

# CY 2014 ODA Portfolio Review Report

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# EXECUTIVE SUMMARY

## ODA Portfolio Profile

Total ODA Portfolio as of December 2014 amounted to US\$14.37 billion consisting of 76 loans (US\$11.18 billion) and 449 grants (US\$3.19 billion).

The World Bank was the biggest source of loans with 39.8 percent share (US\$4.45 billion) followed by JICA and ADB with 28.3 percent (US\$3.16 billion) and 20 percent (US\$2.23 billion) shares, respectively. For ODA grants, the USA, the UN System, and Australia were the three leading providers with 36.1 percent (US\$1,148.6 million), 19.1 percent (US\$608.5 million), and 18.4 percent (US\$587.02 million), respectively.

In terms of distribution per sector, the Infrastructure Development sector accounted for the largest share (39%) of the loans portfolio amounting to US\$4.32 billion for 34 loans, followed by the Social Reform and Community Development (SRCD) sector, and the Governance and Institutions Development (GID) sector with 24 and 22 percent shares, respectively. On the other hand, SRCD sector was the major recipient of grants assistance amounting to US\$1.19 billion (comprising 151 projects) or 37 percent of the total grants portfolio. The GID and the Agriculture, Agrarian Reform and Natural Resources (AARNR) sectors followed with 25 and 18 percent shares, respectively.

## Performance

Financial. Comparing CY 2014 with CY 2013 financial performance of ODA loans, absorptive capacity indicators (i.e. disbursement level, disbursement rate, availment rate, and disbursement ratio) generally improved/increased as of end of CY 2014. Said improvement was largely attributed to the performance of program loans.

Overall disbursement level for CY 2014 increased from US\$856 million to US\$1.77 billion. This was mostly due to high disbursement level of program loans amounting US\$1.28 billion or about 73 percent of total disbursements made in CY 2014. The disbursement rate increased by about 16 percentage points from 60 percent in CY 2013 to 76 percent in CY 2014. The disbursement levels of program loans contributed 51 percentage points to the 76 percent overall disbursement rate for CY 2014. Further, availment rate increased by seven percentage-points from 76 percent in CY 2013 to 83 percent as of end of CY 2014.

Grants financial performance is measured in terms of cumulative disbursement levels (i.e., grant utilization) reckoned from grant agreement signing dates. Utilization level of the 449 active grants as of end of CY 2014 reached US\$1.60 billion out of the total grant amount of US\$3.19 billion, registering a utilization rate of 50 percent. This reflects a marginal decrease in utilization rate by 2 percentage points compared to the same period last year.

Physical. There were 508 active ODA loan- or grant-assisted programs and projects as of end CY 2014 in the GPH ODA Portfolio with information on physical performance, of which 103 were physically completed, three were ahead of schedule, 228 were on-schedule, and 78 were delayed.

Thirteen out of 59 programs and projects funded by ODA loans were physically completed in CY 2014. Of the remaining 46 programs and projects, physical implementation of 11 was on schedule, 2 were ahead of schedule, while 33 were delayed. Comparing the CY 2014 physical status of the 52 loan-assisted programs and projects which were carried over from



CY 2013, 31 had the same physical status, 13 were completed, five became worse off, and three had improved/ better status in CY 2014.

For ODA grants, out of the 449 projects, 90 were already completed, one was ahead, 217 were on-schedule, 45 were behind schedule, one was cancelled, and 95 had no disclosed information on physical status.

Meanwhile, a total of 13 actual problem projects were identified for priority monitoring and facilitation based on the Alert Mechanism of the NEDA Monitoring and Evaluation Staff, from which 12 were identified to be in the Critical Stage (Alert Level II) having implementation issues that remained unresolved for at least six months.

## **Key Implementation Issues**

There were 96 reported incidents of issues encountered in CY 2014.

Procurement. A total of 13 projects experienced delayed procurement of consulting services and civil works and failures of bidding, among others.

Budget and Funds Flow. Ten projects were affected by budget and funds flow issues due to delays in fund releases and incomplete submission of liquidation reports.

Sustainability and O&M. Eight projects experienced issues on sustainability and O&M because formal exit strategies were not formulated and organizational changes prevented the continuity of work.

PMO Manpower/Capacity. Six projects were affected by limited PMO manpower due to difficulties in recruitment or turnover of staff involved in implementation.

Demand/ identification/ processing/ approval of demand-driven facilities/ sub-projects. Six projects reported issues on the Identification/ processing/approval of demand-driven facilities/ sub-projects due to low demand from LGUs.

Right-of-Way and Resettlement. Six projects reported difficulty in acquiring right-of-way. Claimants also had difficulty in complying with documentary requirements.

Application/ processing/ issuance of clearances/ permits/ certificates/ approvals from other Government Offices/ agencies/ bodies. There were five projects which encountered difficulties in obtaining government approvals/required clearances/certificates.

Performance of Contractors/Consultants. A total of four projects reported issues on the performance of contractors/consultants, such as delays in mobilization of necessary equipment and manpower.

Adverse Weather Conditions. Four projects experienced delays due to the impact of typhoons.

Support from/ Coordination with Stakeholders/ Implementing Partners. Four projects reported issues on support/coordination with stakeholders and partners such as delays in finalization of MOAs and lack of LGU support for projects.

LGU Capacity. A total of three projects experienced difficulties in securing documentation at the LGU level.

Changes in Project Design/ Scope due to Actual Site Conditions. Three projects needed upgrading of scope/design standards to adopt to site conditions.

Peace and Order. There were two projects which were affected by the presence of security threats.

Foreign Exchange Movements. Two projects experiences foreign exchange losses due to peso equivalent of the loan amount not being sufficient to cover loan proceeds requirements of projects.

Other implementation issues encountered include: (a) weak project supervision by the DPs; (b) prolonged finalization of the operations manual; (c) environmental issues; and (d) delayed implementation due to unforeseen reduction of work hours.

## **Results**

Twenty-two programs and projects<sup>1</sup> have already demonstrated results contributing to 33 sector outcome indicators in seven chapters of the PDP-Results Matrices.

### **Initiatives to Better Manage for Development Results**

The Report highlighted various initiatives to better manage for development results that were undertaken in CY 2014 by both the GPH and the DPs. On the GPH side, these include the following: (a) Development Finance and Aid Assessment (DFAA) Study; (b) Collaborative Partner-Donor Evaluation (CPDE) Study; (c) Outcome-based and Performance-informed Budgeting for CY 2015; (d) Reconstruction Assistance on Yolanda (RAY) - Implementation for Results (I4R); and (e) the 4th M&E Network Forum. Meanwhile from the DPs' side, these include: (a) updating of the United Nations Development Assistance Framework (UNDAF); (b) extension of the IFAD-PH Country Strategic Opportunities Programme (COSOP) 2012-2014 to 2016 to support the Updated PDP 2011-2016; (c) USAID's progress reporting on a scorecard of indicators thru strengthened partnerships under the USAID Forward framework; (d) development of the World Bank's Country Partnership Strategy for FY 2015-2018 in support to the Updated PDP 2011-2016; and (e) the Australian-assisted Philippine Policy Window.

### **Actions Taken and Recommendations**

Specific actions were undertaken by the implementing agencies (IAs) in compliance to the recommendations made in the CY 2013 ODA Review report, particularly in addressing key implementation issues. In addition, compliance to the CY 2013 recommendations to improve overall ODA portfolio management was undertaken under several NEDA-led activities in collaboration with various IAs, development partners (DPs) and oversight agencies (OAs).

Recommendations to further improve ODA portfolio performance for CY 2015 and beyond were also included in the Review Report.

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<sup>1</sup> Note that some programs/projects may contribute to sector outcomes of several PDP-RM Chapters.

# **1 THE OFFICIAL DEVELOPMENT ASSISTANCE (ODA) PORTFOLIO REVIEW**

## **1.1 Mandate**

Republic Act (RA) No. 8182, also known as the ODA Act of 1996, as amended by RA 8555, mandated NEDA to: (a) conduct an annual review of the status of all projects financed by ODA; and (b) identify causes of implementation and completion delays or reasons for bottlenecks, cost overruns (actual and prospective) and continued project or program viability. NEDA is required to submit to Congress a report on the outcome of the review not later than June 30 of each year.

The ODA Act complemented NEDA Board Resolution No. 30 Series of 1992, which instructed the NEDA-Investment Coordination Committee (ICC) to review all ongoing ODA-funded programs and projects, with the aim of improving ODA absorptive capacity.

## **1.2 Objectives**

In support of the above mandates, the annual reviews are conducted to: (a) report on the status of all projects financed by ODA; (b) identify key implementation issues, problems, causes (i.e. procurement delays, cost overrun, both actual and prospective, etc.), and cross-cutting concerns that hamper project implementation; (c) report on actions taken by concerned agencies to facilitate project implementation; (d) report results (outputs and outcomes) derived from implementing ODA programs and projects; (e) formulate recommendations; and, (f) track developments on recommendations made in past portfolio reviews.

## **1.3 Methodology**

The Review covered all ODA loan- and grant-assisted programs and projects that were signed, became effective, were implemented or completed from 1 January 2014 to 31 December 2014. The review process involved consultations and discussions with 23 agencies involved in implementing the programs/projects. NEDA undertook the Review with the participation of oversight agencies (OAs) such as DBM and DOF and the various development partners (DPs).

In finalizing the report, the NEDA, thru the Monitoring and Evaluation Staff (MES), presented the draft findings to the following bodies, whose inputs and comments were considered in improving the draft Report: (a) the Project Implementation Officers (PIOs) on 8 May 2015; (b) OAs, DPs, CSOs, and representatives from the academe on 4 June 2015; (c) selected NEDA Regional offices (i.e., Region VII on 1 June 2015, Region VIII on 2 June 2015, and Region VI on 8 June 2015); (d) the National Project Monitoring Committee (NPMC) and representatives from the 15 Regional Project Monitoring Committees (RPMCs) on 16 June 2015; and to the Investment Coordination Committee of the NEDA Board thru a memorandum from the ICC Secretariat dated 24 June 2015.

## **1.4 Structure**

This Report is organized in seven sections inclusive of an introduction. Section 2 provides an overview of the ODA portfolio while Section 3 reports on the financial and physical performance of the ODA Portfolio. Section 4 discusses in detail key implementation issues. Section 5 reports on results (outputs and outcomes). Section 6 highlights the initiatives

undertaken to better manage for development results. Section 7 presents actions taken on the CY 2013 Review recommendations, as well as the recommendations for 2015 and beyond.

## 2 ODA PORTFOLIO

The total ODA portfolio as of December 2014 amounted to US\$14.37 billion, consisting of 76 loans worth US\$11.18 billion (78% of total portfolio), and 449 grants worth US\$3.19 billion (22% of total).

World Bank had the largest share in the portfolio representing 32 percent (US\$4.54 billion). This is followed by Japan with 23 percent share (US\$3.33 billion), Asian Development Bank (ADB) with 17 percent share (US\$2.35 billion), and USA with eight percent share (US\$ 1.15 billion). Assistance from these top four DPs amounted to 80 percent of the portfolio (US\$11.36 billion)

**Table 2.1 Total ODA by Development Partner in US\$ million**

Development Partner	Loan Amount	Grant Amount	Total ODA	% Share	Rank
World Bank	4,453.27	84.88	4,538.15	31.59	1
Japan	3,159.11	166.55	3,325.66	23.15	2
ADB	2,231.70	118.24	2,349.94	16.36	3
USA	-	1,148.56	1,148.56	7.99	4
UN System <sup>2</sup>	75.29	608.48	683.77	4.76	5
South Korea	524.75	93.84	618.59	4.31	6
Australia	-	587.02	587.02	4.09	7
France	436.95	0.54	437.49	3.04	8
Germany	55.3	124.66	179.96	1.25	9
EU	-	174.55	174.55	1.21	10
China	115.33	5.70	121.03	0.84	11
OFID	70	-	70.00	0.49	12
Canada	-	54.74	54.74	0.38	13
Italy	34.21	3.84	38.05	0.26	14
Austria	25.64	-	25.64	0.18	15
Spain	-	9.34	9.34	0.07	16
Norway	-	4.34	4.34	0.03	17
New Zealand	-	0.69	0.69	0.00	18
<b>Total</b>	<b>11,181.55</b>	<b>3,185.97</b>	<b>14,367.52</b>	<b>100.00</b>	

<sup>2</sup> Composed of IFAD for loans, and FAO, ILO, IOM, UN Habitat, UNDP, UN-ITR, UNICEF, UNIDO, UNFPA, WFP and WHO for grants.

### Box 2.1 Total Project Cost (TPC) of ODA Loan-assisted Programs and Projects in Peso

#### Magnitude

For CY 2014, the total cost of programs and projects supported by the active ODA loans Portfolio amounted to PhP665.33 billion, with the GPH counterpart amounting to PhP147.53 billion or 22 percent. Presented below is the share of the loans proceeds and the government counterpart to the entire portfolio. The complete table of project costs grouped by agency is presented in **Annex 2-A**.

Fund Source	Amount (PhP B)	% Share
<b>ODA</b>	<b>516.67</b>	<b>77.66</b>
Loan Proceeds	511.90	76.94
Grant Proceeds	4.77	0.72
<b>GPH Counterpart</b>	<b>147.53</b>	<b>22.17</b>
National Government	141.83	21.32
Local Government Unit	5.70	0.85
<b>Private Sector Equity*</b>	<b>1.14</b>	<b>0.17</b>
<b>Total</b>	<b>665.33</b>	<b>100.00</b>

\* for the WB-assisted Cebu Bus Rapid Transit Project

#### GPH Counterpart vs. TPC

On a per project basis, the average share of government counterpart funding to total project cost is 22 percent. Meanwhile, following are the various ranges of average counterpart share to total project cost per agency (details are provided in **Annex 2-B**).

Average Counterpart Funding (% of TPC)	Implementing Agency*
30 and above	DOTC, DBP, DPWH, LWUA
20-29	DSWD, DAR, DOE, NIA
1-19	DA, DENR, DILG, MWSS, DOH, LBP, DTI, ARG, LLDA

\* Program loans of DOF and DepEd are excluded

## 2.1 ODA Loans Profile

### 2.1.1 CY 2014 Portfolio

The US\$11.18 billion<sup>3</sup> loans portfolio comprised 63 project loans amounting to US\$6.96 billion (62%) and 13 program loans worth US\$4.22 billion (38%). The 63 project loans supported the implementation of 57 projects<sup>4</sup>. See **Annex 2-C** for the list of loans covered in the Review.

<sup>3</sup> Net of cancellations amounting to US\$42.20 million.

<sup>4</sup> 51 projects were financed by a single loan; and six projects were supported by two loans.

### Box 2.2 Concessionalty of ODA Loans to the Philippines

The grant element is a measure of the concessionalty of a loan calculated as the difference between the face value of a loan and the discounted present value of the service payments the borrower will make over the lifetime of the loan, expressed as a percentage of the face value (Source: OECD).

Pursuant to the Official Development Assistance Act (Republic Act No. 8182), as amended, the DOF shall compute for the grant element of direct loans of the National Government. The latter excludes foreign borrowings/foreign loans of GOCCs/GFIs (usually guaranteed by the National Government), which are incurred pursuant to their original charter or under special borrowing laws (e.g., Foreign Borrowings Act, as amended), and thus are not incurred under the ODA Act.

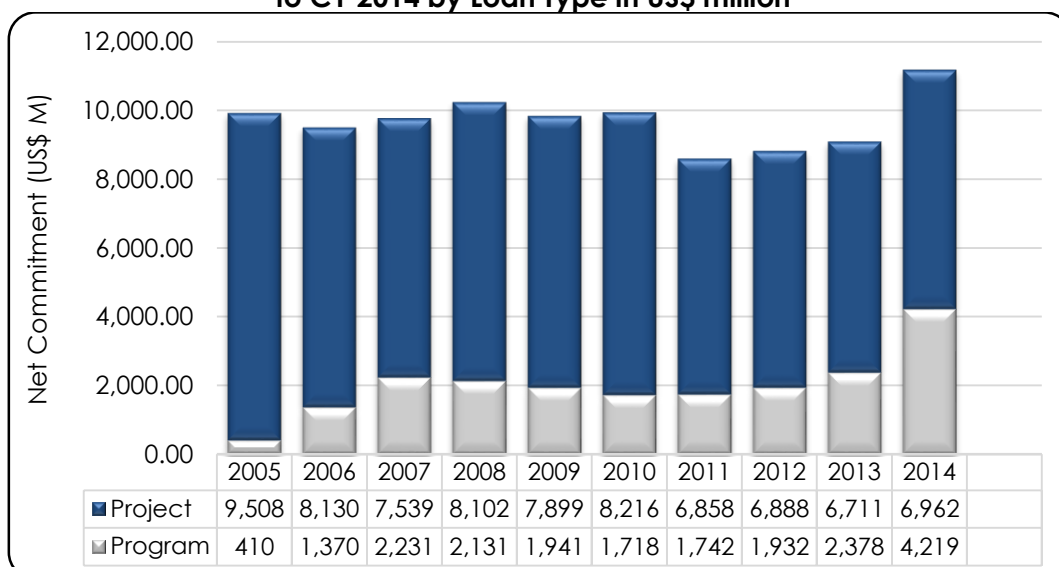
For the ten newly signed direct loans of the National Government in CY 2014, DOF calculated the weighted average grant element to be 74 percent. The financing terms of development partners, i.e. interest rate, maturity (interval to final repayment) and grace period (interval to first repayment of capital) is presented in **Annex 2-D** for reference.

The CY 2014 loans portfolio increased by US\$2.09 billion compared with CY 2013. Fourteen loans (worth US\$4.20 billion) were signed within CY 2014 while 62 loans (worth US\$6.99 billion) were continuing from previous years. A comparison of the CY 2013 and CY 2014 ODA loans portfolio composition by status is shown in Table 2.2. Meanwhile, Figure 2.1 shows the magnitude of the ODA loans portfolio in the past ten years.

**Table 2.2 CY 2013 and CY 2014 Composition of Loans in US\$ billion**

Status	CY 2013		CY 2014	
	Amount	Count	Amount	Count
<b>Newly Signed</b>	<b>2.746</b>	<b>13</b>	<b>4.197</b>	<b>14</b>
Not effective	1.288	5	0.300	1
Effective	1.159	7	3.497	11
Fully-availed but not yet closed	0.300	1	-	-
Closed during the year	-	-	0.400	2
<b>Continuing from Previous Years</b>	<b>6.343</b>	<b>64</b>	<b>6.985</b>	<b>62</b>
Ongoing	5.821	55	5.351	47
Closed during the Year	0.521	9	1.634	15
<b>Total</b>	<b>9.089</b>	<b>77</b>	<b>11.182</b>	<b>76</b>

**Figure 2.1 Active ODA Loans Annual Net Commitment from CY 2005 to CY 2014 by Loan Type in US\$ million**



## 2.2 ODA Loans Distribution

### 2.2.1 Distribution by Development Partner

World Bank had the biggest share in the ODA loans portfolio, with US\$4.45 billion (20 loans) or 40 percent share of the total loans portfolio. Japan had the second largest share with US\$3.16 billion (20 loans) or 28 percent, followed by ADB (US\$2.23 billion for 12 loans) or 20 percent (Table 2.3).

