promote development of non-motorized transport facilities.

The MMURTRIP project is targeted at public transport users a significant proportion of whom are poor "captive" users. While there is a growing concentration of wealth in Metro Manila with the average household income estimated to be P173,600 - a little over twice the national average, this disguises the fact that 31% of the population in Metro Manila live below the poverty line of Pesos 11,230 per annum per capita (USD 1,826 per household per annum). The project does not target interventions to any particular geographic area since squatters and low-income groups are spread throughout the city. Nevertheless a significant impact of the project will be in the Marikina Valley (MARIPAS area) where the average family income is lower than the central parts of Metro Manila. Of the 17 MMUTIS traffic zones in the Marikina Valley only one zone has an average household income higher than the Metro Manila average of P 13,968 per month and ten of the 17 zones have less than P 10,000 per month (USD 340 per month or USD 4,000 per annum). The pilot NMT is proposed in low-income areas where low-income families and squatters access industrial employment centers.

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## **6. Linkage of project to Implementing Agency Program**

The Government has requested the World Bank to provide financing for a project, the so-called MMURTRIP, that stresses the importance of traffic management measures as a cost-effective means of reducing congestion. The project aims to demonstrate the importance of complementary investments in enhancing the full potential of public or private investments. The project will include a non-motorized transport pilot component to test and demonstrate benefits of pedestrian and bicycle facilities in selected areas. The Project Concept Document for the MMURTRIP project was cleared at a Concept Review Meeting chaired by the Bank's Country Director for Philippines on February 22, 1999. The decision of the meeting was that the project could proceed and the Government has agreed to its inclusion in the lending program of the Country Assistance Strategy for the next three years. Scheduled Board date is July 2000.

### **Part II: Information on Grant Activities**

#### **1. Summary Description of the Proposed Project**

##### **(a) Objectives**

The objective is to provide facilities for bicycle transport which makes such transport safe and viable in the city of Marikina. Given the severe problems of air pollution caused by motor vehicles in metro Manila and the contribution this makes to global warming, reducing or reversing the use of motorized transport will be the major benefit. The objective is also to demonstrate the benefits and viability of bicycles so that these facilities might be adopted elsewhere in Metro Manila and in the Philippines.

It is recognized that the bicycle is considered the best form of sustainable transport, is non-polluting and inexpensive, and a good alternative for commuting.

##### **(b) Activities**

The proposed "Bicycle Network Demonstration Pilot" will initially involve the establishment of a network of bicycle lanes in the city of Marikina, development of bicycle parking and a bicycle safety education program.

The PDF - A grant will be used to undertake the feasibility study. The study will specifically look at how the project can be expected to contribute to reduction in global warming. The study will try to quantify how the project can expect to slow down the trend to use motorized transport, or to convert current users of motorized transport to non-motorized transport. Once this is known, some estimate of the expected reduction in motorized transport and thus reduction in the burning of fossil fuels can be made. GEF financing can only be used where there is a demonstration of an expected global benefit in supporting the project.

DPWH intends to develop a pilot component for a non-motorized pedestrian and bicycle path in Marikina Valley to connect communities with employment centers and LRT stations. This stems out of the work that DPWH-URPO has been undertaking with the

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Green Forum, an NGO. The Bank will consider inclusion of the proposal based on the findings of a feasibility study. Statistics show that 20% of total trips are walking trips and in the MARIPAS area, where the pilot is proposed. There are more trips on foot and by tricycle than on average throughout Metro Manila. 22% of all trips are made on foot and 30% by tricycle compared with 20% and 14% respectively in Metro Manila where tricycles are banned on many major corridors.

## **2. GEF Thematic Area**

The expected project would be submitted under the Transport Program.

## **3. Expected Global Benefit (s)**

The objective of the pilot project is to promote the expanded use of non-motorized transport as an alternative to fossil-fuel burning motorized transport, thus having a global benefit in reducing global warming.

## **4. Activities to be financed by the PDF Block A grant**

The proposed grant would finance the cost associated with the conduct of a feasibility study for the proposed bicycle network for the city of Marikina in Metro Manila.

## **5. Expected Output (s) and Completion Date(s)**

The expected output:

Feasibility Study:	May 30, 1999 to July 15, 1999.
Detailed study and public consultation:	August 1, 1999 to November 30, 1999
Detailed engineering of works:	To be determined
Construction:	To be determined

## **6. Other possible contributors/donors and amounts**

Preparation of the above activities would be funded through the PDF-A grant.

## **7. Total budget (in US\$)**

Feasibility Study:	\$25,000
Detailed study and public consultation:	\$50,000
Detailed engineering of works	\$50,000 (about 5% of the civil works cost i.e. 5% of US\$ 1million = \$50,000).
Proposed cost of the scheme	\$1.3 million

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### **Part III Background on the Applicant Institution**

#### **1. Applicant**

Municipal Government of the City of Marikina in Metro Manila, through the Department of Natural Resources as the GEF point agency in the Republic of the Philippines

#### **2. Organizational Structure/Leadership**

The following ministries would be involved in the project.

The Department of Public Works and Highways, specifically the Urban Roads Project Office of DPWH, is the primary implementing agency for the MMURTRIP project.

The "Bicycle Network Demonstration Project" of the MMURTRIP will be implemented by the local government of the City of Marikina with the technical assistance of DPWH.

#### **3. Recent Programs/Project Activities/Publications**

A bicycle network project was undertaken under a Bank financed roads project in Lima, Peru for the financing of bicycle network from low-income residential areas to industrial employment centers. The project also included a credit component for the purchase of bicycles by low income members of the community.

#### **4. Contact Person**

To be determined

FROM :

PHONE NO. : *05/24*

MAY. 05 1999 03:41PM P1



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Department of Environment and Natural Resources  
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THE WORLD BANK



RECEIVED

BY *plw*

28 April 1999

**MR. VINAY BHARGAVA**  
Resident Representative  
World Bank  
23rd Floor, Taipan Place  
Emerald Ave, Pasig City

Dear Mr. Bhargava,

We are pleased to endorse to the World Bank a proposal from the City Mayor of Marikina for GEF PDF A grant, to develop a bicycle network in Marikina City. The network would be a component of the planned Metro Manila Urban Transport Integration Project (MMURTRIP) which envisaged to include non-motorized transport component to ease the problem on traffic congestion and related environmental impacts.

The proposal, in collaboration with the Urban Roads Project of the Department of Public Work and Highways, will initially include the construction of a network of bicycle lanes in the City of Marikina. It is expected that other municipalities in Metro Manila will eventually petition for the project facilities since bicycles are cost effective transport system and will contribute in achieving significant environmental impact both globally and locally in a sustainable manner.

Thank you for your consideration and endorsement to the GEF Headquarters.

Very truly yours,

*Ramon P. Pate*  
**RAMON P. PATE**  
Undersecretary & GEF Operational Focal Point

cc: *MZ/VB*  
*TH*  
*LL*  
*RM*  
*AF*

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