

**CY 2012 ODA Portfolio Review**  
**Actions Taken By IAs on the Recommendations of the CY 2011 ODA Review**

Recommendations	Progress / Actions Taken
<b>ARMM Regional Government (ARG)</b>	
Update Operations Manual particularly on the following provisions -Grievance redress system -Financial management -Procurement -Safeguards -M and E	Done
Prepare TOR for independent third party spot check monitor	Hired in December 2012
Review and revise Municipal Block Grant (MBG) selection criteria for 2012	Done
<b>Department of Finance - Bureau of Internal Revenue (BIR)</b>	
BIR Submission to NEDA of RARP of relevant monitoring documents (Procurement plan, Implementation Plan, and progress of implementation)	For Updating
BIR-PMIS Fast-track procurement of contracts under the NPSTAR project	For Updating
BIR-PMIS to report breakdown of procurement activities for NPSTAR project	For Updating
Fast-track enhancements of registration procedures Registration Manual (BIR-PMIS/ Forwarded issuances, i.e., Revenue Regulations and Revenue Memorandum Order to the Office of the Commissioner)	For Updating
<b>Department of Agriculture (DA)</b>	
<b>MRDP.</b> Submit the proposal and other requirements for additional financing to the ICC.	The DA no longer pursued the proposed request for additional financing.
<b>CHARMP2.</b> Submit the proposal and other requirements to the ICC (thru NRO CAR as lead evaluating staff) for the following requests: (a) extension of OFID loan validity; (b) modification in NG-LGU cost sharing arrangement; (c) realignment of loan	The requests for change in scope and realignment of loan proceeds were approved by the ICC on 2 August 2012 and were confirmed by the NEDA Board on 18 January 2013.

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proceeds; and (d) change in scope.	The request for loan validity extension of the OFID loan from 31 July 2013 to 31 July 2014 was already approved by the ICC during the 8 March 2013 ICC TB meeting. NEDA to endorse the request to DOF.
<b>InfRES.</b> Continue to monitor closely the status of completion of remaining sub-projects. Reports should be submitted to NEDA on a quarterly basis.	To be supplied by DA
<b>Department of Agrarian Reform (DAR)</b>	
<b>ARISP 3.</b> Continue to fast track implementation.	<ul style="list-style-type: none"> <li>• Conducted technical assistance/trainings to LGUs to expedite finalization of agribusiness proposals and implementation of subprojects</li> <li>• Deployed additional design engineers and consultants to facilitate preparation and evaluation works</li> <li>• Adhered to project's catch-up plan and pursued MOA with SUCs and private institutions</li> <li>• PhP 2.165 billion was allocated to be used to finance pipelined subprojects.</li> </ul>
<b>ARCP 2.</b> Continue to fast track implementation.	<ul style="list-style-type: none"> <li>• Issued Certificates of Availability of Funds (CAFs) amounting to PhP 1.29 billion from its NGALGU</li> <li>• Implemented performance-based grant system to compensate LGUs up to 20 percent of the total project cost</li> <li>• Conducted technical assistance/ trainings/coaching for LGUs on financial management system and preparation of project requirements</li> <li>• Beef up the Project Management manpower through deployment of regional desk officers to LGUs, project accountants, consultants, and additional staff from the national up to the local level</li> </ul>