**Table 2.3 ODA Loans Distribution by Development Partner**

Development Partner	Loan Count	Loan Amount (US\$ M)	% Share	Rank
WB	20	4,453.27	39.83	1
Japan	20	3,159.11	28.25	2
ADB	12	2,231.70	19.96	3
South Korea	8	524.75	4.69	4
France	2	436.95	3.91	5
China	1	115.33	1.03	6
UN System (IFAD)	4	75.29	0.67	7
OFID	3	70.00	0.63	8
Germany	4	55.30	0.49	9
Italy	1	34.21	0.31	10
Austria	1	25.64	0.23	11
<b>Total</b>	<b>76</b>	<b>11,181.55</b>	<b>100.00</b>	

#### Box 2.3 CY 2014 ODA Loans Net Commitment in Original Currency

Loan amounts are presented in their US Dollar equivalents, with non-US Dollar denominated loans converted using the average of the monthly foreign exchange rates for the last quarter of CY 2014.

As of CY 2014, 58 percent or 44 loans in the active ODA loans portfolio were US Dollar denominated amounting to US\$7.42 billion. Twenty-two loans or 29 percent of the active loans were denominated in Japanese Yen with total amount of JPY402.57 billion. Germany, Italy, and Austria extended loans in Euro, while IFAD extended a loan based on Special Drawing Rights (SDR). Details are presented below:

Currency	Loan Count	Amount in Original Currency	Amount in US\$ M
USD	44	7,422.79	7,422.79
JPY	22	402,571.32	3,568.32
EURO	6	92.03	115.15
SDR	4	51.18	75.29
<b>Total</b>	<b>76</b>	<b>n/a</b>	<b>11,181.55</b>

### 2.2.2 Distribution by Sector

ODA programs and projects are classified into five sectors: Agriculture, Agrarian Reform and Natural Resources (AARNR); Governance and Institutions Development (GID); Industry, Trade and Tourism (IT&T); Infrastructure Development (Infra); and Social Reform and Community Development (SRCD). Implementing agencies and key activity areas in each of the five sectors are described in Table 2.4.



**Table 2.4 Sector Classification**

Sector	Key Activities/Components
AARNR	Farm-to-market roads, irrigation systems/facilities, agriculture and enterprise development, agricultural credit, multi-purpose buildings, bridges, flood protection, solar driers, warehouses, potable water supply, watershed conservation, forest management and agro-forestry, agribusiness, environmental management (e.g. climate change, disaster risk reduction)
GID	Tax reforms, human resource development and management, judicial reforms, local governance
IT&T	Trade and investment, environmental technologies in industries, microfinance and microenterprise development
Infra	Power and electrification, air transport, rail transport, road transport, water transport, flood control and drainage facilities, solid waste management, water supply and sanitation, local roads and bridges, other public works (e.g. public markets, bus terminals)
SRCD	Primary and secondary education, women's health and safe motherhood services, hospital services, nutrition and population, social reform and community development, farm-to-market roads, multi-purpose buildings, potable water supply

The Infrastructure Development sector accounted for the largest share of the loans portfolio (39%) amounting to US\$4.32 billion for 34 loans. The second largest share (24%) was in the SRCD sector (US\$2.68 billion for 11 loans) while the GID sector posted the third largest share with 21 percent (US\$2.46 billion for 8 loans) (see Table 2.5). The distribution of total ODA loans net commitments by sector and subsector is found in **Annex 2-E**.

**Table 2.5 ODA Loans Distribution by Sector**

Sector	Loan Count	Loan Amount (US\$ B)	% Share
Infrastructure Development	34	4.32	38.62
Social Reform and Community Development	11	2.68	24.00
Governance and Institutions Development	8	2.46	22.04
Agriculture, Agrarian Reform and Natural Resources	21	1.62	14.50
Industry, Trade, and Tourism	2	0.09	0.84
<b>Total</b>	<b>76</b>	<b>11.18</b>	<b>100.00</b>

## 2.3 Age of the Loans Portfolio

### 2.3.1 Ongoing Loans

The age of a loan is reckoned from effectivity date to end of CY 2014. Of the 58 ongoing and newly effective loans, 11 (19%) were on the first year of effectivity, and seven (12%) were aged six years and above. Age distribution of ongoing and newly effective loans by sector is presented in Table 2.6.

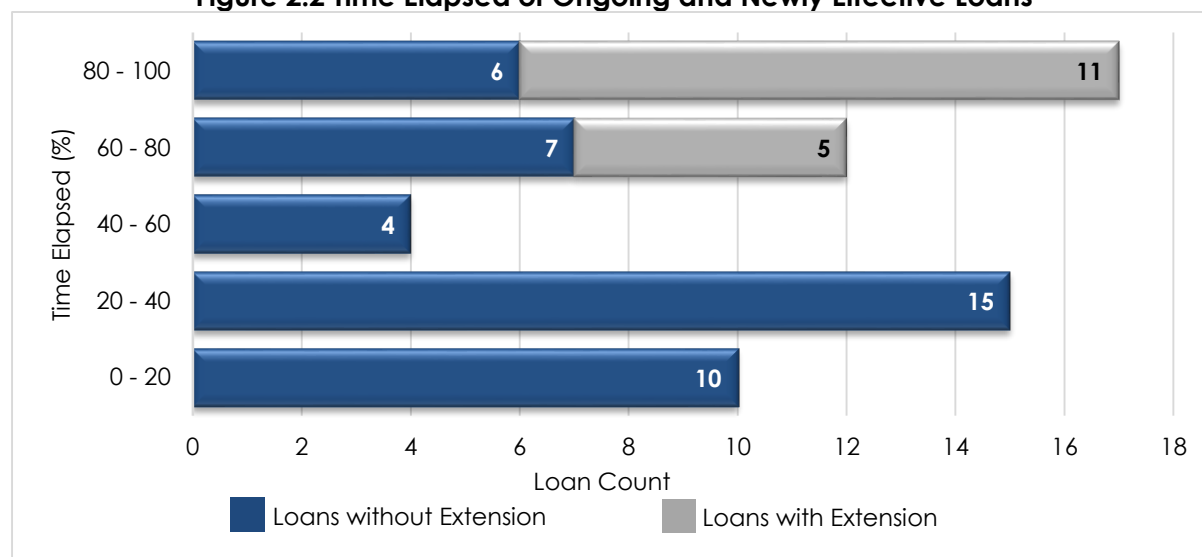
**Table 2.6 Age of Ongoing Loans**

Sector	Age in Years											
	<1	1-2	2-3	3-4	4-5	5-6	6-7	7-8	8-9	9-10	10-11	≥11
INFRA	4	4	10	2	0	6	1	2	0	0	0	1
SRCD	3	1	0	1	1	1	1	0	0	0	0	0
GID	3	0	0	0	0	0	0	0	0	0	0	0
AARNR	1	3	4	0	2	5	2	0	0	0	0	0
IT&T	0	0	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>11</b>	<b>8</b>	<b>14</b>	<b>3</b>	<b>3</b>	<b>12</b>	<b>4</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>

Time elapsed is the ratio of the loan's age to the total loan validity duration based on the revised closing date. Twenty-nine percent (17 loans) of the 58 ongoing and newly effective loans have time elapsed ranging from 80 to 100 percent (

Figure 2.2).

**Figure 2.2 Time Elapsed of Ongoing and Newly Effective Loans**



## 2.3.2 Closed Loans

### Box 2.4 Loan Closing Date and Project Completion Date

The closing date of an ODA loan is the latest date wherein loan withdrawals against eligible expenditure items are allowed by the DP. On the other hand, project completion date refers to the physical completion of the project. Normally, project completion should be within loan closing.

Closing dates may be revised as agreed by the DP and the IA. In case of loan extension, ICC review/approval is required.

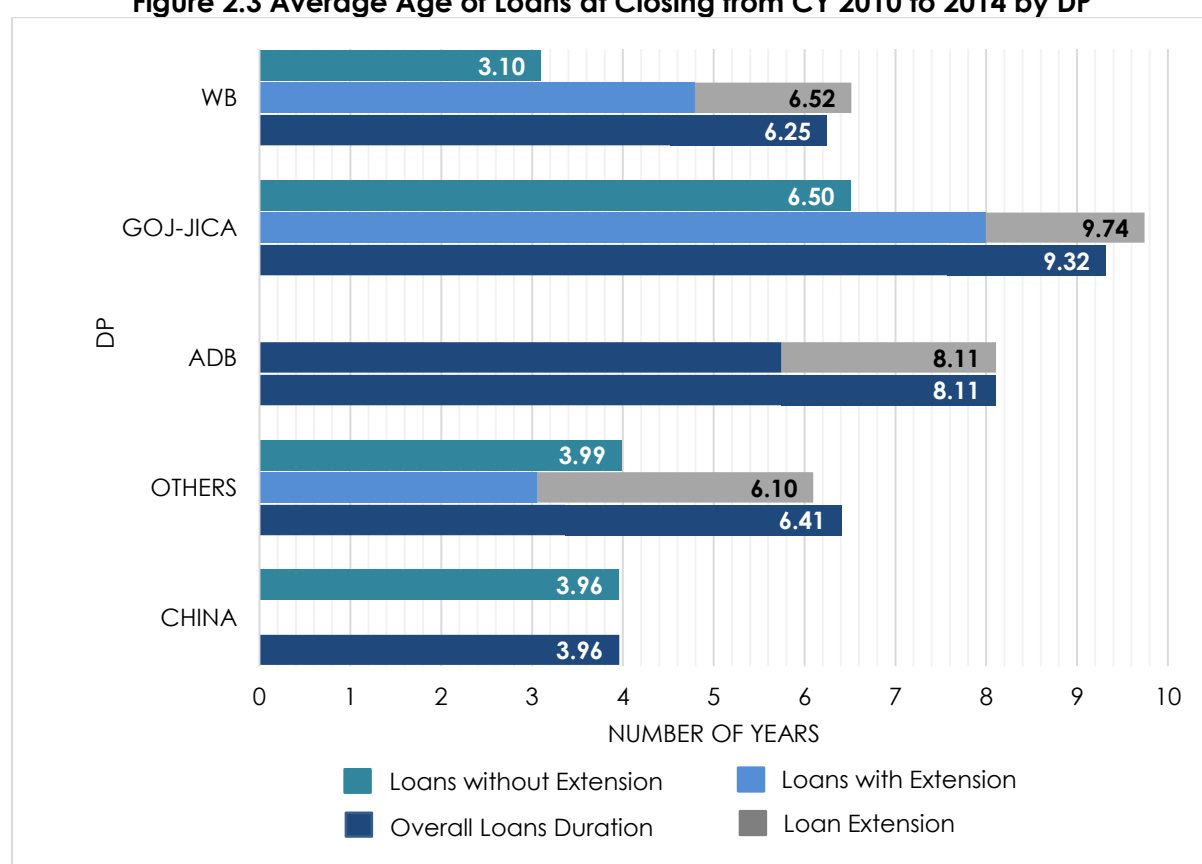
The average age of loans which closed in CY 2014 was 6.05 years. Meanwhile, the average number of years of extension of project loans which closed in CY 2014 was 3.27 years. The average age-at-closing and number of years of extension of ODA loans from CY 2010 to CY 2014 is shown in Table 2.7.

**Table 2.7 Average Age and Number of Years of Extension of Loans at Closing from CY 2010 to 2014**

	2010	2011	2012	2013	2014
<b>Loan Count</b>	20	6	12	7	12
<b>Net commitment (US\$ M)</b>	1,670.12	460.32	648.56	303.88	758.09
<b>Ave. Loan Validity (no. of years)</b>	5.05	5.81	5.35	5.57	4.14
<b>Ave. Age (no. of years)</b>	6.61	7.85	6.81	6.48	6.05
<b>Loan Count (with extension)</b>	15	6	10	5	7
<b>Ave. Extension (no. of years)</b>	2.08	2.04	1.75	1.38	3.27

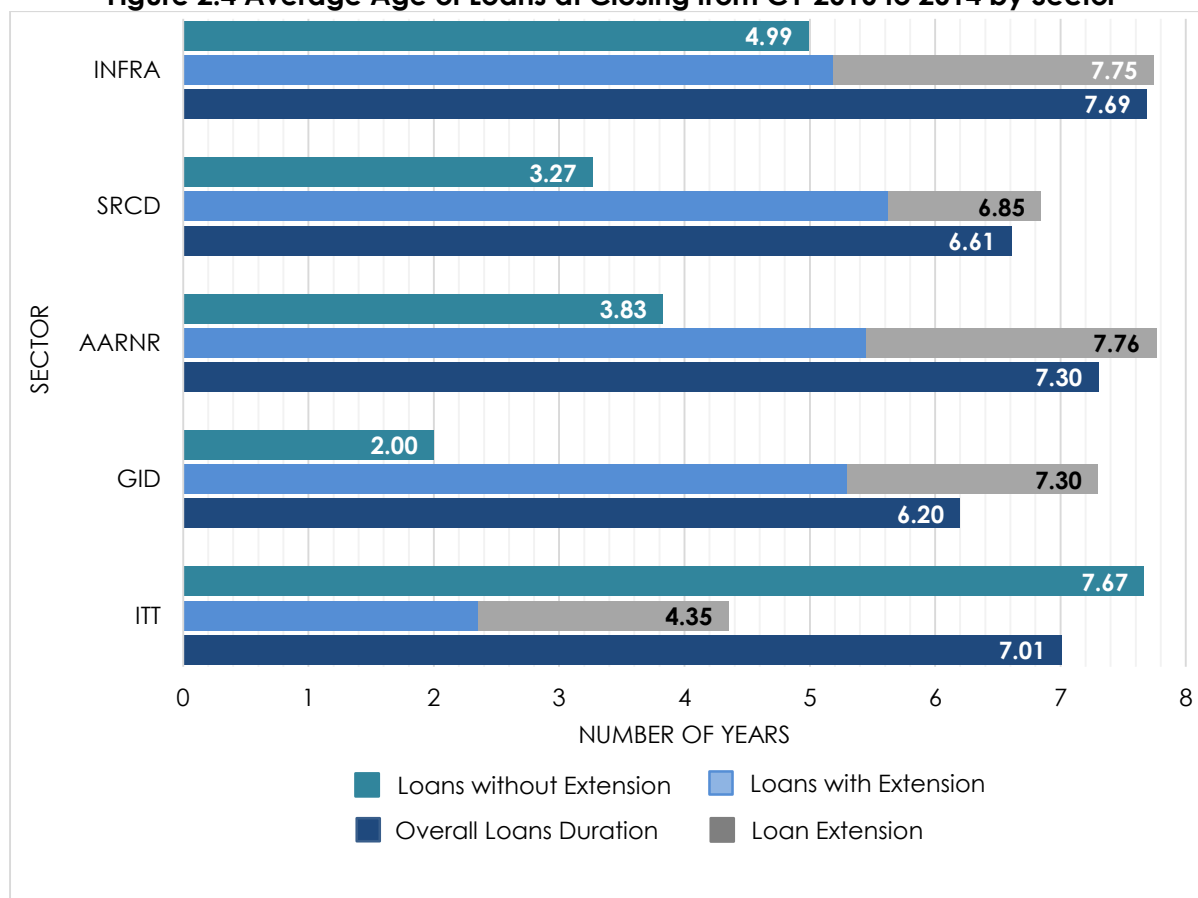
In terms of distribution by DP, JICA loans had the highest average age of about 9.32 years overall (see Figure 2.3).

**Figure 2.3 Average Age of Loans at Closing from CY 2010 to 2014 by DP**



By sector distribution, loans under the Infrastructure Development and the AARNR sectors had the highest overall average age with 7.75 years and 7.30 years respectively (see Figure 2.4)

**Figure 2.4 Average Age of Loans at Closing from CY 2010 to 2014 by Sector**

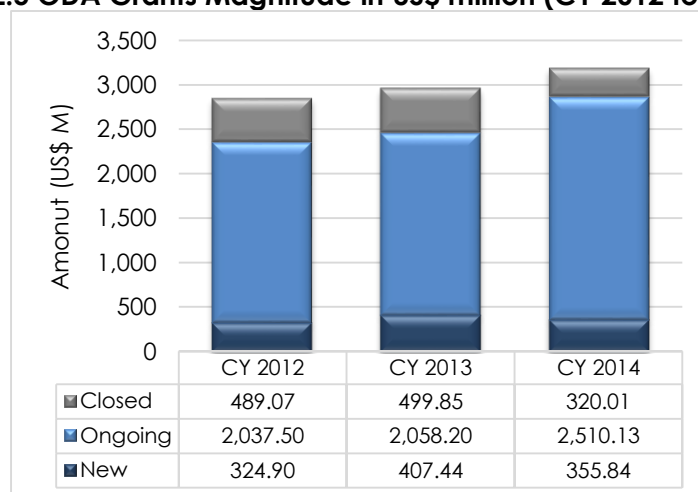


## 2.4 ODA Grants Profile

### 2.4.1 Magnitude and Distribution

As of CY 2014, there are 449 active grant-assisted projects with a cumulative grant amount of US\$3.19 billion.

**Figure 2.5 ODA Grants Magnitude in US\$ million (CY 2012 to CY 2014)**



Newly-effective grants for CY 2014 amounted to US\$355.84 million (comprising 11% of the grants portfolio), which registered a decrease by US\$51.60 million compared last year. Meanwhile, US\$320.01 million worth of grants closed in CY 2014 (10% of the total grants portfolio).

## 2.4.2 Distribution by Development Partner<sup>5</sup>

The top three providers of grant assistance to the GPH for CY 2014 were USA, the UN System, and Australia with US\$1,148.56 million (36%), US\$608.48 million (19%), and US\$587.02 million (18%), respectively.

**Table 2.8 ODA Grants Distribution by DP**

Development Partner	Count	Grant Amount (US\$ M)	% Share	Rank
USA	88	1,148.56	36.05	1
UN System	142	608.48	19.10	2
Australia	59	587.02	18.43	3
EU	12	174.55	5.48	4
Japan	12	166.55	5.23	5
Germany	17	124.66	3.91	6
ADB	46	118.24	3.71	7
South Korea	17	93.84	2.95	8
WB	24	84.88	2.66	9
Canada	16	54.74	1.72	10
Spain	7	9.34	0.29	11
China	4	5.70	0.18	12
Norway	1	4.34	0.14	13
Italy	1	3.84	0.12	14
New Zealand	1	0.69	0.02	15
France	2	0.54	0.02	16
<b>Total</b>	<b>449</b>	<b>3,185.97</b>	<b>100.00</b>	

### Box 2.5 Other DP-assisted Programs and Projects (non-ODA)

Submissions from various development partners for the Review also included grants implemented by and/or channeled to non-government organizations, civil society organizations, and the private sector. These kinds of DP-funded assistance are excluded in the Report since the annual ODA Portfolio Review only covers DP assistance where the GPH is represented as an implementing/executing agency, or a direct beneficiary.

As of CY 2014, there were a total of 162 programs and projects funded by 14 development partners which were implemented by and/or channeled to non-government organizations, civil society organizations, and the private sector. The total amount reached US\$708.50 million. (See **Annex 2-F** for details.)

## 2.4.3 Distribution by Sector

In terms of sectoral distribution, the SRCD sector remained the major recipient of ODA grants with 37 percent share (US\$1,193.51 million for 151 projects), followed by the GID sector with 25 percent (US\$793.71 million for 90 projects), and the AARNR sector with 18 percent (US\$583.04 million for 141 projects).

<sup>5</sup>Grant assistance figures are attributed to the DP disbursing or administering the grant funds.

**Table 2.9 ODA Grants Distribution by Sector**

Sector	Project Count	Grant Amount (US\$ M)	% Share
Social Reform and Community Development	151	1,193.51	37.46
Governance and Institution Development	90	793.71	24.91
Agriculture, Agrarian Reform, and Natural Resources	141	583.04	18.30
Infrastructure Development	33	469.17	37.46
Industry, Trade and Tourism	34	146.54	4.60
<b>Total</b>	<b>449</b>	<b>3,185.97</b>	<b>100.00</b>

## 2.5 Other ODA Disaggregation

ODA may also be classified according to the following: (a) by area coverage; (b) on addressing climate change (CC) and contributing to disaster risk reduction (DRR); (c) on responding to post-typhoon relief and recovery; (d) on supporting the Millennium Development Goals (MDGs); and (e) by gender responsiveness.

### 2.5.1 Distribution by Area Coverage

This report uses three major classifications of area coverage: (a) nationwide; (b) multi-regional; and (c) region-specific. Nationwide programs/projects are implemented in all regions of the country whereas multi-regional programs/projects are implemented in more than one region, but not in all. Meanwhile, region-specific programs/projects are implemented in only one region.

It should be noted that regional disaggregation as presented in this section is based on the total program/project cost, inclusive of loan and grant proceeds, GPH counterpart, and private sector counterpart, if any.

Nationwide ODA programs/projects accounted for the largest share of the total cost of the GPH active ODA Portfolio as of end CY 2014 with 41 percent share (PhP331.17 billion for 182 projects), followed by multi-regional programs/projects with 41 percent share (PhP328.21 billion for 191 projects), and region-specific programs/projects 18 percent share (PhP147.15 billion for 144 programs/projects) (see Table 2.10).

**Table 2.10 Distribution of ODA Loan- and Grant-assisted Programs and Projects by Area Coverage**

Coverage	Loan-assisted			Grants			Total		
	Count	TPC (PhP B)	% Share on Cost	Count	TPC (PhP B)	% Share on Cost	Count	TPC (PhP B)	% Share on Cost
<b>A. Nationwide</b>	<b>18</b>	<b>297.01</b>	<b>44.64</b>	<b>164</b>	<b>34.16</b>	<b>24.19</b>	<b>182</b>	<b>331.17</b>	<b>41.06</b>
- program loans	10	162.88	24.48	-	-	-	10	162.88	20.20
- projects	8	101.26	15.22	164	34.16	24.19	172	135.42	16.79
- component <sup>6</sup> only	-	32.87	4.94	-	-	-	-	32.87	4.08
<b>B. Multi-regional</b>	<b>30</b>	<b>253.31</b>	<b>38.07</b>	<b>161</b>	<b>74.90</b>	<b>53.04</b>	<b>191</b>	<b>328.21</b>	<b>40.69</b>
- no regional cost breakdown	10	70.38	10.58	150	66.84	47.34	160	137.22	17.01
- with regional cost breakdown	20	182.93	27.49	11	8.06	5.71	31	191.00	23.68
<b>C. Region-specific</b>	<b>20</b>	<b>115.01</b>	<b>17.29</b>	<b>124</b>	<b>32.14</b>	<b>22.76</b>	<b>144</b>	<b>147.15</b>	<b>18.24</b>
<b>Total</b>	<b>68</b>	<b>665.33</b>	<b>100.00</b>	<b>449</b>	<b>141.20</b>	<b>100.00</b>	<b>517</b>	<b>806.53</b>	<b>100.00</b>

<sup>6</sup> of a multi-regional or a region-specific program/project

From the above table, 175 projects (40 loans and 135 grants) had regional cost breakdown with total cost amounting to PhP338.14 billion (PhP297.94 billion for loans, and PhP40.2 billion for grants). Meanwhile, presented in Table 2.11 are the top five regions which received the largest share of the total ODA Portfolio were Region III (9% or PhP71.48 billion for 25 projects), NCR (6% or PhP49.11 billion for 62 projects), Region VII (4% or PhP30.26 billion for 26 projects), Region VI (4% or PhP28.32 billion for 29 projects), and Region VIII (3% or PhP27.06 billion for 39 projects). For the complete regional distribution see **Annex 2-G**.

**Table 2.11 Regional Distribution of ODA Loan- and Grant-assisted Programs and Projects**

Top 5 Regions for Loans				Top 5 Regions for Grants				Top 5 Regions Overall			
Region	Count	Cost (PhP B)	% Share <sup>7</sup>	Region	Count	Cost (PhP B)	% Share <sup>7</sup>	Region	Count	Cost (PhP B)	% Share <sup>7</sup>
1. III	20	71.00	8.80	1. VIII	27	14.80	1.83	1. III	25	71.48	8.86
2. NCR	8	38.81	4.81	2. NCR	54	10.30	1.28	2. NCR	62	49.11	6.09
3. VII	12	28.18	3.49	3. ARMM	9	4.32	0.54	3. VII	26	30.26	3.75
4. VI	18	26.35	3.27	4. VII	14	2.09	0.26	4. VI	29	28.32	3.51
5. X	16	17.97	2.23	5. VI	12	1.97	0.24	5. VIII	39	27.06	3.36
<b>Total</b>	<b>51</b>	<b>182.31</b>	<b>22.60</b>	<b>Total</b>	<b>100</b>	<b>33.48</b>	<b>4.15</b>	<b>Total</b>	<b>146</b>	<b>206.23</b>	<b>26.76</b>

## 2.5.2 Addressing Climate Change (CC) and Contributing to Disaster Risk Reduction (DRR)

A total of 70 programs and projects (loans and grants)<sup>8</sup> with total cost of PhP187.80 billion were identified to have components on climate change strategies/interventions and disaster risk reduction, with breakdown provided in Table 2.12. (See **Annex 2-H** for the complete list of loans and grants supporting climate change mitigation/adaptation and disaster risk reduction.)

**Table 2.12 ODA Programs and Projects Addressing Climate Change and Contributing to Disaster Risk Reduction<sup>9</sup>**

CC and DRR Initiatives	Fund Source				Total	
	Loans		Grants			
	Count	Cost (PhP M)	Count	Cost (PhP M)	Count	Cost (PhP M)
Total Program/Project Count & Cost	16	163,565.07	54	24,231.39	70	187,796.46
By Component						
Adaptation	10	38,573.59	21	4,550.90	31	43,124.49
Mitigation	10	60,064.78	8	11,500.04	18	71,564.82
DRR	2	2.15	11	4,454.56	13	4,456.71
Adaptation and Mitigation	-	-	6	601.03	6	601.03
Adaptation and DRR	-	-	3	744.36	3	744.36
Mitigation and DRR	-	-	4	1,184.63	4	1,184.63
Adaptation, Mitigation, and DRR	-	-	1	1,195.87	1	1,195.87
Total by Component	16 <sup>9</sup>	98,640.52	54	24,231.39	70 <sup>9</sup>	122,871.91

<sup>7</sup> to total cost of ODA-assisted programs/projects.

<sup>8</sup> A total of 50 active programs/projects were added in this year's list based on further reclassification and review undertaken by the NEDA-MES.

<sup>9</sup> A program/project may contribute to more than one component under CC and DRR initiatives, thus total count and cost may not tally.

### Box 2.6 Climate Change Adaptation and Mitigation and Disaster Risk Reduction

The Intergovernmental Panel on Climate Change (IPCC) defines climate change (a) adaptation, (b) mitigation, and (c) adaptation and mitigation strategies as follows:

- Adaptation – includes practical interventions to protect countries and communities from the likely disruption and damage that will result from effects of climate change;
- Mitigation – anthropogenic interventions taken to reduce the sources or enhance the sinks of greenhouse gases;
- Adaptation and Mitigation – includes interventions that resemble the requirements for both adaptation and mitigation.

Meanwhile, the ADB defines DRR as a "series of interconnected actions to minimize disaster vulnerability by avoiding (prevention) or limiting (mitigation and preparedness) the adverse effects of hazards within the broad context of sustainable development." DRR is also an integral component of CC adaptation.

### 2.5.3 Supporting the Millennium Development Goals (MDGs)

For CY 2014, 98 programs/projects (loans and grants) with total cost of PhP262.61 billion supported the achievement of the eight MDGs<sup>10</sup>. Of this, 60 ODA projects provided PhP134.8 billion (51%) to support specific MDGs while 38 ODA projects support several MDGs with PhP127.8 billion (49%). (See Table 2.13.)

Eighteen of the 60 ODA programs/projects supporting specific MDGs were geared towards the achievement of Goal 7 (Ensuring Environmental Sustainability). Goal 1 (Eradicate Extreme Poverty) had the next highest number of programs/projects with 17. See **Annex 2-K** for the list of ODA programs/projects supportive of the MDGs.

**Table 2.13 ODA Programs and Projects Supporting the Achievement of MDGs**

MDG								No. of Projects	Amount (in PhP M)
1	2	3	4	5	6	7	8		
Goal-Specific									
✓								17	63,354.67
	✓							12	4,629.69
		✓						4	119.13
				✓				3	1,042.90
					✓			6	474.14
						✓		18	65,223.04
Sub-Total								60	134,843.57
Cross-cutting									
✓		✓						3	8,971.54
✓						✓		6	12,542.89
	✓	✓						5	26,720.95
		✓		✓				1	24.61
		✓				✓		3	3,555.14
			✓	✓				5	1,700.00
		✓			✓	✓		1	8.00
			✓	✓	✓			3	51,073.18

<sup>10</sup> MDG Goals: (1) Eradicate Extreme Poverty; (2) Achieve Universal Primary Education; (3) Promoting Gender Equality and Empowering Women; (4) Reduce Child Mortality; (5) Improving Maternal Health; (6) Combating HIV/AIDS, Malaria and Other Diseases; (7) Ensuring Environmental Sustainability; (8) Develop a Global Partnership for Development



MDG								No. of Projects	Amount (in PhP M)
1	2	3	4	5	6	7	8		
✓	✓	✓				✓		1	2,237.82
✓		✓	✓			✓		1	3,375.96
✓	✓	✓	✓			✓		1	7,563.00
✓				✓	✓	✓		1	18.47
	✓	✓	✓	✓		✓		1	1,012.37
	✓		✓	✓	✓	✓		2	928.79
✓	✓	✓	✓	✓				3	34.46
✓	✓	✓	✓	✓	✓	✓	✓	1	7,995.00
Sub-Total								38	127,762.18
Total								98	262,605.75

## 2.5.4 Promoting Gender-Responsiveness of Projects

In compliance with RA 7192 or the Women in Development and Nation-Building Act, thirteen out of 17 IAs consulted for this Review provided information on the gender-responsiveness of their projects.

Of the loan-assisted programs/projects portfolio, 54 percent (29 out of 58) had submissions on gender-responsiveness. Meanwhile for the grant projects portfolio, the turnout of submissions was a low 8 percent (36 out of 449).

Of the 70 projects with submission for gender-responsiveness, 62 had information on Gender and Development (GAD) rating on project design stage. These 62 projects had a total allocation of US\$4.09 billion. About 38 percent of this amount was allocated to 21 projects which were designed to be gender-responsive, while 34 percent was allocated to 19 projects designed to be gender-sensitive (see Table 2.14).

**Table 2.14 Classification of ODA Projects by Gender-Responsiveness**

GAD Classification	Project Development (PD)			Project Implementation, Management, Monitoring and Evaluation (PIMME)		
	No. of Projects	Amount (US\$ M)	% Share to Total	No. of Projects	Amount (US\$ M)	% Share to Total
Gender-responsive	21	1,539.07	37.6	18	1,648.50	35.59
Gender-sensitive	19	1,387.04	33.9	28	1,714.12	37.01
With promising GAD prospects	8	1,006.70	24.6	8	1,111.44	24.00
GAD invisible in the project(s)	14	157.24	3.8	15	157.53	3.40
<b>Total<sup>11</sup></b>	<b>62</b>	<b>4,090.04</b>	<b>100</b>	<b>69</b>	<b>4,631.59</b>	<b>100</b>

At the project implementation, management, monitoring and evaluation (PIMME) stages, 69 projects were assessed by the implementing agencies on GAD responsiveness. The reported allocation for these projects was US\$4.63 billion. Thirty-six percent of this amount was utilized for the implementation of 18 projects classified as gender responsive while 37 percent was allocated to 28 projects identified as gender sensitive.

<sup>11</sup> Not all projects reported for PD or PIMME

## 2.5.5 Responding to Post-Typhoon Relief and Recovery

As of end of CY 2014, there were 39 active ODA programs and projects (five loans and 34 grants) with total amount of US\$2,163.34 million implemented in support of post-typhoon relief and/or recovery, as identified by implementing agencies and development partners (see **Annex 2-I**) as part of the Review process.

Various organizations also report on DP operations in the country and their corresponding assistance on post-typhoon relief and recovery. For post-Yolanda response in particular, some of these organizations include the United Nations Office for the Coordination of Humanitarian Affairs (UN-OCHA) in the Philippines, the DFA, and DBM. Information on the scope, methodologies, and reporting mechanisms employed by these organizations in tracking relief, rehabilitation, reconstruction, and recovery interventions are presented in Table 2.15.

**Table 2.15 Various Reporting Mechanisms on DP-assisted Interventions on Post-Yolanda Relief, Rehabilitation, Reconstruction, and Recovery<sup>12</sup>**

Organization/ Platform	Scope	Reporting Mechanisms
FAiTH Task Force <sup>13</sup> / Foreign Aid Transparency Hub (FAiTH)	Calamity assistance pledged or given by countries and international organizations, as well as donations coursed through the Commission on Filipinos Overseas' (CFO) Lingkod sa Kapwa Pilipino program (LINKAPIL). With the launch of FAiTH 2.0 on April 30, 2014, it now also includes donations coursed through Philippine embassies abroad.	FAiTH 2.0 provided 63 countries, 7 multilateral organizations, and access to the website's content management system, and the ability to cash and non-cash pledges. Updates are supported by an official communication to the DFA (via note verbale) for verification. Assistance pledged or given by private individuals and foreign NGOs are also captured by the system provided these have been coursed through Philippine embassies.
OPARR, DBM / Electronic Management Platform: Accountability and Transparency Hub for Yolanda (e- MPATHY)	Reconstruction assistance received by the GPH from foreign countries and international organizations in response to the damage and losses caused by Typhoon Yolanda.	e-MPATHY is an online portal that serves as a database which tracks the flow of foreign aid for Typhoon Yolanda reconstruction efforts. It allows all donors and government agencies to input data using an official account provided by the OPARR, allowing the system to capture funding that goes directly to LGUs, beneficiaries, and NGOs. It also integrates previous data from FAiTH.

<sup>12</sup> Sources: [www.gov.ph/faith](http://www.gov.ph/faith); <http://empathy.oparr.gov.ph>; <http://www.unocha.org/philippines/typhoon-haiyan-funding>.

<sup>13</sup> Composed of DBM, CFO, DOF, DOH, DFA, DSWD, NEDA, DND-OCOD, OPS, PMS, and PCOO

Organization/ Platform	Scope	Reporting Mechanisms
UN Office for the Coordination of Humanitarian Affairs (OCHA)/ Financial Tracking Service (FTS)	Donor- and recipient-reported humanitarian aid contributions with a special focus on strategic response plans (SRPs) on Typhoon Yolanda reconstruction	FTS is an office under the OCHA which tracks and compiles information provided by donors and recipient organizations on humanitarian aid flows. In 2014, FTS uploaded in its public website details of projects under SPRs for Typhoon Haiyan, which covers the period from November 2013 to October 2014.

## 3 PERFORMANCE

### 3.1 Loans Financial Performance

Financial performance was measured using four indicators: (a) disbursement level; (b) disbursement rate; (c) availment rate; and (d) disbursement ratio.

#### Box 3.1 Definition of Absorptive Capacity Indicators

Disbursement level is the actual expenditures/draw-downs from loan proceeds for a given period.

Disbursement rate is defined as the actual disbursement level as a percentage of target disbursement for the period. It reflects the planning and implementation capacities of project management offices.

Availment rate is defined as the cumulative actual disbursements as a percentage of cumulative scheduled disbursement both reckoned from the start of implementation up to the reporting period.

Typically, projects in its initial stages register a close-to-zero availment rate. A project that has an availment rate closer to 100 percent signifies that it is on track or catching up with its scheduled availment. Meanwhile, a project that is about to close but still registers a comparably low availment rate reflects that it has a large backlog and may require loan validity extension subject to ICC action.

Disbursement ratio is the ratio of actual disbursements for a given year to the loan balance available at the beginning of that year. Disbursement ratio increases/improves with an increase in actual disbursement.

Source: NEDA-Monitoring and Evaluation Staff

#### 3.1.1 2014 Financial Performance

Compared to financial performance as of end of CY 2013, absorptive capacity indicators (i.e. disbursement level, disbursement rate, availment rate, and disbursement ratio) generally improved/increased as of December 2014. Said improvement was largely attributed to the performance of program loans. (See **Annex 3-A** for details on ODA loans financial performance).

**Table 3.1 ODA Loans Financial Performance (CY 2013 vs. CY 2014)**

Financial Indicators	Newly Signed		Continuing		TOTAL	
	2013	2014	2013 <sup>14</sup>	2014	2013 <sup>15</sup>	2014
<b>Disbursement Level (US\$ B)</b>	<b>0.303</b>	<b>1.281</b>	<b>0.553</b>	<b>1.281</b>	<b>0.856</b>	<b>1.767</b>
Program	0.300	1.144	0.182	1.144	0.483	1.284
Project	0.003	0.137	0.371	0.137	0.374	0.483
<b>Disbursement Rate (%)</b>	<b>88.73</b>	<b>105.33</b>	<b>50.96</b>	<b>105.33</b>	<b>60.01</b>	<b>76.13</b>
Program	88.43	98.70	80.71	98.70	85.34	99.42
Project	138.67	240.01	43.13	240.01	43.36	46.92
<b>Availment Rate (%)</b>	<b>95.71</b>	<b>103.41</b>	<b>74.62</b>	<b>103.41</b>	<b>76.34</b>	<b>83.02</b>
Program	96.44	98.70	102.82	98.70	102.46	97.89
Project	52.82	171.96	68.05	171.96	70.6	68.84
<b>Disbursement Ratio (%)</b>	<b>20.76</b>	<b>36.76</b>	<b>12.89</b>	<b>36.76</b>	<b>15.29</b>	<b>23.12</b>
Program	75.06	52.32	45.19	52.32	60.38	51.29
Project	2.82	10.55	9.54	10.55	7.78	9.40

<sup>14</sup> Shows corrected figures.

<sup>15</sup> Shows corrected figures.

**Disbursement Level.** Overall disbursement level for CY 2014 increased from US\$856 million to US\$1.77 billion. This is mostly due to high disbursement level of program loans comprising 73 percent of total disbursements made in CY 2014.

**Disbursement Rate.** Given the large disbursement from program loans in CY 2014, the disbursement rate increased by 16 percentage points from 60 percent in CY 2013 to 76 percent in CY 2014. The disbursement level of program loans contributed 51 percentage points to the 76 percent overall disbursement rate for CY 2014.

**Availment Rate.** From 76 percent as of end of CY 2013, availment rate increased by seven percentage points to 83 percent as of end of CY 2014, exceeding the average threshold of 70 percent. Although availment rate for program loans decreased by 5 percentage points from 102 percent as of end of CY 2013 to 98 percent as of end of CY 2014, the sheer magnitude of program loans' actual availment as of end of CY 2014 still pulled-up the overall portfolio availment rate, contributing 49 percentage points to the 83 percent overall availment rate.