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	<ul style="list-style-type: none"> <li>• Implemented streamline project approval and implementation processes by simplifying/shortening minimum documentary requirements (from 47 steps in 316 days to 23 steps in 198 days)</li> </ul>
<p><b>TPKP.</b> Fast track the preparation of detailed engineering designs and construction of approved bridges.</p>	<ul style="list-style-type: none"> <li>• Additional joint validation teams were deployed to accelerate technical validation of proposed bridge sites.</li> <li>• DPWH Regional Offices and District Engineering Offices were tapped to approve the designs/plans of bridges to be implemented in their respective regions/districts.</li> </ul>
<p><b>TPKP.</b> Negotiate the timing of delivery of bridging materials with the supplier, if possible, to avoid additional costs of warehouse acquisition for the accumulated bridging materials.</p>	<p>A Special Inspectorate Team (SIT), a Joint DPWH-DAR-Matiere-COA Team was created to do the inventory of delivered bridging materials.</p>
<p><b>TPKP.</b> Decide on which option to choose regarding the implementation of bridges as proposed by the DPWH to commence construction.</p>	<p>Construction will be outsourced for bridge projects except for the 58 bridges which will be constructed in-house by the DPWH-PBPO.</p>
<p><b>TPM.</b> Submit to NEDA a joint endorsement of the settlement agreement without prejudice to renegotiating or reconfiguration of the loan in order for GOP to gain access of the remaining loan proceeds.</p> <p><b>TPM.</b> Release the required appropriations cover</p> <p><b>TPM.</b> Agree on an opener that negotiations reconfiguration of the loan will be worked out subject to ICC approval.</p>	<ul style="list-style-type: none"> <li>• In a memorandum dated 29 August 2012, DOJ rendered a negative opinion on the validity of the final settlement agreement dated 28 June 2010 between DAR and Mabey &amp; Johnson (M&amp;J), Ltd due to the following reasons: (a) failure to secure Presidential approval; (b) failure to secure the approval of NEDA prior to submission to the President; (c) failure to conduct public bidding; and (d) failure to obtain a budgetary cover from DBM. Further, DOJ cannot render an opinion on whether DAR can enter into a compromise agreement with the funds already advanced by Mabey as this would depend on the circumstances or manner of arriving at this agreement.</li> <li>• In memorandum to the President dated 21 September 2012, DAR requested for guidance on the following recommendations: (a) DAR and DPWH be given the authority to enter into compromise agreement with M&amp;J</li> </ul>

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	under more favourable terms and conditions; (b) The Office of the President shall direct the appropriate body to investigate allegations made by Senator Osmeña in his privilege speech; and (c) TP-KAP be included in the investigation while measures are being undertaken to address project issues. To date, NEDA has yet to receive updates on these concerns.
<b>Department of Environment and Natural Resources (DENR)</b>	
<b>LAMP 2.</b> Facilitate revision and re-submission of request for Additional Financing for ICC processing.	LAMP-Additional Financing was approved by the NEDA Board in September 2012. The Loan Agreement is expected to be signed by the first part of 2013.
<b>ICRMP.</b> Improve and strengthen physical and financial management and monitoring of the project to ensure efficiency in the delivery of project activities.	As of March 2013, the request for one year extension was already endorsed by NEDA as ICC Secretariat to the DOF for subsequent endorsement to the Bank.  For the partial cancellation of loan proceeds, NEDA is still awaiting submission of supporting documents from DENR.
<b>ICRMP.</b> Fast track implementation of the catch-up plan to ensure completion of all activities by project completion.	
<b>ICRMP.</b> Revisit the MTR recommendation for possible change in scope and cancellation of excess funds from the loan proceeds and submit to ICC for evaluation.	
<b>NPSENRMF.</b> Ensure the full utilization of loan balance amounting to US\$29 million by end of Project in December 2012.	Measures were taken by DENR to improve liquidation of fund releases to improve loan utilization. The Project's loan closing date was extended for one-year until December 2013.  A catch up plan was also prepared by DENR to ensure the implementation of delayed activities and utilization funds by end of the extension period.
<b>NPSENRMF.</b> Ensure the delivery of MIS to further strengthen DENR's capacity for service delivery.	Done.
<b>Development Bank of the Philippines (DBP)</b>	
<b>RPP-AF.</b> Closely monitor the implementation of sub-projects	<ul style="list-style-type: none"> <li>• Project Management focused on marketing electric cooperatives projects for the past years;</li> <li>• A Memorandum of Agreement between the DBP and NEA was signed on 10 June 2011 to co-finance electric</li> </ul>