**Disbursement Ratio.** Disbursement ratio registered an eight percentage-point increase to 23 percent as of end of CY 2014 from 15 percent as of end of CY 2013. Program loans disbursements in tranche releases accounted for 20 percentage points of the overall disbursement ratio of 23 percent in CY 2014.

#### Box 2.5 Types of Program Loans

There are two types of program loans being implemented by the government. First, is the policy-based program loans in support of policy conditionalities and structural reforms. Loan disbursements are not earmarked for activities/projects implemented by specific implementing agencies but form part of the general cash envelope of the national government. Second, is the sector – based program loans to finance IAs regular activities specific for a certain sector. Budget allocations and cash are released to the implementing agencies using the GPH budget execution processes.

Program loans have lower transaction cost. Since 2006 the share of program loans was noted to be increasing in support to structural reforms (i.e. budgetary support, tax reforms, and governance), sector-based approaches (i.e. social welfare and development, health, education, agriculture, and environment) and post-disaster reconstruction. See **Annex 3-B** for the performance of program loans.

### 3.1.2 ODA Loans Portfolio Financial Performance in the Past Ten Years

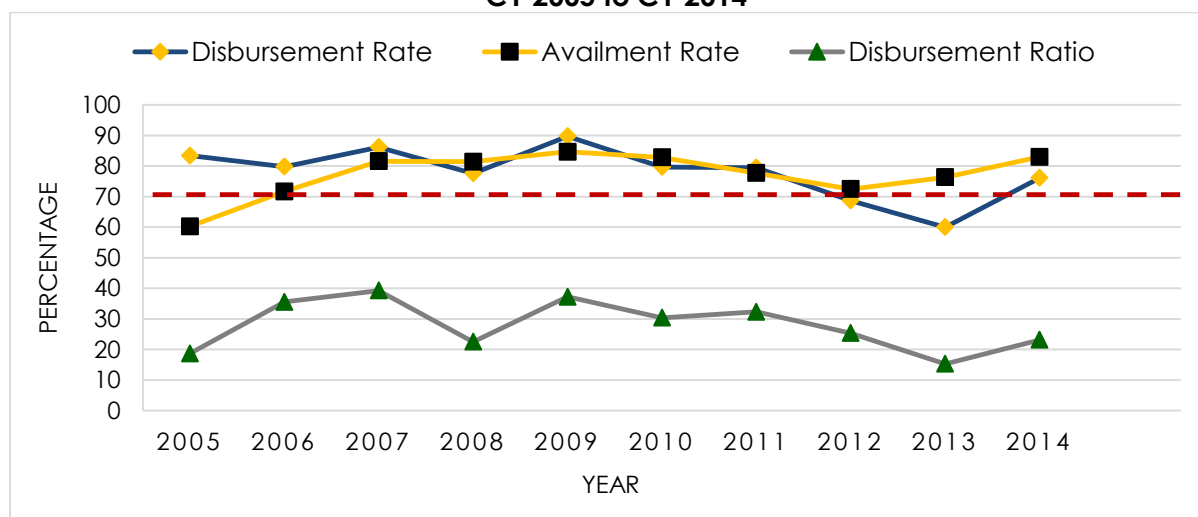
**Disbursement Level.** The disbursement level in the past ten years averaged US\$1.57 billion per year. The disbursement level was highest in CY 2009 (US\$2.01 billion) and was lowest in CY 2013 (US\$855.72 million).

**Table 3.2 Disbursement Level and Disbursement Rate from CY 2005 to CY 2014**

Financial Indicator	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Ave.
Disbursement Level (US\$ B)	1.21	1.97	1.95	1.05	2.01	1.61	1.87	1.51	0.85	1.77	1.58
Disbursement Target (US\$ B)	1.45	2.47	2.26	1.35	2.24	2.02	2.35	2.19	1.43	2.40	2.02
Disbursement Rate (%)	83.45	79.76	86.28	77.78	89.73	79.70	79.57	68.95	59.44	76.13	78.08

**Disbursement rate, availment rate, disbursement ratio.** From CY 2006 to CY 2014, the availment rate was consistently above 70 percent, and peaked in CY 2014 with 83 percent. Meanwhile, disbursement rate and disbursement ratio shows a gradual decreasing trend in the past nine years, but posted improvement in CY 2014 with 74 percent and 23 percent performances, respectively. Disbursement rate performance was able to hurdle the 70 percent threshold in CY 2014. (Figure 3.1)

**Figure 3.1 Disbursement Rate, Availment Rate and Disbursement Ratio from CY 2005 to CY 2014**



### 3.1.3 Performance of IA Portfolios

Assessment of the annual and historical financial performances of IAs' ODA loans portfolios based on the 70 percent threshold level on availment and disbursement rates is shown in Table 3.3. Agencies were grouped into four quadrants depending on how they perform against the 70 percent threshold for both the disbursement and availment rates.

As of end of CY 2014, four agencies performed well both historically and annually (i.e., DOF, DSWD, DOH, and DA). Meanwhile, seven agencies were not able to reach the 70 percent threshold for both availment and disbursement rates (i.e., DOTC, DPWH, LWUA, DOE, NIA, DENR, and DepEd).

**Table 3.3 Financial Performance by Agency**

Historical and Annual Financial Indicators	70 percent and Above Availment Rate	Below 70 percent Availment Rate
70 percent and Above Disbursement Rate	<u>DOF</u> , <u>DSWD</u> , <u>DOH</u> ↑, <u>DA</u> ↗,	DBP↑
Below 70 percent Disbursement Rate	<u>ARG</u> , <u>DAR</u> , <u>LBP</u> , <u>MWSS</u> , DILG↓, DTI↓, LLDA↓	<u>DOTC</u> , <u>DPWH</u> , <u>LWUA</u> , <u>DOE</u> ↓, NIA→, DENR→, DepEd*

The directional arrow beside the IA name in Table 3.3 indicates the change in the annual and historical financial performance of the IA from CY 2013 to CY 2014. An upward arrow for example indicates that the IA was able to exceed 70 percent disbursement rate in CY 2014, whereas it was below 70 percent in CY 2013. If the IA name is underlined, it means that the IA retained its CY 2013 position in the table. For CY 2014, DA's financial performance improved, exceeding the 70 percent threshold for both disbursement and availment rates, coming from a subpar performance in CY 2013. In contrast, DOE saw a

decline in financial performance: from above par performance in CY 2013, its disbursement and availment rates fell below the 70 percent threshold in CY 2014.

### 3.1.3.1 Portfolios with the Highest Disbursement Shortfall in CY 2014

The top five agencies that did not meet the disbursement targets for CY 2014 were DPWH, LBP, DOTC, DAR and DOE. Their CY 2014 disbursement shortfall constituted 88 percent of the total shortfall of US\$553.89 million which is net of excess disbursements from DSWD amounting US\$85.33 million (see Table 3.4)

**Table 3.4 Portfolios with the Highest Disbursement Shortfall**

IA	No. of Loans		Target Disbursement (US\$ M)	Actual Disbursement (US\$ M)	Disbursement Shortfall (US\$ M)	% Share to GPH Disbursement Shortfall
	Total	w/ shortfall				
DPWH	14	12	262.87	99.64	(163.23)	29.47
LBP	4	3	144.08	25.20	(118.88)	21.46
DOTC	8	4	104.91	28.36	(76.55)	13.82
DAR	6	5	131.82	67.57	(64.25)	11.60
DOE	3	2	65.93	1.86	(64.08)	11.57
Others (net)	41	17	1,610.79	1,543.89	(66.90)	12.08
<b>Total</b>	<b>76</b>	<b>47</b>	<b>2,320.40</b>	<b>1,766.51</b>	<b>(553.89)</b>	<b>100.00</b>

### 3.1.3.2 Portfolios with the Highest Availment Backlog in CY 2014

An availment backlog of US\$977.42 million was reported in CY 2014. The total actual availment of US\$4.78 billion of the entire GPH portfolio fell short of the cumulative scheduled availment of US\$5.76 billion. Thus, overall availment rate was 83 percent.

The percentage contributions of the seven IAs with the largest impact on total GPH availment backlog are summarized in Table 3.5.

**Table 3.5 IA Portfolios with the Highest Availment Backlog**

IA	No. of Loans		Scheduled Availment (US\$ M)	Actual Availment (US\$ M)	Availment Backlog (US\$ M)	% Share to GPH Availment Backlog
	Total	w/ backlog				
DPWH	14	14	346.99	730.19	(383.20)	39.21
DBP	4	4	299.60	456.30	(156.70)	16.03
DOE	3	2	25.20	116.83	(91.63)	9.37
DAR	6	4	409.31	492.98	(83.67)	8.56
LBP	4	4	199.90	279.09	(79.19)	8.10
NIA	3	3	43.52	119.91	(76.39)	7.82
DOTC	8	4	153.41	219.42	(66.01)	6.75
Others (net)	34	16	3,340.63	3,299.99	(40.63)	4.16
<b>Total</b>	<b>76</b>	<b>51</b>	<b>5,755.34</b>	<b>4,777.93</b>	<b>(977.42)</b>	<b>100.00</b>



### 3.1.7 Commitment Fees

Total commitment fees (CFs) paid in CY 2014 amounted to US\$4.60 million, lower by US\$0.07 million compared to CY 2013 CFs of US\$4.67 million (Table 3.6). **Annex 3-C** shows annual data on the commitment fees paid from CY 2004 to CY 2014. About 59 percent of commitment fees paid in CY 2014 was attributed to implementation delay (Box 3.2).

**Table 3.6 CFs Paid as Percentage of Total Net Commitment in CY 2013 and CY 2014**

	2013	2014
<b>Net Commitment (Project Loans Only) (US\$M)</b>	6,710.71	6,946.37
<b>Commitment Fees Paid (US\$M)</b>	4.674	4.603
<b>Percentage of CFs Paid to Project Loans Net Commitment (%)</b>	0.07	0.07

In CY 2014, the top five projects with the highest amount of CFs paid in 2014 (with combined share of 47%) are shown in Table 3.7. (See **Annex 3-D** for cumulative CFs paid per project from CY 2002 to CY 2014 and **Annex 3-E** for the annual amount of CFs paid by implementing agency from CY 2002 to CY 2014.)

**Table 3.7 Five Projects with the Highest Amount of CFs Paid in CY 2014 in US\$ million**

<b>Project Title/IA/Fl</b>	<b>CFs Paid (2014)</b>	<b>% Share to Total CFs Paid (2002-2014)</b>
Tulay ng Pangulo Para sa Kaunlarang Pang-Agraryo/DAR/ France	0.55	12.02
Capacity Enhancement of Mass Transit Systems in Metro Manila/DOTC/JICA	0.48	10.42
Market Transformation Thru Introduction of Energy Efficient Electric Vehicles Project/DOE/ADB	0.46	9.90
Road Upgrading and Preservation Project/DPWH/JICA	0.36	7.85
Emergency Assistance for Relief and Recovery from Typhoon Yolanda/DOF/ADB	0.31	6.82
<b>Total</b>	<b>2.16</b>	<b>47.01</b>

Meanwhile, of the projects with active ODA loans since CY 2010, the five projects with the highest cumulative CFs paid from CY 2002 to CY 2014 are shown in Table 3.8

**Table 3.8 Projects with Highest Cumulative CFs Paid from CY 2002 to CY 2014 in US\$ million**

<b>Project Title/IA/Fl</b>	<b>CFs Paid (2002-2014)</b>	<b>% Share to Total CFs Paid (2002-2014)</b>
Tulay ng Pangulo Para sa Kaunlarang Pang-Agraryo/DAR/ France	9.33	28.18
Greater Maritime Access (GMA) Ports/DOTC/France	6.66	20.11
Mega Bridges for Urban and Rural Development/DPWH/France	4.72	14.27
National Support for Basic Education/DepEd/WB	1.45	4.38
Road Upgrading and Preservation Project/DPWH/JICA	1.27	3.84
<b>Total</b>	<b>23.43</b>	<b>70.78</b>



**Box 3.2 Commitment Fees Attributable to Implementation Delay and as Cost of Financing**

Commitment fee is the amount levied on the undisbursed loan amount or a portion thereof, payable per annum [Example: 0.75% (rate) x US\$10 million (undisbursed amount) = US\$75,000]. The rate is applied on the undisbursed amount of the entire loan or a portion of thereof (base), which is bigger than the amount scheduled to be disbursed. Thus, even when there is no implementation delay, a certain amount of commitment fee would still be charged as purely cost of financing. Implementation delay only increases the amount.

A review was conducted to approximate how much of the commitment fees paid in CY 2014 may be attributed to implementation delay. First, it assumed that for all loans with at least 100 percent availment rate (no implementation delay), commitment fees paid are entirely due to cost of financing. Second, commitment fees due to implementation delay is arrived at by: (a) deducting computed commitment fees assuming 100 percent availment rate to the actual commitment fees paid, or (b) applying the rate to the backlog (scheduled availment less actual availment). The result of the analysis showed that approximately 59 percent of commitment fees paid in CY 2014 may be attributed to implementation delay.

## 3.2 Grants Financial Performance

For this year's Review, grants financial performance was measured in terms of cumulative disbursement levels (i.e., grant utilization) reckoned from grant agreement signing dates. Utilization of grant assistance as of CY 2014 reached US\$1.60 billion, with a utilization rate of 50 percent. This represented an increase of utilization by US\$41.99 million compared to last year's US\$1.56 billion, but utilization rate slightly declined by 2 percentage points from 52 percent as of CY 2013.

### 3.2.1 By Development Partner

As of the end of CY 2014, USA had the highest utilization with US\$529.56 million, followed by Australia with US\$312.43 million and the UN System with US\$308.40 million (Table 3.9).

**Table 3.9 Grant Utilization by DP**

Development Partner	No. of Projects	Grant Amount (US\$ M)	Utilization (US\$ M)	% Share to Total	Utilization Rate
USA	88	1,148.56	529.56	33.14	46.11
Australia	59	587.02	312.43	19.55	53.22
UN System <sup>16</sup>	142	608.48	308.40	19.30	50.68
Japan	12	166.55	150.58	9.42	90.41
Canada	12	174.55	66.50	4.16	38.10
EU	17	124.66	66.40	4.16	53.27
Germany	46	118.24	42.04	2.63	35.55
ADB	16	54.74	40.46	2.53	73.92
South Korea	17	93.84	36.94	2.31	39.36
WB	24	84.88	22.60	1.41	26.63
Spain	7	9.34	7.53	0.47	80.57
China	4	5.70	5.23	0.33	91.79
Italy	1	4.34	4.34	0.27	100.00
Norway	1	3.84	3.84	0.24	100.00
New Zealand	1	0.69	0.58	0.04	84.93
France	2	0.54	0.54	0.03	100.00
<b>Total</b>	<b>449</b>	<b>3,185.97</b>	<b>1,597.99</b>	<b>100.00</b>	<b>50.16</b>

<sup>16</sup> UN System agencies include: FAO, IFAD, ILO, IOM, UN Habitat, UNDP, UN-ITR, UNICEF, UNIDO, UNFPA, WFP & WHO.

### 3.2.2 By Sector

Programs and projects in the SRCD sector had the biggest utilization level at US\$627.69 million, followed by the GID sector with US\$446.52 million and the Infrastructure Development sector with US\$253.65 million (Table 3.10).

**Table 3.10 Grant Utilization by Sector**

Sector	No. of Projects	Grant Amount (US\$ M)	Utilization (US\$ M)	% Share to Total Grant Utilization	Utilization Rate
SRCD	151	1,193.51	627.69	39.28	52.59
GID	90	793.71	446.52	27.94	56.26
Infra	33	469.17	253.65	15.87	54.06
AARNR	141	583.04	213.27	13.35	36.58
IT&T	34	146.54	56.86	3.56	38.80
<b>TOTAL</b>	<b>449</b>	<b>3,185.97</b>	<b>1,597.99</b>	<b>100.00</b>	<b>50.16</b>

### 3.3 Physical Performance

#### 3.3.1 Overall GPH ODA Portfolio (Loans and Grants)

Out of the 508 active ODA loan- or grant-assisted programs and projects<sup>17</sup> as of end CY 2014 in the GPH ODA Portfolio with information on physical performance, of which 103 were physically completed, 231 were on or ahead of schedule, and 78 were delayed (see Table 3.11). For details, refer to **Annex 3-F** (loans) and **Annex 3-G** (grants).

**Table 3.11 Physical Status of Overall GPH ODA Portfolio (Loans and Grants)**

Physical Status	No. of Projects/ Programs	% Share <sup>18</sup> (on count)	Total Cost (PHP B)	% Share (on cost)
Completed	103	20.12	52.09	8.00
Ahead of Schedule	3	0.59	28.56	4.38
On Schedule	228	44.97	213.41	32.76
Behind Schedule	78	15.38	323.05	49.59
Cancelled	1	0.20	0.01	0.00
No data provided	95	18.74	34.31	5.27
<b>Total</b>	<b>508</b>	<b>100.00</b>	<b>651.43</b>	<b>100.00</b>

By sector, IT&T had the highest percentage of projects/programs implemented ahead or on schedule with 57 percent (20 of 35 projects), followed by SRCD with 47 percent (75 of 158 projects), and AARNR with 45 percent (72 of 159 projects) (see Table 3.12).

<sup>17</sup> 59 ODA loan-assisted programs/projects and 445 grant programs/projects (excluding 11 budget support program loans DOF and DSWD.)

<sup>18</sup> Percentage share to the total number of active ODA loan- or grant-assisted programs and projects in the GPH ODA Portfolio as of end CY 2014.

**Table 3.12 Physical Status of Overall GPH ODA Portfolio (Loans and Grants) by Sector**

Physical Status	Sector					
	Infra	AARNR	SRCD	IT&T	GID	Total
Completed	13	22	46	8	14	103
Ahead of Schedule	1	2	-	-	-	3
On Schedule	22	70	75	20	41	228
Behind Schedule	21	28	11	5	13	78
Cancelled	-	-	1	-	-	1
No Data Provided	8	37	25	2	23	95
<b>Total</b>	<b>65</b>	<b>159</b>	<b>158</b>	<b>35</b>	<b>91</b>	<b>508</b>

### 3.3.2 Loan-assisted Programs/Projects

There were 59 loan-assisted programs and projects<sup>19</sup> in the CY 2014 GPH active ODA Loans Portfolio, of which 13 were physically completed (PhP38.51 billion), 13 were on or ahead of schedule (PhP162.44 billion), while 33 were delayed (PhP301.27 billion) (see Table 3.13). Eleven of the delayed projects breached both of the physical indicator thresholds in the Alert Mechanism (i.e., negative physical slippage of at least 10 percent, and delays in any major activity in the critical path for at least six months). Likewise, the loans of two delayed projects (ICRMP and TPKP) closed in CY 2014, but the projects had incomplete outputs.

**Table 3.13 Physical Status of ODA Loans Portfolio**

Physical Status	No. of Projects/ Programs	% Share	Total Cost (PHP B)	% Share (on cost)
Completed	13	22.03	38.51	7.67
Ahead of Schedule	2	3.39	29.48	5.87
On Schedule	11	18.64	132.97	26.48
Behind Schedule	33	55.93	301.27	59.99
<b>Total</b>	<b>59</b>	<b>100.00</b>	<b>502.23</b>	<b>100.00</b>

Meanwhile, for 52 loan-assisted programs/projects carried over from CY 2013, physical status of the majority (31 programs/projects or 60%) remained the same as of end of CY 2014. This does not take into account the change in the physical slippage of these programs/projects. For the rest of the projects/programs, physical status of three projects improved as of end of CY 2014, five declined, and twelve were completed (see Table 3.14).