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	<p>cooperatives capital expenditure projects for the rehabilitation, upgrading and expansion of distribution system and development of renewable energy projects. The MOA aims to facilitate loan to electric cooperatives using the RPP-AF;</p> <ul style="list-style-type: none"> <li>• Created a task force within DBP to expedite loan processing of projects in the pipeline; and</li> <li>• DBP, NEA and WB created a technical working group (TWG) that would oversee the progress of RPP-AF. The NEA and WB are assisting DBP in the documentation requirement (e.g. NEA clearance, ERC approval, etc) to ensure that the new projects in the pipeline amounting to PhP1.713 billion will avail of the RPP-AF.</li> </ul>
Explore ways to reduce re-lending interest rates	In July 2012, DBP has approved the new pricing policy wherein a minimum of 2% is allowed regardless of account tagging. Some accounts if justified were allowed to have less than 2 percent spread on a case to case basis.
<b>Department of Education (DepEd)</b>	
Ensure and maintain that M&E's reporting systems, (i.e., responsive data collection to guide policy makers in decision making) and other feedback mechanisms are in place	<ul style="list-style-type: none"> <li>• Development of its <b>Project Management Information System</b>, commencing last April 2012. It is a database for tracking progress of programs and projects. <i>(Relationship to Basic Education Information System, which office is the process owner, what projects are covered?)</i></li> <li>• The Philippine Institute for Development Studies (PIDS) submitted to DepEd - OPS four (4) <b>impact evaluation designs</b> covering the following programs: (a) Basic Literacy Programs, Accreditation and Equivalency; (b) School-based Management Grants and; (c) Alternative Delivery Modes: Open High School Modified In-School, Out-of-School Approach (MISOSA). An <b>impact study in the Madrasah Education Program</b> funded by AUSAID</li> </ul>

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	commenced last October 2012.
DepEd must determine as an agency impediments of their procurement processes	<p>CY 2012 reasons for reported delays in procurement are the following:</p> <ul style="list-style-type: none"> <li>• Non- compliance with WB procurement guidelines</li> <li>• Lack of Bidders for classroom construction</li> <li>• Change in technical specification</li> </ul>
Conduct of baseline studies for PRIME	<ul style="list-style-type: none"> <li>• As part of the EFA Acceleration Strategy/Catch-Up Plan<sup>1</sup>, DepEd - OPS in cooperation with various agencies, the SEAMEO-INNOTECH among others, completed the <b>preparation of the TOR for the expansion of baseline survey for Indigenous Peoples (IP) and Muslims</b>. This is to ensure availability of national data on the needs and location of IP and Muslim learners.<sup>2</sup></li> <li>• The Asian Institute of Management will conduct survey to <b>assess DepEd's Readiness and Capacity, i.e., Supply Side Baseline Survey</b> to address unique needs of IP and Muslim learners which commenced in October 2012.</li> </ul>
Identification of priority programs and projects	<ul style="list-style-type: none"> <li>• <b>Formulation of the 2015 EFA Acceleration Strategy/Catch-Plan</b> highlighting critical policies and program to be implemented as well as support mechanisms, i.e., organizational and funding support to attain the EFA goals.</li> </ul>
<b>Department of Energy (DOE)</b>	
Fast Track Procurement Activities for PEEP	Done.
Compliance with the new implementation period and loan validity and agreed change in scope on the PEEP.	Done.
Clear Policy on who should shoulder the cause of delay in	To be provided by DOE.

<sup>1</sup> In July 2012, the National EFA Committee commissioned the (Southeast Asian Ministers of Education Organization Regional Center for Regional Innovation and Technology (SEAMEO- INNOTECH) to conduct assessment of the country's performance in attaining the EFA as well as to draft acceleration strategy to achieve EFA targets by 2015. The draft Acceleration Strategy was presented to the SDC Technical Board last 19 March 2013.