**Table 3.14 Physical Status of ODA Loans Portfolio (CY 2013 vs. CY 2014)**

Change in Physical Status (CY 2013 to CY 2014)	Physical Status as of end CY 2014				
	Completed	Ahead of Schedule	On Schedule	Behind Schedule	Total
<b>Continuing from 2013</b>	<b>13</b>	<b>1</b>	<b>7</b>	<b>31</b>	<b>51</b>
Completed	13	-	-	-	13
Same Status	-	-	4	27	31
Improved/Better Status	-	1	2	-	3
Declined/Worse Status	-	-	1	4	5
<b>New in 2014</b>	<b>-</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>7</b>
<b>Total</b>	<b>13</b>	<b>2</b>	<b>11</b>	<b>33</b>	<b>59</b>

<sup>19</sup> Six projects supported by two loans; 51 projects with single loan; and two programs.

By sector, SRCD had the highest percentage of loan-assisted programs/projects on or ahead of schedule with 43 percent in terms of count (3 of 7 projects) and 91 percent in terms of cost (Php79.17 billion), followed by AARNR with 22 percent in terms of count (4 of 18 projects) and 38 percent in terms of cost (Php44.05 billion). The infrastructure sector was third with 19 percent in terms of count (6 of 31 projects) and 13 percent in terms of cost (Php38.12 billion) (see Table 3.15).

**Table 3.15 Physical Status of ODA Loans Portfolio by Sector**

Sector	Physical Status				Total
	Completed	Ahead of Schedule	On Schedule	Behind Schedule	
SRCD					
Count	2	-	3	2	7
Cost (PHP B)	5.14	0.00	79.17	2.48	86.79
% Share on Cost <sup>20</sup>	5.92	0.00	91.22	2.86	100.00
AARNR					
Count	3	2	2	11	18
Cost (PHP B)	6.57	28.54	15.51	65.12	115.74
% Share on Cost	5.68	24.66	13.40	56.26	100.00
Infra					
Count	6	-	6	20	32
Cost (PHP B)	22.48	0.00	38.12	242.75	303.35
% Share on Cost	7.41	0.00	12.57	80.02	100.00
GID					
Count	1	-	-	-	1
Cost (PHP B)	1.53	0.00	0.00	0.00	1.53
% Share on Cost	100.00	0.00	0.00	0.00	100.00
IT&T					
Count	1	-	-	-	1
Cost (PHP B)	1.25	0.00	0.00	0.00	1.25
% Share on Cost	100.00	0.00	0.00	0.00	100.00
Total					
Count	13	2	11	33	59
Cost (PHP B)	36.97	28.54	132.80	310.35	508.66
% Share on Cost	7.27	5.61	26.11	61.01	100.00

Meanwhile, DSWD and DA had the highest share of projects implemented ahead or on schedule in their portfolio, with 67 percent and 50 percent, respectively (see Table 3.16).

**Table 3.16 Physical Status of ODA Loans Portfolio by Agency<sup>21</sup>**

Physical Status	Implementing Agency								
	DA	DAR	DBP	DENR	DOTC	DPWH	DSWD	LBP	NIA
Completed	1	-	-	1	2	2	1	-	-
Ahead of Schedule	2	-	-	-	-	-	-	-	-
On-Schedule	-	-	-	1	1	5	2	1	-
Behind Schedule	1	5	4	3	5	6	-	3	3
<b>Total</b>	<b>4</b>	<b>5</b>	<b>4</b>	<b>5</b>	<b>8</b>	<b>13</b>	<b>3</b>	<b>4</b>	<b>3</b>

<sup>20</sup> Total cost for the sector

<sup>21</sup> for agencies with at least three ODA loan-assisted programs/projects

### 3.3.3 Grant-assisted Programs/Projects

Of the 449 grant-assisted projects and programs in the CY 2014 active GPH grants portfolio, 354 had reported physical performance as of end of CY 2014. Majority or 218 grant-assisted programs/projects were on or ahead of schedule (62%), 90 were completed (25%), 45 were behind schedule (13%), and one was cancelled (Table 3.17). Ninety-five out of these 449 grants, however, had no disclosed information on physical status. See **Annex 3-G** for details of the physical status of grants. Meanwhile, in terms of sectoral disaggregation, the physical status of the ODA grants portfolio is presented in Table 3.18.

**Table 3.17 Physical Status of ODA Grants Portfolio**

Physical Status	Count	% Share on Count	Grant Amount (PhP B)	% Share on Grant Amount
Completed	90	20.04	15.11	10.58
Ahead of Schedule	1	0.22	0.02	0.01
On-Schedule	217	48.33	80.61	56.47
Behind Schedule	45	10.02	12.70	8.90
Cancelled	1	0.22	0.01	0.01
No data provided	95	21.16	34.31	24.04
<b>Total</b>	<b>449</b>	<b>100.00</b>	<b>142.76</b>	<b>100.00</b>

**Table 3.18 Physical Status of ODA Grants Portfolio by Sector**

Sector	Physical Status						TOTAL
	Completed	Ahead of Schedule	On-Schedule	Behind Schedule	Cancelled	No Data Provided	
AARNR							
Count	19	-	68	17	-	37	141
Cost (PhP B)	2.24	-	13.83	4.87	-	5.19	26.13
% Share on Cost	8.59	-	52.93	18.63	-	19.86	100.00
GID							
Count	13	-	41	13	-	23	90
Cost (PhP B)	2.08	-	20.95	4.02	-	8.52	35.57
% Share on Cost	5.85	-	58.90	11.29	-	23.96	100.00
IT&T							
Count	7	-	20	5	-	2	34
Cost (PhP B)	0.52	-	5.57	0.44	-	0.04	6.57
% Share on Cost	7.98	-	84.75	6.72	-	0.56	100.00
INFRA							
Count	7	1	16	1	-	8	33
Cost (PhP B)	1.65	0.02	13.94	0.05	-	5.36	21.02
% Share on Cost	7.86	0.09	66.29	0.26	-	25.50	100.00
SRCD							
Count	44	-	72	9	1	25	126
Cost (PhP B)	8.61	-	26.34	3.32	0.01	15.21	38.28
% Share on Cost	16.09	-	49.24	6.22	0.02	28.43	100.00
TOTAL							
Count	90	1	217	45	1	95	449
Cost (PhP B)	15.11	0.02	80.61	12.70	0.01	34.31	142.76
% Share on Cost	10.58	0.01	56.47	8.90	0.01	24.04	100.00

### 3.3.4 Projects Restructured in CY 2014

Section 5 of the ODA Act of 1996 and Section III of the ICC Guidelines and Procedures require that all requests for change in scope, extension in implementation period or loan validity or, change in cost shall be reviewed, approved and confirmed by the ICC and/or the NEDA Board. In CY 2014, 13 projects were re-evaluated by the ICC or the ICC Secretariat (count, nature of restructuring, IA in Table 3.19). For details, refer to **Annex 3-H**.

**Table 3.19 Projects Restructured in CY 2014**

Nature of Restructuring	No. of Projects	Distribution by IA
a. Change in scope <ul style="list-style-type: none"> <li>with reallocation</li> <li>with increase in cost and reallocation</li> </ul>	<b>2</b> 1 1	DPWH (1) DPWH (1)
b. Extension <ul style="list-style-type: none"> <li>extension only</li> <li>with reallocation</li> </ul>	<b>7</b> 4 3	DA (1); DAR (1); DPWH (1); LBP (1) DPWH (2); NIA (1)
c. Others	<b>4</b>	DBP (3); LBP (1)
<b>Total</b>	<b>13</b>	

#### 3.3.4.1 Projects with Change in Scope

Changes in project scope were generally requested: (a) as a result of detailed engineering and/or to suit actual field conditions; (b) due to availability of excess funds; or (c) for downscaling to stay within available budget where unit cost increases had occurred. In CY 2014, two ODA loan-assisted projects of DPWH (the Road Upgrading and Preservation Project, and the Road Improvement and Institutional Development Project) were re-evaluated by the ICC (see Table 3.20).

**Table 3.20 Projects with Change in Scope Approved by the ICC in CY 2014**

Project/DP/IA/Particulars	Recent Updates/Remarks
<b>Road Improvement and Institutional Development Project/ADB &amp; OFID/DPWH</b>  Deletion of six sub-components under Institutional Capacity Development as these were no longer feasible or they were transferred to another project/entity; inclusion of typhoon-damaged Macasoy Bridge along Dipolog-Oroquieta Road in Zamboanga del Norte, and transfer of the reconstruction/replacement of some road sections from Asset Preservation to the Road Improvement component due to substantial damages.	ICC-CC approval of change in scope was confirmed by the NEDA Board during its 19 May 2015 meeting.
<b>Road Upgrading and Preservation Project/JICA/DPWH</b>  Inclusion of replacement of nine earthquake-damaged bridges in Bohol.	The ICC-CC approved the DPWH request for additional scope on 21 July 2014. (NEDA Board confirmation/approval was not required.)

### 3.3.4.2 Projects with Loan/Grant Extensions

In CY 2014, there were seven ODA loan-assisted programs/projects approved by the ICC for extension. Duration of extensions ranged from 12 to 24 months (see Table 3.21).

**Table 3.21 Loan-assisted Projects with Extensions Approved by the ICC in CY 2014**

Project/DP/IA	Extension (months)	Remarks/Recent Updates
<b>National Roads Improvement and Management Project, Phase II/WB/DPWH</b>  Two-year loan extension was requested for the rehabilitation of various infrastructures damaged by Typhoon Yolanda.	24  (31 Dec. 2014 to 31 Dec. 2016)	Request for two-year extension was discussed by the ICC-TB on 1 October 2014 and the Joint ICC TB and CC on 29 October 2014 after DOF endorsement to World Bank. ICC approval was confirmed by the NEDA Board on 19 May 2015.
<b>Participatory Irrigation Development Project/WB/ NIA</b>  Two-year loan extension was requested to complete rehabilitation works on infrastructures damaged by Typhoon Yolanda and to retrofit structures to make them climate-resilient.	24  (31 Mar. 2015 to 31 Mar. 2017)	Request for extension was approved by the ICC on 29 October 2014. The NEDA Board during its 19 May 2015 meeting deferred its decision pending further review of NIA with DPWH.
<b>Credit Line for Energy Efficiency and Climate Protection in the Philippines/KfW/ LBP</b>  The one-year extension was requested due to the delay in disbursement of the EUR 20 million KfW loan brought about by various implementation issues.	12.5  (31 Dec. 2013 to 15 Jan. 2015)	Approved by the ICC on 15 July 2014. LBP, however, will no longer push through with project restructuring as the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMU) has decided not to pursue the financing of the CLEEC Program.
<b>Agrarian Reform Communities Project Phase II/ADB and OFID/DAR</b>  Loan extension was requested to complete 28 remaining infrastructure sub-projects.	12  (ADB: 30 June 2015 to 30 June 2016)  (IFAD: 31 Dec. 2014 to 31 Dec. 2015)	Request for extension was approved by OFID and ADB on 6 October 2014 and on 29 October 2014, respectively.
<b>Bacolod Silay Airport Access Road Project/ KEDCF/ DPWH</b>  Second loan extension was requested to enable processing and payments of eligible expenses.	12  (31 Mar. 2014 to 30 Mar. 2015)	2 <sup>nd</sup> one-year extension was approved by KEXIM Bank on 1 April 2014.



Project/DP/IA	Extension (months)	Remarks/Recent Updates
<b>Cordillera Highland Agricultural Resource Management Project Phase II/IFAD &amp; OFID/DA</b>  Extension of OFID loan needed to complete the rural infrastructure subprojects, provide sufficient time to pay contractors, and to finalize sustainability agreements with LGUs.	12  (31 July 2014 to 31 July 2015)	OFID approved DA request for the one-year extension on 3 June 2014.
<b>Gapan-San Fernando-Olongapo Road Phase II/ KEDCF/ DPWH</b>  DPWH requested a second extension due to persistent ROW issues.	12  (19 April 2015 to 20 April 2016)	The request for extension was approved jointly by the ICC TB and CC on 19 March 2015.

### 3.3.4.3 Projects with Cost Overrun

Cost overrun is defined as additional costs over and above the ICC-approved project cost (Section 2.1 of the IRR of the ODA Act).

Agency requests for cost-overruns undergoes the ICC review process, mainly to determine whether the project continues to be economically viable. In 2014, the ICC approved the cost overrun in the implementation of the Road Improvement and Institutional Development Project of DPWH amounting to PhP694 million (see Table 3.22).

**Table 3.22 Cost Overrun Reported in CY 2014**

Project/ IA/ Funding Source	Original Cost (PhP B)	Proposed Cost (PhP B)	Cost Increase (PhP B)	Reason/s
Road Improvement and Institutional Development Project/ DPWH/ OFID	6.24	6.93	0.69	Cost overrun was due to: (a) road design improvement of Dumaguete North Road and Butuan-Cagayan de Oro-Iligan Road caused by earthquake related damages; (b) inclusion of the construction/ replacement of the typhoon-damaged Macasoy Bridge along Dipolog-Oroquieta Road in Zamboanga del Norte; (c) upgrading of design standards based on new issuances of DPWH. ICC approval was confirmed by the NEDA Board on 19 May 2015.  Viability indicators: EIRR of 73.09% and NPV of PhP974.77 million at 15% Social Discount Rate.



### Box 3.3 Cost Overrun Stock

Cost overrun stock sums up all the amount (net of underruns) of cost overrun requests under the ICC and NEDA Board review stages, incurred by all active ODA loans, as of the reporting period.

The cost overrun stock increased from PhP8.81 billion as of end CY 2013 to PhP9.05 billion as of end CY 2014 due to changes in the following projects: (a) RIIDP of DPWH (cost overrun by PhP0.69 billion); and (b) NRIMP II of DPWH (decrease in cost overrun by PhP 0.45 billion).

(Source: NEDA-MES)

#### 3.3.4.4 Projects with Loan Cancellations

In CY 2014, a total of US\$42.20 million in ODA loans was cancelled upon the closing of eight loans. Bulk of the cancellations (US\$27.45 million or 65%) came from three projects under the AARNR sector (ICRMP, LISCOP and MRDP2) (see Table 3.23).

**Table 3.23 Projects with Loan Cancellations in CY 2014 in US\$ million**

Project/IA/DP	Loan Amount	Cancellations		Net Commitment
		As of 2013	In 2014	
Angat Water Utilization and Aqueduct Improvement Project (AWUAIP)/MWSS/ China	116.600	-	1.300	115.328
ARMM Social Fund (ASF)/ARG/ WB	30.000	-	2.674	27.326
Integrated Coastal Resources and Management Project (ICRMP)/DENR/ WB	33.800	-	12.580	21.220
KALAHI-CIDSS Project – Additional Financing (KC-AF)/DSWD/ WB	59.120	-	3.291	55.829
Laguna de Bay Institutional Strengthening and Community Participation Project Additional Financing (LISCOP-AF)/LLDA/ WB	10.000	-	7.510	2.490
Mindanao Rural Development Project Phase 2 (MRDP2)/DA/ WB	83.752	-	7.363	76.389
Philippine Energy Efficiency Project (PEEP)/DOE/ ADB	31.100	1.825	4.735	24.540
Laguindingan Airport Development Project/DOTC/Korea	92.200		2.750	89.450
<b>Total</b>	<b>456.572</b>	<b>1.825</b>	<b>42.203</b>	<b>412.572</b>

#### 3.3.4.5 Other Forms of Restructuring

Eight projects were re-evaluated by the ICC or the ICC Secretariat for other forms of restructuring, such as reallocation of funds particularly to support recovery and reconstruction efforts for areas affected by Typhoon Yolanda, or expansion of eligible projects for relending facilities (see **Annex 3-H**).

#### 3.3.5 Projects with Incomplete Outputs at Loan Closing in CY 2014

There were 12 ODA project loans that closed in CY 2014. Two projects funded by two of these loans had incomplete outputs at loan closing, namely: (a) Tulay ng Pangulo para sa Kaunlarang Pang-agraro; and (b) Integrated Coastal Resource Management Project. Details are shown in Table 3.24.

**Table 3.24 Projects with Incomplete Outputs at Loan Closing in CY 2014**

Project/DP/IA/Particulars	Recent Updates
<b>Integrated Coastal Resources Management Project/ ADB/ DENR</b>	
<p>ICRMP closed on 30 June 2014 with the following outputs not completed:</p> <p>a) Marine Protected Area-based biodiversity conservation projects (due to the lack of juveniles as the source was affected by Typhoon Yolanda in November 2013);</p> <p>b) Enterprise development projects (due to financial constraints); and</p> <p>c) LGU sub-project in Palauig, Zambales (due to delay in construction of the Sanitary Landfill).</p>	<ul style="list-style-type: none"> <li>• The remaining biodiversity conservation projects were proposed to be undertaken through the Sustainable Coral Reef Ecosystems Management Program of the Biodiversity Management Bureau of DENR.</li> <li>• DA-BFAR provided funds for the fisheries-based livelihood projects. BFAR also directed the project proposals into fisheries-based projects so that these projects may be funded through BFAR regular funds.</li> <li>• Completion of the remaining subproject in Zambales shall be shouldered by the LGU in coordination with the MDFO for a possible financing window.</li> </ul>
<b>Tulay ng Pangulo Para sa Kaunlarang Pang-agraryo/ France/ DAR &amp; DPWH</b>	
<p>The loan closed in February 2014 with all bridging materials delivered, but only 17 out of 418 bridges were installed. The delay was caused by the suspension of the project in CY 2012 due to the Senate Blue Ribbon Committee inquiry on bridge programs. In CY 2014, prior to loan closing, DAR, DPWH and the supplier (Matiere, S.A.S.) entered into a MOA where the supplier committed to remain fully engaged with the project until its revised completion date in 2016.</p>	<ul style="list-style-type: none"> <li>• DAR and DPWH are awaiting clearance from the Office of the President for the resumption of the project.</li> </ul>

### 3.4 Actual Problem Projects in CY 2014

Individual measures of project performance (i.e. physical, financial, etc.) are often combined to come up with a composite set of indicators to assess overall performance at any given period. The NEDA Alert Mechanism (AM) uses such composite set of indicators to identify programs and projects for priority monitoring and facilitation.

### Box 3.4 The Alert Mechanism

The AM aims to flag projects which require priority monitoring and facilitation by classifying them into Potential (with one indicator category breached) and Actual problem projects (with at least two indicator categories breached). Actual problem projects are further classified into two alert levels: Level I, which is the Early Warning Stage; and Level II, which is the Critical Stage. The AM uses the following enhanced leading indicators on financial, physical, cost overrun, and project implementation categories (indicators 1-4) to identify potential and actual problem projects.

#### Alert Mechanism Indicators

Indicator 1: Financial	
1a	Disbursement rates below 50 percent for at least one year (or in the last four quarterly reporting periods)
1b	Difference between time elapsed (based on revised loan closing dates) and utilization rate is more than 30 percent
Indicators 2: Physical	
2a	Negative physical slippage of at least 10 percent
2b	Delays in any major activity in the critical path for at least 6 months and/or with activities for completion only after an extended period of implementation/loan validity
Indicator 3: Cost Overrun	
3a	Potential cost overruns of at least 10 percent of ICC-approved cost
3b	Actual cost overruns of at least 10 percent of ICC-approved cost
Indicator 4: Stage of Project Implementation	
4a	Projects that are on their final year of implementation
4b	Project has entered midterm of implementation

### 3.4.1 Project Alert Status as of end of CY 2014

As of December 2014, a total of 13 actual problem projects were classified for priority monitoring and facilitation, a decrease of four projects compared to the 17 projects reported in last year's Review. (Refer to **Annex 3-I** for the list of actual problem projects).