<sup>2</sup> Ibid, page 8

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DOE projects	
Submission of quarterly progress report.	Done.
Preparation/Submission of Project Completion Reports	The terminal report of the CBRED and PELMATAP were submitted. DOE has yet to submit the PCR of the Rural Power Project which was completed in 2011.
<b>Department of Science and Technology (DOST)</b>	
DOST-Central Office to develop/ establish monitoring and evaluation system to closely monitor the implementation of its ongoing projects; and	<i>To be provided by the agency</i>
Preparation of Project Completion Report should be done to fully document outputs and lessons learned	Done. The agency submitted the project Completion Report for the recently completed project Strengthening of Flood Forecasting and Warning System for Dam Operation.
<b>Department of Trade and Industry (DTI) / Small Business Corporation (SBC)</b>	
<b>RUMEPP.</b> Catch-up plan for the remaining 2 years of implementation, focusing on follow-up activities and training for MEs already assisted, convergence of microfinance and BDS, institutional strengthening of MFIs.	RuMEPP endeavored to increase its performance and achieve the convergence target by the end of RuMEPP in 2013. To accomplish this, the main strategy focused on providing BDS to recipients of credit from partner-MFIs (implemented track 1 mode of convergence).
<b>RUMEPP.</b> A comprehensive package may be developed that will offer prospective MEs with both available financing and BDS trainings that will respond to its needs.	Comprehensive BDS packages were included in the approved 2012 Annual Work Plan & Budget (AWPB) of RuMEPP to cover the 19 provinces.
<b>RUMEPP.</b> SBC to consider using institutional strengthening allocation (loan) into building internal BDS capacity to facilitate provision of both credit and BDS assistance and help achieve MCS-MEPD targets.	<ul style="list-style-type: none"> <li>• With the accreditation of new MFI partners in CAR and SOCCSKSARGEN, RuMEPP was able to increase the number of MEs provided with both credit and BDS.</li> <li>• Close coordination with conduit-MFIs helped in the identification / selection of borrowers who would be provided with BDS.</li> <li>• In order to utilize unused funds for institutional loans, SBC instead requested to re-allocate SDR 479,388 from institutional credit to support MFI institutional strengthening to on-lending to microenterprises. This move implied an amendment of the subsidiary loan agreement between the DOF and SBC.</li> </ul>

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<b>Department of Transportation and Communication (DOTC)</b>	
Set a working timeline in the processing and payments of progress billings to minimize delays.	DOTC to give update
On ROWA/resettlement, DOTC to proactively seek the assistance of concerned LGUs, regional government bodies and the Supreme Court.	DOTC to give update
Conduct annual management trainings for project managers and directors, and values formation workshops to PMO personnel.	DOTC to give update
Create Development Results Unit under the Office of the Undersecretary for Planning and Project Management as PMOs tend to focus only on the delivery and reporting of project outputs. Monitoring and reporting of project outcomes are requirements of NEDA in the conduct of the annual ODA review, and by DPs after project completion and during project preparation.	DOTC to give update
<b>Department of Public Works and Highways (DPWH)</b>	
DPWH to improve on disbursement target setting	Continuing
DPWH to inform NEDA at least 3 months prior to loan closing for extensions of one year or less, and six months prior to loan closing for extensions of more than one year	Continuing. Said policy was observed in all cases of loan extension requests processed by the NEDA Secretariat or the ICC In 2012 (MBURD, NRIMP II, MRIP, BSAAR).
For ARBP I, to determine immediately if request for loan extension is necessary as the ICC requires agency loan extension requests to be made 6 months prior to closing date (loan closing is 29 July 2012)	Loan extension not sought. Advanced payments were made to maximize loan utilization, but contractors were asked to secure a performance bond for the remaining works under CP 2.
For MBURD, to determine the necessity to request for loan extension as the contract expiration is scheduled in November 2013 or 14 months after loan closing in September 2012	On 9 May 2012, DPWH requested for a one year loan extension, which was subsequently favourably endorsed on 17 September 2012 by the DOF to the lender BNP Paribas.
For NRIMP II, MRIP and BC/RP, once loan extension and/or supplemental loan are approved by the ICC, to ensure better implementation to avoid further major issues/bottlenecks that needs ICC approval.	All three projects posted improved status/ physical performance in 2012.
For GSO II and BSAAR, with the expected commencement of civil works in February 2012, to improve financial disbursements and report on overall physical accomplishment to NEDA	DPWH complied with the recommendation to report overall physical accomplishment quarterly. However, the disbursement rate for the two projects declined in 2012