Twelve of the 13 actual problem projects were identified to be in Critical Stage (Level II), as these had implementation issues that remained unresolved for at least six months. Meanwhile, six of the actual problem projects had already closed by end of December 2014. Table 3.25 tracks the movement of the AM status of projects from year-end CY 2013 to year-end CY 2014.

**Table 3.25 Alert Status Summary (CY 2013 vs. CY 2014)**

Alert Status	Number of Projects								
	As of Dec 2013 <sup>22</sup>	New	Moved to Alert Level II	Moved to Alert Level I	Moved to Potential Problem	Dropped No Problem	Closed		As of Dec 2014
							Still in Active List	Removed in Active List	
Actual Problem Projects	17	7	-	-	-3	-2	-2	-4	13
Level II	14	6	1	-	-2	-2	-1	-4	12
Level I	3	1	-1	-	-1	-	-1	-	1
Potential Problem Projects	16	8	-5	-1	-	-5	-1	-	12

<sup>22</sup> Shows corrected figures.

Alert Status	Number of Projects								As of Dec 2014
	As of Dec 2013 <sup>22</sup>	New	Moved to Alert Level II	Moved to Alert Level I	Moved to Potential Problem	Dropped No Problem	Closed		
							Still in Active List	Removed in Active List	
Projects with No Major Problems	29	13	-1	-	-5	-	-5	-4	27
Closed	-	-	-	-	-	-	7	-	7
Total	62	28	-6	-1	-8	-7	-1	-8	59

Meanwhile, the list and status of the actual problem projects are presented in Table 3.26.

**Table 3.26 Actual Problem Projects as of End CY 2014**

Project Title/ IA/ DP	Reasons for Delay/Updates
<b>Alert Level II</b>	
1. Credit Line for Energy Efficiency and Climate Protection in the Philippines/ LBP/ Germany	<p>Behind schedule. The loan closed in January 2015 with no physical accomplishment.</p> <p>LBP's request for one-year and 15 days extension was reported to the ICC-TB on 15 July 2014. As of March 2015, LBP will no longer push through with the project restructuring as the German Federal Ministry for the Environment, Nature Conservation, Building and Nuclear Safety (BMU) has decided not to pursue with the financing of the Program.</p>
2. Road Improvement and Institutional Development Project/DPWH/ ADB/OFID	<p>Behind schedule. Procurement of some works was deferred pending completion of the ICC approval process and due to new issuance by DPWH on pavement design. Procurement activities resumed in September 2014. Delays in physical implementation led to corresponding delays in loan utilization.</p> <p>DPWH also requested for change in scope and increase in cost which was approved by the ICC-TB and the ICC-CC in July and August 2014, respectively. ICC-CC approval was confirmed by the NEDA Board during its 19 May 2015 meeting.</p>
3. New Communications, Navigation and Surveillance/Air Traffic Management Systems Development/ DOTC/ JICA	<p>Behind schedule. Overall weighted physical accomplishment was 65.63% with negative 8.02% slippage. Significant time was spent in seeking DND approval for DOTC's use of a specified area within DND/AFP property in Pasuquin, Ilocos Norte as site for the tenth and last radar to be installed. But negotiations were unsuccessful. Thus, in April 2015, DOTC decided to use an alternate radar site at Laoag International Airport.</p>

Project Title/ IA/ DP	Reasons for Delay/Updates
4. Agrarian Reform Communities Project II/ DAR/ ADB & OFID	<p>Behind schedule. Overall weighted physical accomplishment after five years of implementation was 69.76% against the cumulative target of 94.62%, with a negative slippage of 24.86%.</p> <p>DAR requested for a one-year loan validity extension for both OFID (from 31 December 2014 to 31 December 2015) and ADB (from 30 June 2015 to 30 June 2016), which was approved by OFID and ADB on 6 October 2014 and on 29 October 2014, respectively.</p>
5. Second Cordillera Highland Agricultural Resource Management Project/ DA/ IFAD & OFID	<p>Behind schedule. Delays were primarily due to: (a) inability of LGUs to put up the counterpart; and (b) delayed availability of Counterpart Financing Assistance from the agency.</p> <p>DA requested for one year extension from 31 July 2014 to 31 July 2015, which was approved by the ICC during its 21 April 2014 meeting, and subsequently approved by OFID thru its letter dated 3 June 2014.</p>
6. National Irrigation Sector Rehabilitation and Improvement Project/ NIA/ JICA	<p>Behind schedule. Overall weighted physical accomplishment was 6.78% against a target of 32.29%, with negative slippage of 25.51%.</p> <p>Detailed Engineering Design of the eleven sub-projects was delayed due to the prolonged procurement of consultancy services. NIA requested the consultant to fast track the completion of the DED of at least six subprojects: (a) Madongan; (b) Porac-Gumain; (c) Dumacaa; (d) Malatgao; (e) Sta. Barbara; and (f) Muleta national irrigation systems.</p>
7. Jalaur Multipurpose Project Phase II/ NIA/ KEDCF	<p>Behind schedule. Overall weighted physical accomplishment was 8.24% against a target of 27.29% with a negative slippage of 19.05%.</p> <p>There was also a delay in KEXIM Bank's concurrence on the bid documents for the construction of dams and highline canals due to a legal case filed against the project because of social and environmental concerns.</p>

Project Title/ IA/ DP	Reasons for Delay/Updates
8. Participatory Irrigation Development Project/ NIA/ WB	<p>Behind schedule. Overall weighted physical accomplishment was 60.98% against a target of 72.74%, with negative slippage of 11.76% based on the revised schedule.</p> <p>Implementation was delayed due to: (a) delayed procurement of civil works contract; (b) ROW issues; (c) conflict on water delivery due to farmers' request not to sacrifice cropping seasons; and (d) adverse effects of Typhoon Yolanda on some sub-projects.</p> <p>NIA requested for loan reallocation and loan extension from March 2015 to March 2017, which were approved by the ICC-TB in its 29 October 2014 meeting. On 19 May 2015, the NEDA Board, however, deferred decision on the request for extension pending further review by DPWH and NIA.</p>
9. Regional Infrastructure for Growth Project/ DBP/ WB	<p>Behind Schedule. As of December 2014, there are no approved sub-projects under the relending facility since the NEDA Board deferred decision during its 15 February 2015 meeting on NIA's request for project restructuring to support recovery and reconstruction efforts for areas affected by Typhoon Yolanda, and for change in financing mix to 90% national government grant and 10% loan.</p> <p>On 17 June 2015, The DOF concurred with the DBP's request for cancellation of the RIGP loan.</p>
10. Support for Strategic Local Development and Investment Project/ LBP/ WB	<p>Behind schedule. The ICC-CC in its 22 December 2014 meeting approved the project restructuring to support recovery and reconstruction efforts for areas affected by typhoon Yolanda and the Bohol earthquake. The NEDA Board during its 16 February 2015 meeting has deferred decision on LBP's request for project restructuring to utilize uncommitted funds amounting to US\$9.4 M or PhP422 M and the change in co-sharing from 90% loan and 10% borrower's equity to 90% national government grant and 10% loan, pending finalization of the MOA governing duties and obligations of DBM, DOF, and LBP on the fund transfer mechanism for the 90% government grant financing.</p>
11. Metro Manila Wastewater Management/ LBP/ WB	<p>Behind schedule. Procurement of civil works was prolonged due to the delay in the acquisition of lots for Sewage Treatment Plants (STPs). As of December 2014, detailed engineering for Ilugin STP was ongoing. For Maynilad, five contracts were already awarded.</p>

Project Title/ IA/ DP	Reasons for Delay/Updates
12. Road Upgrading and Preservation Project/ DPWH/ JICA	<p>Behind schedule. Overall weighted physical accomplishment was 14.85% against a target of 21.81%, with negative slippage of 6.96%.</p> <p>The project underwent restructuring in 2014 to include the replacement of nine earthquake-damaged bridges in Bohol. Said request for change in scope was approved by the ICC-TB and ICC-CC on 15 July 2014 and 21 July 2014, respectively. The approval was made with the understanding that DPWH will secure the necessary ECCs or CNCs prior to implementation of the additional scope.</p>
<b>Alert Level I</b>	
13. Gapan-San Fernando-Olongapo Road Project, Phase II/ DPWH/ KEDCF	<p>Behind schedule. Overall weighted physical accomplishment was 70.16% against a target of 97.10%, with negative slippage of 26.94%.</p> <p>DPWH requested in October 2014 another loan extension in order to catch-up with the delays caused by RROW problems. The request for extension was approved jointly by the ICC TB and CC on 19 March 2015.</p>

### 3.4.2 Actual Problem Projects Contribution to the Availment Backlog

Of the total availment backlog of about US\$1.34 billion of the active GPH ODA loans portfolio, 34 percent or US\$452.25 million may be attributed to the 13 actual problem projects. This represents a decrease by US\$67.39 million compared with the US\$519.64 million availment backlog of the 17 actual problem projects reported as of end CY 2013.

The two projects with the highest contribution to the availment backlog were: (a) the Road Upgrading and Preservation Project of DPWH with an availment backlog of US\$117.73 million; and (b) the Agrarian Reform Communities Project II of DAR with an availment backlog of US\$60.37 million.

### 3.4.3 Projects Likely to be Restructured in CY 2015

Based on the series of agency consultations conducted as part of the Review process, three projects were identified as most likely to seek ICC approval for project restructuring in CY 2015. Details are provided in Table 3.27.

**Table 3.27 Projects Likely to be Restructured in CY 2015**

Project/IA/DP	Reason/s for Restructuring
Environmental Development Project/ DBP/ JICA	Request for extension of loan disbursement schedule is expected to address policy and documentary compliance of approved sub-loan accounts which is part of DBP's due diligence procedure.
Logistics Infrastructure Development/ DBP/ JICA	As some PPP sub-projects which availed of sub-loans have started to pick up with their bidding only recently, a request for the extension of the loan may be necessary.

Project/IA/DP	Reason/s for Restructuring
Support for Strategic Local Development and Investment Project/ LBP/ WB	Possible request for loan extension due to delay in the approval of the change in cost sharing to 10 percent loan and 90 percent National Government grant.
Agrarian Reform Infrastructure Communities Phase III (ARISP III)/DAR/JICA	DAR requested for a four-month extension in project implementation thru a letter dated 14 April 2015 due to delays attributable to the limited manpower to handle remaining works of the central, regional and provincial levels. Said request underwent ICC Secretariat Review and was favorably endorsed to DOF on 24 April 2015.



## 4 KEY IMPLEMENTATION ISSUES

### 4.1 Issues Affecting Project/Program Implementation and Performance

There were 96 reported incidences of implementation issues encountered by 34 loan- and 17 grant-assisted projects in CY 2014. Said issues were categorized into the following: (a) adverse weather conditions; (b) budget/funds flow; (c) changes in project design/scope due to actual site conditions; (d) demand/identification/processing/approval of demand-driven facilities/sub-projects; (e) foreign exchange movement; (f) PMO manpower/capacity; (g) peace and order; (h) performance of contractors/consultants; (i) application/processing/issuance of clearances/permits/certificates/approvals from other gov't offices/agencies/bodies; (j) procurement; (k) ROW and resettlement; (l) sustainability/O&M; (m) LGU capacity; (n) support from/ coordination with stakeholders/implementing partners; and (o) other implementation issues. Table 4.1 provides a summary of incidences of these implementation issues and the number of affected projects.

**Table 4.1 Classification and Incidence of Key Implementation Issues**

Issue Typology <sup>23</sup>	No. of Projects Affected	Number of Incidents <sup>24</sup>		Agencies
		Unresolved	Resolved	
Procurement	13	10	4	DAR, DPWH, NIA, DBP, LBP, DA, LWUA, DILG, DENR, DOE
Budget and funds flow	10	9	1	DAR, DENR, DA, DILG
Sustainability and O&M	8	7	1	DPWH, DTI, DA, DILG, OPAPP, DENR
PMO manpower/capacity	6	11	-	DAR, DSWD, LWUA, OPAPP
Demand/identification/processing/approval of demand-driven facilities/ sub-projects	6	5	3	DBP, DOE, DENR, LWUA
Right-of-way and resettlement	6	5	1	DPWH, DOTC, LBP, NIA
Application/processing/issuance of clearances/permits/certificates/approvals from other government offices/agencies/bodies	5	4	1	DA, DBP, LBP, DAR
Performance of contractors/consultants	4	3	2	DENR, DPWH, DBP
Adverse weather conditions	4	3	1	DA, NIA, DPWH
Support from/coordination with stakeholders/implementing partners	4	2	3	DENR, OPAPP, DTI
LGU capacity	3	4	-	DAR, DENR, DA

<sup>23</sup> Key implementation issues considered were either outstanding or resolved in CY 2014

<sup>24</sup> A project may encounter two or more implementation issues

Issue Typology <sup>23</sup>	No. of Projects Affected	Number of Incidents <sup>24</sup>		Agencies
		Unresolved	Resolved	
Changes in project design/ scope due to actual site conditions	3	1	5	NIA, DPWH
Peace and order	2	2	-	DPWH, OPAPP
Foreign exchange movement	2	1	1	NIA, DAR
Others	4	5	1	DAR, NIA, DOTC

#### 4.1.1 Prolonged Procurement

In CY 2014, there were 14 projects which encountered incidences of prolonged procurement. Four of these were resolved in 2014. Specific details of these are found in Table 4.2.

**Table 4.2 Projects with Issues on Prolonged Procurement**

Project/IA/DP	Issue Details
<b>I. Unresolved</b>	
1. Agrarian Reform Communities Project II (ARCP II)/DAR/ADB & OFID	<ul style="list-style-type: none"> <li>Posting of Invitation to Bid sometimes contained erroneous documents.</li> <li>Submitted bid evaluation reports by LGUs lack necessary attachments and documents.</li> </ul>
2. Flood Risk Management Project for Cagayan River, Tagoloan River and Imus River/DPWH/JICA	<ul style="list-style-type: none"> <li>Delayed procurement of consulting services for the detailed engineering design resulting in slow utilization of loan and incurrence of commitment fees that was a subject of an Audit Observation Memorandum from the Commission of Audit.</li> </ul>
3. Logistics Infrastructure Development Project (LIDP)/DBP/JICA	<ul style="list-style-type: none"> <li>Prolonged procurement by LGUs.</li> </ul>
4. Manila Wastewater Management Project/LBP/WB	<ul style="list-style-type: none"> <li>Procurement of civil works was delayed.</li> </ul>
5. National Irrigation Sector Rehabilitation & Improvement Project (NISRIIP)/NIA/JICA	<ul style="list-style-type: none"> <li>Prolonged procurement of consulting services for detailed design.</li> </ul>
6. Participatory Irrigation Development Project (PIDP)/NIA/WB	<ul style="list-style-type: none"> <li>Delay in the procurement of civil works contractor, prompting NIA to request for loan restructuring and extension.</li> </ul>
7. Philippine Rural Development Program (PRDP)/DA/WB	<ul style="list-style-type: none"> <li>Slow procurement due to: (a) excessive time for award of contracts; (b) high incidences of bid failures (23 out of 103) for the Intensified Building-up of Infrastructure and Logistics for Development (I-Build) Project.</li> </ul>
8. Provincial Towns Water Supply and Sanitation Program III/LWUA/Germany	<ul style="list-style-type: none"> <li>Failures of bidding encountered due to low interest of contractors (well drillers) to participate.</li> </ul>
9. Scaling up response on HIV and AIDS/DILG/UNDP/JICA	<ul style="list-style-type: none"> <li>Delay in procurement of consulting services.</li> </ul>

Project/IA/DP	Issue Details
<b>II. Resolved</b>	
10. Forestland Management Project (FMP)/DENR/JICA	<ul style="list-style-type: none"> <li>Delay in the hiring of individual consultants due to DENR decision to shift from procurement of consulting firm to individual consultant. (The TOR of the Project Management Specialist Team Leader was submitted to JICA for review and concurrence.)</li> </ul>
11. Integrated Coastal Resources Management Project (ICRMP)/DENR/ADB	<ul style="list-style-type: none"> <li>Non-completion of some marine protected area-based biodiversity conservation projects due to delay in procurement. (Completion of the remaining biodiversity conservation projects are to be undertaken through the Sustainable Coral Reef Ecosystems Management Program, a regular project of the Biodiversity Management Bureau.)</li> </ul>
12. Market Transportation through Introduction of Energy Efficient Vehicles Project (E-Trike Project)/DOE/ADB	<ul style="list-style-type: none"> <li>Failure of bidding of 3,000 units of E-trikes (Package I). (Rebidding on the supply and distribution of 3,000 e-trikes commenced on 5 November 2014 when the Invitation for Bids was advertised.)</li> </ul>
13. Haiyan Agriculture Rehabilitation Program (HARP)/DA/IFAD	<ul style="list-style-type: none"> <li>Delays due to failed biddings. (The DA Bids and Awards Committee pursued the negotiated mode of procurement.)</li> </ul>

#### 4.1.2 Budget and Funds Flow Bottlenecks

Eleven projects encountered budget or funds flow bottlenecks in CY 2014, two of which were resolved within the reporting year. Specific details of these incidences are found in Table 4.3.

**Table 4.3 Projects with Budget and Funds Flow Issues**

Project/IA/DP	Issue Details
<b>I. Unresolved</b>	
1. Agrarian Reform Communities Project II (ARCP II)/DAR/ADB/OFID	<ul style="list-style-type: none"> <li>Slow progress of physical implementation and issuance of numerous suspension orders by the LGUs for on-going subprojects because of delayed or non-release of loan proceeds from MDFO to LGUs.</li> </ul>
2. Community Based Forest and Mangrove Management Project in Panay and Negros (CBFMMP)/DENR/Germany	<ul style="list-style-type: none"> <li>Delayed replenishment of loan and grant funds by KfW.</li> </ul>
3. Integrated Coastal Resources Management Project (ICRMP)/DENR/ADB	<ul style="list-style-type: none"> <li>Non-completion of land and aquatic-based enterprises due to financial constraints. To remedy the situation, DA-BFAR provided funds for the fisheries-based livelihood projects from its regular funds and directed proposals into fisheries-based projects so these may be funded through its regular funds.</li> </ul>

Project/IA/DP	Issue Details
4. Mindanao Sustainable Agrarian and Agriculture (MINSAAD)/DAR/JICA	<ul style="list-style-type: none"> <li>Failure of bidding was declared because portion of the funds for the procurement of consulting services lapsed by year-end 2014, and the remaining budget would not be sufficient.</li> </ul>
5. Tulay ng Pangulo Para sa Kaunlarang Pang-Agraryo (TPKP)/DAR/France	<ul style="list-style-type: none"> <li>DPWH construction teams could complete about 20 bridges per year, but DAR/DPWH needs additional funding of about PhP5 million per bridge to fast-track bridge construction.</li> </ul>
6. Establishment of Modern Integrated Rice Processing Complexes (RPC) in the Four Provinces of the Philippines/DA/KOICA	<ul style="list-style-type: none"> <li>BIR garnished funds of the project due to the abolishment of DA's partner agency, the National Agri-Business Corporation (NABCOR).</li> </ul>
7. In-Country Training Program-Training of Trainers on Scientific Method of Processing Fingerprints/DILG/JICA	<ul style="list-style-type: none"> <li>Unavailability of budget for transporting fingerprint evidences.</li> </ul>
8. Integrated Organic Pollutants Management Project (IPOP)/DENR/WB	<ul style="list-style-type: none"> <li>The project was not able to download the sub-grants to the LGUs amounting to US\$1.9 million under Activity 2.3 (installment of enclosures for open dam sites).</li> </ul>
9. Philippine Climate Change Adaptation Project (PhilCCAP)/DENR/WB	<ul style="list-style-type: none"> <li>DBM could not issue the special allotment release order (SARO) under automatic appropriation without back-up of foreign remittance receipts in the case of grant-assisted projects.</li> </ul>
<b>II. Resolved</b>	
10. Rapid Food Production Enhancement Program (RaFPEP)/DA/IFAD	<ul style="list-style-type: none"> <li>Cancellation of the IFAD supplementary financing. (GPH funds to cover remaining activities.)</li> </ul>

#### 4.1.3 Sustainability and O&M Issues

In CY 2014, there were eight projects reported to be affected by sustainability and O&M issues, seven of which remained unresolved as of end of 2014. Specific details of these are found in Table 4.4.

**Table 4.4 Projects with Sustainability and O&M Issues**

Project/IA/DP	Issue Details
<b>I. Unresolved</b>	
1. Gapan-San Fernando-Olongapo (GSO) Road Project Phase II/DPWH/KEDCF	<ul style="list-style-type: none"> <li>Durability and stability of the road will deteriorate because of overloaded vehicles and the heavy traffic along the road, especially during the rainy season or when the road is submerged in flood waters.</li> </ul>
2. Rural Micro-enterprise Promotion Project (RuMEPP)/DTI/IFAD	<ul style="list-style-type: none"> <li>There is no concrete action on the formulation of a formal exit strategy for post-program activities. A replication strategy was not developed after turnover from IFAD.</li> </ul>

Project/IA/DP	Issue Details
3. Ecosystems Improved for Sustainable Fisheries (ECOFISH)/DA/USAID	<ul style="list-style-type: none"> <li>Reassignments of chiefs of police, retirement of partner fish examiners, illegal, unreported and unregulated fishing, and intrusion of commercial fishing entities will diminish project sustainability.</li> </ul>
4. In-Country Training Program- Training of Trainers on Scientific Method of Processing Fingerprints/DILG /JICA	<ul style="list-style-type: none"> <li>Unavailability of replacement of defective equipment and consumable materials.</li> </ul>
5. Monitoring & Evaluation and Project Management: Capacity Building/OPAPP/ MCC-MCA	<ul style="list-style-type: none"> <li>Due to the transition to a new administration in 2016, there are foreseen organizational changes which may affect project sustainability.</li> </ul>
6. New Conservation Areas in the Philippines Project (NewCAPP)/DENR/UNDP	<ul style="list-style-type: none"> <li>The implementation of DENR's Rationalization Plan may affect the continuity of work in pilot sites.</li> </ul>
7. Non-Combustion Technology for the Destruction of Persistent Organic Pollutants (POPs)/DENR/UNIDO	<ul style="list-style-type: none"> <li>Due to the plant shutdown in August 2014, there is a need to restart the facility to determine if plant systems, equipment and instruments are in order to render the facility fully operational.</li> </ul>
<b>II. Resolved</b>	
8. Establishment of Modern Integrated Rice Processing Complexes (RPC) in the Four Provinces of the Philippines/DA/KOICA	<ul style="list-style-type: none"> <li>Abolition of partner agency NABCOR. Business operations of the project including financial and bank accounts under NABCOR were not properly turned over to DA. (The DA Regional Field Office assumed operations and fast-tracked the turnover of the operations and management to farmers' organizations.)</li> </ul>

#### 4.1.4 Project Management Office (PMO) Manpower/Capacity

Six projects reported issues on limited PMO manpower or weak PMO capacity (see Table 4.5). All of these remained outstanding as of end of CY 2014.

**Table 4.5 Projects with Issues on PMO Manpower/Capacity**

Project/IA/DP	Issue Details
<b>I. Unresolved</b>	
1. Agrarian Reform Communities Project II (ARCP II)/DAR/ADB & OFID	<ul style="list-style-type: none"> <li>Due to DAR Rationalization, many of the staff involved in implementation either opted to retire, or were assigned to other positions/ regions/ provinces.</li> <li>An ADB review mission recommended to have 2 or 3 persons in financial management units in each province, but most provinces only have one, working part-time.</li> </ul>

Project/IA/DP	Issue Details
2. Agrarian Reform Infrastructure Communities Phase III (ARISP III)/DAR/JICA	<ul style="list-style-type: none"> <li>• Delay due to limited manpower to handle remaining works for central, regional and provincial levels. Thus, DAR requested for a four-month extension in project implementation in CY 2015.</li> <li>• As an update, said request underwent ICC Secretariat Review and was favorably endorsed to DOF on 24 April 2015.</li> </ul>
3. KALAHI-CIDSS National Community-Driven Development Program (KC-NCDDP)/DSWD/ADB	<ul style="list-style-type: none"> <li>• Difficulty in recruiting and forming Area Coordinating Teams has become a concern with total hiring requirement of 8,000 personnel.</li> <li>• Newly-hired field staff are new graduates, inexperienced in community organizing and community driven-development.</li> <li>• Challenges in providing adequate technical support to ensure that standards are complied with during the subproject construction.</li> </ul>
4. Provincial Towns Water Supply and Sanitation Program III/LWUA/Germany	<ul style="list-style-type: none"> <li>• Undermanned Project Management Unit (PMU)</li> </ul>
5. Monitoring & Evaluation and Project Management: Capacity Building/OPAPP /MCC-MCA	<ul style="list-style-type: none"> <li>• The size of the staff complement of the M&amp;E unit is insufficient to meet the heavy workload required.</li> <li>• Lacking PAMANA focal persons to help implement the communication plans.</li> </ul>
6. Strengthening National Peace Infrastructures (SNPI) Programme/OPAPP/UNDP	<ul style="list-style-type: none"> <li>• Resignation of the Program Associate.</li> </ul>

#### 4.1.5 Demand/ Identification/ Processing/ Approval of Demand-Driven Facilities/ Sub-projects

Six projects implemented by DBP, DENR, DOE, and LWUA had concerns on the demand/ identification/ processing/ approval of demand-driven facilities/ sub-projects. Details are found in Table 4.6.

**Table 4.6 Concerns on the Demand/ Identification/ Processing/ Approval of Demand-Driven Facilities/ Sub-projects**

Project/IA/DP	Issue Details
<b>I. Unresolved</b>	
1. Philippine Chiller Energy Efficiency Project (PCEEP)/DENR/WB	<ul style="list-style-type: none"> <li>• Low demand due to lack of public awareness.</li> </ul>
2. Environmental Development Project (EDP)/DBP/JICA	<ul style="list-style-type: none"> <li>• Low demand due to uncompetitive relending interest rates (some private commercial banks offer as low as 5% and in longer terms such as 10 or 15 years)</li> <li>• Slow processing/ approval of documentary requirements</li> </ul>

Project/IA/DP	Issue Details
3. Market Transportation through Introduction of Energy Efficient Vehicles Project (E-Trike Project)/DOE/ADB	<ul style="list-style-type: none"> <li>LGUs inability to comply with some LBP loan requirements, such as the seal of good governance issued by the DILG.</li> </ul>
4. Biodiversity and Watersheds Improved for Stronger Economy and Ecosystem Resilience Project (B-WISER)/DENR/USAID	<ul style="list-style-type: none"> <li>Low demand from LGUs.</li> </ul>
<b>II. Resolved</b>	
5. Credit for Better Health (CBHCP)/DBP/ADB	<ul style="list-style-type: none"> <li>LGUs opted to avail of a grant money from DOH instead of the DBP credit facility. (Marketing efforts were undertaken in partnership with the Banks Marketing Units and the PhP300 million allotted to LGU health sub-projects was re-allocated to healthcare sub-projects of the private sector.)</li> </ul>
6. Provincial Towns Water Supply and Sanitation Program III/LWUA/Germany	<ul style="list-style-type: none"> <li>Prolonged approval process of subprojects by the LWUA Board.</li> <li>Majority or 9 out of 10 Water Districts (WDs) were not approved by the LWUA Board due to viability concerns. (Relending rates were lowered to enhance project viability and to address the problem on WD withdrawal from the Package.)</li> </ul>

#### 4.1.6 Right-of-Way (ROW) and Resettlement

Six projects were reported to have encountered ROW and resettlement issues in CY 2014. Five of these remained unresolved as of end of 2014 (see Table 4.7).

**Table 4.7 Projects with ROW and Resettlement Issues**

Project/IA/DP	Issue Details
<b>I. Unresolved</b>	
1. Gapan-San Fernando-Olongapo (GSO) Road Project Phase II/DPWH/KEDCF	<ul style="list-style-type: none"> <li>Delayed transfer of utility poles, and difficulty experienced by some claimants in complying with the documentary requirements to effect the payments to the affected residents.</li> </ul>
2. Laguindingan Airport Development Project (LADP)/DOTC/KEDCF	<ul style="list-style-type: none"> <li>Registry of Deeds cannot ascertain if titles were issued to the lots previously issued with decrees.</li> </ul>
3. Manila Wastewater Management Project/LBP/JICA	<ul style="list-style-type: none"> <li>Negotiations with affected individuals within the location of the lift/pump station along the conveyance system is still ongoing.</li> </ul>
4. New Communications, Navigation and Surveillance/Air Traffic Management (CNS/ATM) Systems Development Project/DOTC/JICA	<ul style="list-style-type: none"> <li>Problem on site acquisition. The MOA between DOTC and DND, which permits DOTC to use a specified area within DND/AFP property in Pasuquin, Ilocos Norte as a site of the 10th and last radar did not materialize. In April 2015, DOTC decided to use an alternate radar site at Laoag International Airport.</li> </ul>



Project/IA/DP	Issue Details
5. Pasa Small Reservoir Irrigation Project/NIA/KOICA	<ul style="list-style-type: none"> <li>RROW negotiations yet to be conducted upon determination of the final alignment of the irrigation facilities.</li> </ul>
<b>II. Resolved</b>	
6. National Roads Improvement and Management Program Phase II (NRIMP II)/DPWH/WB	<ul style="list-style-type: none"> <li>RROW problems in some areas (Pahanocoy I and II bridge sites). (Continuous stakeholder coordination was undertaken to resolve the RROW problems.)</li> </ul>

#### 4.1.7 Application/ Processing/ Issuance of Clearances/ Permits/ Certificates/ Approvals from Other Government Offices/ Agencies/ Bodies

In CY 2014, there were five projects which encountered incidences of prolonged application/ processing/ issuance of clearances/ permits/ certificates/ approvals from other government offices/ agencies/ bodies. Details are provided in Table 4.8.

**Table 4.8 Projects with Issues on Application/ Processing/Issuance of Clearances/ Permits/ Certificates/ Approvals from Other Government Offices/ Agencies/ Bodies**

Project/IA/DP	Issue Details
<b>I. Unresolved</b>	
1. Philippine Rural Development Program (PRDP)/DA/WB	<ul style="list-style-type: none"> <li>Difficulties in obtaining Certificates of Non-Coverage and Environmental Compliance Certificates from DENR as well Certificate of Non-Overlaps from National Commission on Indigenous Peoples.</li> </ul>
2. Regional Infrastructure for Growth Project (RIGP)/DBP/WB	<ul style="list-style-type: none"> <li>Implementation could not proceed pending NEDA Board approval of DBP request for loan restructuring to: (1) support recovery and reconstruction efforts for areas affected by Typhoon Yolanda; and (2) to change project financing ratio to 90% national government and 10% World Bank loan.</li> </ul>
3. Support for Strategic Local Development and Investment Project (SSLDIP)/LBP/ WB	<ul style="list-style-type: none"> <li>Unavailability of the 90% national government grant, pending confirmation of the NEDA Board.</li> </ul>
4. Tulay ng Pangulo Para sa Kaunlarang Pang-Agraryo (TPKP)/DAR/ France	<ul style="list-style-type: none"> <li>Awaiting decision from the Office of the President on DAR request to proceed with project implementation. Bridge construction was suspended in view of the investigation/hearings conducted by the Senate Blue Ribbon Committee on past ODA-funded bridge programs.</li> </ul>



Project/IA/DP	Issue Details
<b>II. Resolved</b>	
5. Manila Wastewater Management Project/LBP/JICA	<ul style="list-style-type: none"> <li>The issuance of development permit was delayed as the LGU wants to get a clear picture on how Manila Water would address the traffic once the laying of 65 km pipeline (for the conveyance system) starts. (MWCI presented to the members of the City Council the required traffic management plan.)</li> </ul>

#### 4.1.8 Performance of Contractors/Consultants

In CY 2014, there were four projects which reported poor performance of contractors or consultants. Specific details of these are found in Table 4.9.

**Table 4.9 Projects with Issues on the Performance of Contractors/Consultants**

Project/IA/DP	Issue Details
<b>I. Unresolved</b>	
1. Integrated Coastal Resources Management Project (ICRMP)/DENR/ADB	<ul style="list-style-type: none"> <li>Non-completion of the Sanitary Landfill in Palauig, Zambales due to delay in construction.</li> </ul>
2. Philippine Secondary National Road Development Program/DPWH/MCC-MCA	<ul style="list-style-type: none"> <li>Delays in the construction of bridges and submission of progress billings by the contractor.</li> <li>Delayed mobilization of the necessary equipment and manpower for road, drainage, slope remediation works and bridge construction.</li> </ul>
<b>II. Resolved</b>	
3. Logistics Infrastructure Development Project (LIDP)/DBP/JICA	<ul style="list-style-type: none"> <li>Change in the composition of the consulting team under the technical assistance component. (The consultant submitted the revised composition of the Consulting Team.)</li> </ul>
4. Manila Third Sewerage Project (MTSP)/DENR/WB	<ul style="list-style-type: none"> <li>Non-payment of the 2014 Updated MWSS Master Plan due to delayed submission by the consultant. (World Bank informed DENR that only payables for project deliverables completed before 30 May 2014 shall be paid under the grant proceeds.)</li> </ul>

#### 4.1.9 Adverse Weather Conditions

Four projects encountered delays due to adverse weather conditions at the project site in CY 2014. These projects are implemented by DA, DPWH, and NIA. Details are provided in Table 4.10

**Table 4.10 Projects which Encountered Adverse Weather Conditions at Project Site**

Project/IA/DP	Issue Details
<b>I. Unresolved</b>	
1. Ecosystems Improved for Sustainable Fisheries (ECOFISH)/DA/USAID	<ul style="list-style-type: none"> <li>Impact of Typhoon Yolanda (in Calamianes, Palawan). Partners requested support during relief operations and recovery of fisher folks and their livelihood.</li> </ul>

Project/IA/DP	Issue Details
2. Pasa Small Reservoir Irrigation Project/NIA/KOICA	<ul style="list-style-type: none"> <li>Delayed project implementation due to unfavorable weather conditions at the project site.</li> </ul>
3. Philippine Secondary National Road Development Program/DPWH/MCC-MCA	<ul style="list-style-type: none"> <li>Delays due to typhoons.</li> </ul>
<b>II. Resolved</b>	
4. Haiyan Agriculture Rehabilitation Program (HARP)/DA/IFAD	<ul style="list-style-type: none"> <li>Typhoon Yolanda caused shortage in seed production. (Farmers' cooperatives sourced seed stocks from other regions.)</li> </ul>

#### 4.1.10 Support from/Coordination with Stakeholders/Implementing Partners

In CY 2014, there were five projects which were affected by weak support/prolonged coordination with stakeholders or implementing partners. Two of these were resolved in CY 2014 (see Table 4.11).

**Table 4.11 Projects with Issues on Coordination with/Support from Stakeholders/Implementing Partners**

Project/IA/DP	Issue Details
<b>I. Unresolved</b>	
1. Integrated Natural Resources and Environmental Management Project (INREMP)/DENR/ADB	<ul style="list-style-type: none"> <li>Finalization of the MOA for the implementation arrangements in ARMM is pending the concurrence of the local chief executive of Lanao del Sur.</li> </ul>
2. Partnerships for Biodiversity Conservation: Mainstreaming in Local Agricultural Landscapes (BPP)/DENR/UNDP	<ul style="list-style-type: none"> <li>Preparation of a Biological Diversity-enhanced Ancestral Domain Sustainable Development and Protection Plan for the Bugkalot tribe in Quirino was delayed, as the umbrella MOA between NCIP and DENR is yet to be finalized.</li> </ul>
<b>II. Resolved</b>	
3. National Industry Cluster Capacity Enhancement Project (NICCEP)/DTI/JICA	<ul style="list-style-type: none"> <li>There was no full commitment from other partner agencies to participate and implement the project. (The approved convergence MOA was cascaded down to the regional/provincial levels of relevant NGAs.)</li> </ul>
4. Technical Assistance Facility (TAF) in Support of the Government of the Philippines Peace, Security and Development Agenda/OPAPP/Australia DFAT	<ul style="list-style-type: none"> <li>No buy-in from local stakeholders for Former Rebels Information System (FRIS). (OPAPP clarified its criteria in selecting pilot areas.)</li> <li>Lack of LGU commitment to support roll out of FRIS. (Comprehensive Local Integration Program Committees were brought onboard the roll out process at the local level.)</li> </ul>

#### 4.1.11 LGU Capacity

Three projects reported issues on weak LGU capacity in CY 2014. Specific details of these are found in Table 4.12.

**Table 4.12 Projects with Issues on LGU Capacity**

Project/IA/DP	Issue Details
<b>I. Unresolved</b>	
1. Agrarian Reform Communities Project II (ARCP II)/DAR/ ADB & OFID	<ul style="list-style-type: none"> <li>• Incomplete submission of LGUs of required documents for fund releases and liquidation.</li> <li>• Difficulties in securing completed documentation at the LGU-contractor level.</li> </ul>
2. Community Based Forest and Mangrove Management Project in Panay and Negros (CBFMMP)/DENR/ Germany	<ul style="list-style-type: none"> <li>• Delayed submission of Statement of Expenditures by the regional offices and the List of Expenditures by the LGUs.</li> </ul>
3. Philippine Rural Development Project (PRDP)/DA/WB	<ul style="list-style-type: none"> <li>• Unliquidated funds used by LGUs shall delay project implementation as COA guidelines prohibit downloading of subsequent funds without proper liquidation of funds previously provided.</li> </ul>

#### 4.1.12 Changes in Project Design/Scope Due to Actual Site Conditions

In CY 2014, three projects had modifications in project design/scope to adapt to actual site conditions (see Table 4.13).