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quarterly	compared to 2011.
DPWH to report regularly (at least bi-annually) on its grant-assisted projects. Update from the newly-created PMO for the MCC-funded Samar National Secondary Road Project is emphasized.	Not complied with (roads and bridge projects).
DPWH to continue reporting on project components that are dropped from foreign-funding but are being implemented using local funds, for both ongoing and completed projects.	Limited compliance.
DPWH and GOP to strictly apply readiness filters in proposed projects	Continuing.
DPWH to strictly adhere to procurement schedules and timelines as prescribed in the guidelines for the conduct of pre-procurement, procurement, and implementation activities for foreign-assisted civil works projects as indicated in the DO No. 9 Series 2011	Contracts awarded or issued with NTPs in 2012 showed shorter procurement processing duration.
DPWH to designate an appropriate body within the Department to report on outcomes, since PMOs maintain that this is outside the scope of their reporting system. As required, reports on project outcomes are to be submitted annually during the conduct of Annual ODA Portfolio Reviews.	The responsibility of reporting project outcomes within the DPWH organization is not clearly established.
DPWH to provide sufficient maintenance funds for completed facilities.	Continuing.
DPWH to sustain business process improvements being carried out.	Continuing. Positive policy issuances were noted in improving the procurement process, in ensuring accountability of contractors and DPWH officials on the quality of completed infrastructure, and in interfacing with external stakeholders.
<b>Land Bank of the Philippines (LBP)</b>	
Three ongoing projects are already delayed: MTSP is due on 30 June 2012 and S2LDIP and CLEECF are due to closed on December 2012.	<p>The loan validity of the S2LDIP was extended for 20 months from 31 December 2012 to 28 February 2014.</p> <p>On MTSP, LBP decided to cancel the implementation of the remaining subproject (Taguig STP) as the revised implementation period of the project was June 2016.</p> <p>On CLEECF, the loan validity was extended for 6 months to</p>

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	accommodate the study/review to be done by KfW on the project.
PCRs of completed projects: MTSP and LIPII	LBP is still finalizing the project completion reports of the MTSP and LIP II.
<b>Laguna Lake Development Authority (LLDA)</b>	
With the fixed implementation period for three-year of the additional financing, there is a need to firm up the list of subprojects to be funded, facilitate procurement activities and ensure immediate start of implementation.	Ongoing initiative. As of date there is a firm pipeline of 27 sub- projects with total cost of Php393.668 million
Coordination with LGUs should be further strengthened to facilitate generation of additional proposals and approval of subprojects.	Ongoing initiative
Identify champions at the local level to ensure smooth implementation during and after the election period in 2013.	
Consider cancellation of loan balance after sub-projects are firmed up by first Qtr 2012	Project restructuring is being proposed to improve disbursements and maximize the use of loan funds.
<b>Local Water Utilities Administration (LWUA)</b>	
<u>Change of Administration</u> – Organizational changes within the Agency thereby affecting documentary requirements, specifically the Project Agreements	<ul style="list-style-type: none"> <li>- Close coordination and follow-ups with concerned units/officials</li> <li>- Expedited the signing of the Project Agreements by the current LWUA Acting Administrator. The signed Agreements were then forwarded to KfW so that the latter could provide deposits to the disposition fund.</li> </ul>
<u>Delayed identification of subprojects:</u> <ul style="list-style-type: none"> <li>- Slow decision-making process in the local project area organizations which is an essential input to the project</li> <li>- delay in finalizing the list of WD beneficiaries due to then competing initiatives between the LWUA Board to extend grant interest-free financial assistance to WDs versus the full regular loan under the PTWSSP-III</li> </ul>	Meetings with concerned organizations to speed up decision-making
Delay in the initial KfW deposit to the disposition fund account. The disposition fund will be used for various activities under the Project (e.g. conduct of geotechnical investigation, conduct of drilling of exploratory wells, and purchase of requisite	With the submission of the signed Project Agreement (refer to the first item) to KfW, the initial deposit to the disposition fund was made on 18 September 2012.

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goods/equipment)	
Delay in the preparation of POWs for various WDs	Close coordination with various action officers to speed up completion of POWs
<b>Metropolitan Waterworks and Sewerage System (MWSS)</b>	
Plant hydrotesting to be undertaken in conjunction with field hydrotesting	<p>Contractor's proposal is to undertake both tests in the field setting by subjecting the pipeline to 220 psi test pressure. The deductive cost of plant hydrotesting is still being discussed for the concurrence of all parties concerned.</p> <p>MWSS may provide an update on the status of plant and field hydrotesting.</p>
Modification of Class 3 Primary Support	Contractor has already submitted the unit price analysis (UPA) and currently under evaluation by MWSS Cost Evaluation Committee.
Seismic analysis of AWUAIP	<p>MWSS Administrator has required the consultant to provide seismic analysis and structural 3D modeling of tunnels and pipe-lines to check the structural stability in the event of earthquakes. Consultant has already briefed the Contractor and MWSS regarding software procurement and design cost since this was not included in the consultant's scope of work.</p> <p><u>Update:</u></p> <p>As of September 2012, software for seismic analysis was already procured in order to simulate effects of seismic activities (e.g. earthquakes) on underground pipes and other structures, and to simulate the inter-play among structures given earthquakes of varying magnitudes. The procurement is part of addressing the safety of underground connections, particularly of tunnels and steel pipes.</p>
Discovered leak at Sta. 8+560 in Tunnel 2	<p>Consultant has required the contractor to submit mitigation measures and its immediate implementation so as to avoid delay in tunnel works.</p> <p>MWSS may provide an update on the status of mitigation</p>

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	measures.
Leaks at tunnel final lining	Contractor was instructed to review the approved pouring sequence and to devise means to expedite concrete placement in order to avoid formation of cold joints. In addition, contractor was instructed to submit methodology of sealing those observed leakages/seepages.  MWSS may provide an update on the status of sealing the observed leakages.
<b>National Irrigation Administration (NIA)</b>	
<b>HCAAP.</b> Fast track implementation of the Irrigation and Drainage Component	To be provided
<b>HCAAP.</b> Draw up with an Action Plan on how to address the project's continued poor performance	To be provided
<b>HCAAP.</b> Management to decide on timelines and funding for the full completion of the project	To be provided
<b>ARIIP.</b> Decide on project proposal for change in scope/increase in cost that will be pursued	To be provided
<b>PIDP.</b> Close monitoring and fast track implementation to catch-up with widening slippages	To be provided
<b>SPISP.</b> Continue to provide funding for civil works that were not completed	To be provided
<b>BPIP.</b> Prepare and submit Project Completion Report inclusive of lessons learned and outcomes and impacts	To be provided
<b>Sustainability.</b> Continue to monitor and address O&M and sustainability issues	To be provided
<b>Philippine National Police (PNP)</b>	
<u>Project on Enhancing the Capacity for Collection and Application of Fingerprints</u> – Expensive maintenance costs of equipment relative to the PNP's budget.	To be provided
<u>PNP's Capability Enhancement for Firearms Control in the Philippines</u> – Expensive maintenance costs of equipment relative to the PNP's budget.	To be provided

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<u>Capability Enhancement for Firearms Control Project</u> – Conduct of post assessment	To be provided
<b>Supreme Court (SC)</b>	
JRSP - SC adoption of an effective exit (closing of the loan) strategy to address sustainability and accounting of lessons learned	Consultancy Services are to be engaged in 2013 to be funded by the Supreme Court Funds
JRSP - Conduct of the 2 <sup>nd</sup> Users' Survey - Sustainability and measurement of impact by SC-PMO (Project Implementation, Monitoring & Evaluation Group)	Consultancy Services are to be engaged in 2013 to be funded by the Supreme Court Funds
Supporting Governance in Justice Sector Reform in the Philippines - Implementation of recommended measures to further enhance the decentralization program of the Judiciary by SC-PMO, OCA, FMBO	RCAO Oversight Unit reorganized, roster of members revised to be more responsive and effective in implementing and managing decentralization program.
<b>Department of Health (DOH)</b>	
Designate a Monitoring and Evaluation Officer to oversee all FAPS in the Department.	The Department of Health-Bureau of International Health Cooperation has designated a focal person M&E Officer to oversee implementation of all Foreign Assisted Projects (FAPs). The role of M&E Officer is to consolidate project progress updates in coordination with the assigned FAPs team managers for each Project.
Establish/strengthen a clear reporting and feedback mechanism particularly on funds flow, funds utilization and report on project progress of grant assisted projects	Team managers maintained projects folder which include information related to FAPs report including project profile, project accomplishments in terms of physical, financial and time elapsed as well as project issues and concerns.