**Table 4.13 Projects which Underwent Changes in Project Design/Scope Due to Actual Site Conditions**

Project/IA/DP	Issue Details
<b>I. Unresolved</b>	
1. Pasa Small Reservoir Irrigation Project/NIA/ KOICA	<ul style="list-style-type: none"> <li>• Change in design for the irrigation facilities which were affected by Typhoon Yolanda (in line with the build-back-better principle).</li> </ul>
<b>II. Resolved</b>	
2. Pinatubo Hazard Urgent Mitigation Project Phase III (PHUMP III)/DPWH/JICA	<ul style="list-style-type: none"> <li>• Necessity of revising the number of spans, span length and actual location of bored pile of Sta. Monica Bridge because of the hard strata in the site. (Work at Sta. Monica Bridge was suspended on 17 September 2014 pending approval of the Contractor's design modifications.)</li> </ul>
3. Road Improvement and Institutional Development Project/DPWH/ADB & OFID	<ul style="list-style-type: none"> <li>• Increase in quantities based on the result of the As-Staked Survey.</li> <li>• Change in Scope: The Dumaguete North Road (Manjuyod-La Libertad and La Libertad-Vallehermoso Road), originally part of Asset Preservation will be transferred to Road Improvement Component because of the substantial earthquake-related damages.</li> <li>• Construction of Macasoy Bridge along Dipolog-Oroquieta City Road shall be included in the project's scope.</li> <li>• Upgrading of design standards to adopt new issuances of the Department on Pavement Design (100mm thick Asphalt Overlay over the PCCP).</li> <li>• (The NEDA Board approved the project restructuring on 19 May 2015.)</li> </ul>

#### 4.1.13 Peace and Order

Two projects were reported to have encountered peace and order problems. These issues remained unresolved as of end of 2014 (see Table 4.14).

**Table 4.14 Projects with Issues on Peace and Order**

Project/IA/DP	Issue Details
<b>I. Unresolved</b>	
1. Philippine Secondary National Road Development Program/DPWH/MCC-MCA	<ul style="list-style-type: none"> <li>• Presence of security threats at project site.</li> </ul>
2. Strengthening National Peace Infrastructures (SNPI) Programme/OPAPP/UNDP	<ul style="list-style-type: none"> <li>• The continuing armed engagement among the Cordillera Bodong Administration - Cordillera People's Liberation Army and other groups prevented conduct of activities on site. There were also reported cases of NPA offensive in areas covered by the Tabara-Paduan Group.</li> </ul>

#### 4.1.14 Foreign Exchange Movement

In CY 2014, two projects implemented by DAR and NIA reported issues on foreign exchange losses (see Table 4.15).

**Table 4.15 Projects with Issues on Foreign Exchange Movement**

Project/IA/DP	Issue Details
<b>I. Unresolved</b>	
1. National Irrigation Sector Rehabilitation & Improvement Project (NISRIIP)/NIA/JICA	<ul style="list-style-type: none"> <li>• The peso equivalent of the JPY6,187 million loan was equivalent to only PhP2,292.83 million as of 29 December 2014 based on the foreign exchange rate of JPY1.00 to US\$0.00836, and US\$1.00 to PhP44.617. The resulting amount is not sufficient to cover the loan proceeds requirement of the project.</li> </ul>
<b>II. Resolved</b>	
2. Agrarian Reform Infrastructure Communities Phase III (ARISP III)/DAR/JICA	<ul style="list-style-type: none"> <li>• With foreign exchange losses for consulting services. (DAR approved the payment of foreign exchange differentials for consulting services.)</li> </ul>

#### 4.1.15 Other Implementation Issues

In CY 2014, there were four projects which encountered other implementation issues, one of which was resolved in 2014. Specific details of these are found in Table 4.16.

**Table 4.16 Other Implementation Issues**

Project/IA	Issue Details
<b>I. Unresolved</b>	
1. Agrarian Reform Communities Project II (ARCP II)/DAR/ADB & OFID	<ul style="list-style-type: none"> <li>• DAR reported on weak project supervision by ADB that failed to identify rapid acceleration of the liquidation problem since 2012.</li> </ul>

Project/IA	Issue Details
2. Italian Assistance to the Agrarian Reform Community Development Support Program (IARCDSP)/DAR/ Italy	<ul style="list-style-type: none"> <li>• Difficulty in complying with the 20% Italian content requirement as stated under Clause 3.7 of the MOU between GPH and the Italian Government.</li> <li>• The replacement (occurred twice) of the Chief Technical Adviser (appointed from the Italian side) delayed hiring of local consultants.</li> <li>• Prolonged finalization of the operations manual due to the need for several revisions, also caused delays in convening the Project Steering Committee.</li> </ul>
3. Jalaur River Multipurpose Project Phase 2/ NIA/ KEDCF	<ul style="list-style-type: none"> <li>• Delayed start-up due to the <i>Writ of Kalikasan</i> issued to the Project. Environmental Protection Order (with prayer for issuance of an ex-parte temporary protection order) was denied for lack of merit by the Court of Appeals under a resolution promulgated on 21 November 2014.</li> </ul>
<b>II. Resolved</b>	
4. Laguindingan Airport Development Project (LADP)/DOTC/KEDCF	<ul style="list-style-type: none"> <li>• Delayed installation of the Air Navigation and Support Services (ANSSF) component due to the unforeseen reduction of work hours caused by the Government's decision to operationalize the airport earlier than planned. (All ANSSF components were installed; the airport was fully operational as of 13 November 2014.)</li> </ul>

#### Box 4.1 DP-led Supervision/ Implementation Review Missions

In general, supervision/implementation review missions are mounted by DPs to review project implementation progress, assess achievements and factors affecting progress, and recommend measures to strengthen implementation. These missions ensure compliance with loan covenants, and guidelines on procurement, disbursement and the end-use of funds. They are also an effective tool for promoting economy, efficiency and good governance.

In 2014, three supervision missions were conducted by IFAD/OFID for the following programs/projects: (a) Rural Micro-enterprise Promotion Program; (b) Second Cordillera Highland Agricultural Resource Management Project; and (c) Rapid Food Production Enhancement Project. The main findings, recommendations, and other pertinent details of the missions are listed in **Annex 4-A**.

## 4.2 Efforts to Address Key Implementation Issues

This section discusses existing and prospective mechanisms to address key implementation issues.

### 4.2.1 Risk Register in Project Implementation

As risk and assumptions are potential sources of implementation issues and bottlenecks, it is imperative that implementing agencies should closely monitor and develop management strategies to mitigate the occurrence of risk and ensure the fulfillment of assumptions.

The key risks and assumptions were classified into nine categories, namely: (a) budget and funds flow; (b) PMO manpower/capacity; (c) LGU capacity; (d) sustainability and O&M; (e) stakeholders'/implementing partners' support/coordination/capacity; (f) project

design/ scope; (g) demand/ identification/ processing/ approval of demand-driven facilities/ sub-projects; (h) peace and order; and (i) budget and funds flow.

**Box 4.2 Definition of Risks and Assumptions**

Risks – a specific, uncertain event that may occur to the detriment or enhancement of the project. In particular, these are factors that may adversely affect delivery of inputs, completion of activities, production of outputs and achievement of higher-level objectives, many of which are outside the control of the parties responsible for managing and implementing a program or project.

Assumptions – Hypotheses about conditions that are necessary to ensure that: planned activities will produce expected results through logical, cause-effect relationships. Achieving results depends on whether or not the assumptions made prove to be true. Project assumptions are potential causes of project risks specially when there is uncertainty in these assumptions.

Source: Adapted from Manual for Project Monitoring, National Economic and Development Authority Project Monitoring Staff, March 2004

Table 4.17 presents updates on the status of risks/assumptions contained in the Risk/Assumptions Register during the CY 2013 Review.

**Table 4.17 Updates on the CY 2013 Programs and Projects Risk and Assumptions Register**

Project/IA/DP	Assumption/Risk Description	Management Strategies	2014 Assumption/Risk Status & Update on Management Strategies
<b>Budget and Funds Flow</b>			
Rapid Food Production Enhancement Program/ DA/ IFAD	Risk of possible cancellation of the IFAD supplementary financing.	None indicated.	<ul style="list-style-type: none"> <li>Occurred. DA has enough funds to shoulder the cost.</li> </ul>
<b>Sustainability and O&amp;M</b>			
Bacolod-Silay Airport Access Road/ DPWH/ Korea EDCF	Risk of road deteriorating after the maintenance period.	Include in the regular O&M fund of the DPWH.	<ul style="list-style-type: none"> <li>Current. The budget for the maintenance is not yet included in the 2015 regular O&amp;M fund of DPWH.</li> <li>Maintenance is being funded under the regular budget of the District Engineering Office of Silay.</li> </ul>
Agrarian Reform Communities Project 2/ DAR/ ADB	Sustainability mechanisms for introduced/ completed interventions is assumed to be continuously enforced.	Conduct of annual sustainability monitoring and evaluation to ensure that sustainability measures stipulated in the Sub-Project Agreement (SPA) will be followed.	<ul style="list-style-type: none"> <li>Current. A technical working group for every sub-project completed will be created in every LGU who shall be tasked to monitor the O&amp;M of the project.</li> </ul>

Project/IA/DP	Assumption/Risk Description	Management Strategies	2014 Assumption/Risk Status & Update on Management Strategies
Agrarian Reform Communities Project 2/ DAR/ ADB	Assumption is that sustainability plans shall be developed and adopted by ARBs and peoples' organizations, and that adequate annual allocation for post-project activities will be provided.	Continuance of local action by the ARBs and POs in order to sustain project benefits.	<ul style="list-style-type: none"> <li>Current. A technical working group for every sub-project completed will be created in every LGU who shall be tasked to monitor the O&amp;M of the project.</li> </ul>
<b>Demand/ Identification/ Processing/ Approval of Demand-Driven Facilities/ Sub-projects</b>			
Provincial Towns Water Supply and Sanitation Program III/ LWUA/ KfW	Risk of loan not being fully utilized by loan closing date due to insufficient number of Water Districts (WDs) to avail under the project.	Proactive marketing of the loan facility to WDs.	<ul style="list-style-type: none"> <li>Current. Lowered relending rates to enhance project viability and encourage WDs withdrawal from the package.</li> <li>Accepted new WDs in the Package.</li> </ul>

Meanwhile, Table 4.18 provides details of the current risks/assumptions for the CY 2014 Risks/Assumptions Register.

**Table 4.18 CY 2014 Programs and Projects Risk and Assumptions Register**

Project/IA/DP	Assumption/ Risk Description	Management Strategies
<b>PMO Manpower/Capacity</b>		
Agrarian Reform Communities Project II (ARCP 2)/DAR/ ADB	Inadequate construction quality control.	<ul style="list-style-type: none"> <li>DAR hired a quality assurance firm, the Engineering and Development Corporation of the Philippines.</li> </ul>
KALAHI-CIDSS Millenium Challenge Corporation (KC-MCC)/ DSWD/ MCC	Local job market may not meet the demand for hiring staffs of ACTs and Municipal Coordinating Teams because of high qualification requirements.	<ul style="list-style-type: none"> <li>Regional Project Management Offices received sufficient number of applicants by advertising staff vacancies region-wide and nationwide.</li> </ul>
<b>Demand/Identification/Processing/Approval of Demand-driven Facilities/Sub-projects</b>		
Philippine Rural Development Project (PRDP)/DA/WB	Mismatch in identifying subprojects between municipalities and provincial governments.	<p>Learning from the experience in MRDP2 implementation, key mitigating strategies include:</p> <ul style="list-style-type: none"> <li>strict use of the criteria in the Operations Manuals which focus on technical issues; and</li> <li>conduct of stakeholder consultations as part of the Provincial Commodity Investment Plan formulating process.</li> </ul>



Project/IA/DP	Assumption/ Risk Description	Management Strategies
Philippine Rural Development Project (PRDP)/DA/WB	Risk of not providing funds for a wider coverage of intended beneficiaries.	Learning from the experience in MRDP2 implementation, key mitigating strategies include: <ul style="list-style-type: none"> <li>• provide funds to entities with a legal basis though the Enterprise Development Component's Enterprise Support Fund;</li> <li>• close monitoring by the DA- RPCOs (Regional Project Coordination Offices); and</li> <li>• LGUs to repossess and reassign the private capital good should enterprises perform poorly and/or become no longer viable.</li> </ul>
Credit for Better Health Care Project (CBHCP)/DBP/ADB	Funds allocated to LGUs might not be fully utilized.	<ul style="list-style-type: none"> <li>• ADB funds being mixed with other funds to reduce end-cost to sub-borrowers.</li> <li>• Increase marketing efforts to LGUs.</li> <li>• Consider cancellation of unutilized loan proceeds.</li> </ul>
<b>Sustainability and O&amp;M</b>		
Rapid Food Production Enhancement Program (RaFPEP & IRPEP)/ DA/IFAD	Weak capacity of Irrigators Associations to operate and maintain completed communal irrigation systems, including the repair of those damaged by typhoons Yolanda and Glenda.	<ul style="list-style-type: none"> <li>• Continuing support from NIA, particularly from institution development officers.</li> </ul>
Establishment of Modern Integrated Rice Processing Complexes (RPC)/DA/KOICA	Issues on the sustainability and viability of business operations of the farmer organizations.	<ul style="list-style-type: none"> <li>• Continuous training, coaching, mentoring, and monitoring of their business operations.</li> </ul>
Community Based Forest and Mangrove Management Project (CBFMMP) /DENR/KfW	Risk of breaching the allowable mortality rate of planted species upon completion of 9,000 hectares natural resources management plantation by end of 2015.	<ul style="list-style-type: none"> <li>• The project management unit, technical assistance team and LGUs to ensure that the protection and maintenance activities are regularly undertaken to reach the required survival rate and quality of planted forest and agroforestry species.</li> </ul>
<b>Stakeholders'/Implementing Partners' Capacity/Support/Coordination</b>		
Access to Early Learning – Phase II / DSWD/ Australia DFAT	Limited capacity of communities, especially in disaster-affected areas, may lead to delays in social preparation.	<ul style="list-style-type: none"> <li>• Augmentation of staff in National Community-Driven Development Program (NCDDP) and disaster-affected areas.</li> <li>• LGUs to be required to provide competent Municipal Coordinating Teams.</li> </ul>
Market Transformation Energy Thru Introduction of Energy Efficient Electric Vehicles Project (E-TRIKE) / DOE/ADB-CTF	Risk of stakeholders rejecting the e-trike lease-to-own scheme, and non-payment by e-trike drivers.	<ul style="list-style-type: none"> <li>• The benefits of the rent-to-own options have been widely discussed with the drivers, which will continue during implementation. Drivers are already interested in the financial savings and increased income.</li> </ul>



Project/IA/DP	Assumption/ Risk Description	Management Strategies
Agrarian Reform Communities Project II (ARCP 2)/DAR/ ADB	Private sector responses to Agrarian Reform Communities' requirements may not be forthcoming.	<ul style="list-style-type: none"> <li>Technical consultations, forums, workshops and planning sessions were conducted involving different stakeholders.</li> </ul>
Philippine Rural Development Project (PRDP)/DA/WB	Varying capacities of provincial LGUs to implement subprojects, particularly in Luzon and the Visayas, which have not participated in MRDP2.	<ul style="list-style-type: none"> <li>Continuous training through learning-by-doing for staff assigned to the Provincial Project Management and Implementation Units.</li> </ul>
Ecosystems Improved for Sustainable Fisheries (ECOFISH)/DA/USAID	Ecosystems Approach to Fisheries Management not operationalized at the LGU level.	<ul style="list-style-type: none"> <li>Increase LGU technical capacity.</li> </ul>
Credit for Better Health Care Project (CBHCP)/DBP/ADB	Capacity of LGU sub-borrowers to procure under ADB and RA 9184 procurement guidelines.	<ul style="list-style-type: none"> <li>Provide technical assistance to LGUs on procurement guidelines (ADB Procurement Guidelines and RA 9184).</li> </ul>
<b>Project Design/Scope</b>		
Road Improvement and Institutional Development Project (RIIDP)/DPWH/ADB	Redesign of roads consistent with new issuances of DPWH regarding pavement design will result in delayed procurement and project completion as well as increase in cost.	<ul style="list-style-type: none"> <li>Ended. Pavement design analysis undertaken by DPWH Bureau of Design. Meanwhile, procurement activities of affected road contracts resumed in September 2014.</li> </ul>
Pinatubo Hazard Urgent Mitigation Project, Phase III (PHUMP III)/DPWH/JICA	Modification of project design to adapt to actual site conditions may delay project completion.	<ul style="list-style-type: none"> <li>Occurred but ended. PMO facilitated the approval of the DPWH on the revised design.</li> </ul>
<b>Peace and Order</b>		
Secondary National Road Development Program (SNRDP)/ DPWH/ MCC	Non-resolution or delays in resolution of site security concerns, and peace and order problems.	<ul style="list-style-type: none"> <li>Implementation of security protocols/ tighter management of construction activities.</li> </ul>
Road Upgrading and Preservation Project (RUPP)/DPWH/JICA	Security threats on contractors from armed groups.	<ul style="list-style-type: none"> <li>DPWH to request the assistance of the DND in securing the area.</li> </ul>
<b>Budget and Funds Flow</b>		
Central Luzon Link Expressway Project (CLLEX)/DPWH/JICA	Insufficiency of loan proceeds due to foreign exchange losses (depreciation of Japanese Yen).	<ul style="list-style-type: none"> <li>DPWH to request JICA for the revision of financing ratio of the civil works contracts.</li> </ul>
<b>Others</b>		
Market Transformation Energy Thru Introduction of Energy Efficient Electric Vehicles Project (E-TRIKE) / DOE/ADB-CTF	Inadequate capacity of local industry to meet demand for E-trikes (including quality spare parts).	<ul style="list-style-type: none"> <li>Project team has been working closely with the possible new entrants in the industry and have facilitated networking and information sharing. The industry has shown significant investors' interest in the project.</li> </ul>

Project/IA/DP	Assumption/ Risk Description	Management Strategies
Market Transformation Energy Thru Introduction of Energy Efficient Electric Vehicles Project (E-TRIKE) / DOE/ADB-CTF	Poor quality of manufactured E-trikes undermining technology credibility and project viability.	<ul style="list-style-type: none"> <li>Tight quality control measures will be applied at all levels and a quality assurance team will be included as part of the implementation consultant team to establish procedures and systems to ensure quality at entry, especially at the acceptance testing period.</li> </ul>
	Risk of significant increases in electricity prices and power shortages in specific areas.	<ul style="list-style-type: none"> <li>The project will cover only those areas that have sufficient electricity to meet the demand of the E-trikes. Some charging will also be done during off-peak hours.</li> </ul>
	Risk of getting cheap and poor-quality lithium ion batteries.	<ul style="list-style-type: none"> <li>Strict pre-qualification criteria will be used to ensure that only reputable manufacturers with international presence in the E-vehicles industry will be allowed to participate in the international bidding process.</li> </ul>
	Accidents and unforeseen events undermining E-trike technology	<ul style="list-style-type: none"> <li>Technical experts have been involved at all levels to ensure that right technical decisions and proper precaution is taken at each step.</li> </ul>
KALAH-CIDSS Millenium Challenge Corporation (KC-MCC)/ DSWD/ MCC	Marginalization of women and indigenous peoples in project implementation.	<ul style="list-style-type: none"> <li>Inclusion of indigenous peoples and women-related indicators in project activities.</li> <li>Inclusion of compliance with safeguards in gender responsiveness and social protection in project design and implementation.</li> </ul>
	Non-completion of sub-projects by end of Compact Agreement.	<ul style="list-style-type: none"> <li>Provide ample time allowance for sub-project completion in anticipation of extensions beyond the standard timeframe.</li> </ul>

#### 4.2.2 Incorporating Lessons Learned in the Design of Future Development Interventions

Lessons learned are valuable information which, if properly fed back, can improve design and implementation of programs and projects. In the CY 2014 Review, lessons learned were identified considering two aspects: key areas of project management; and the project phase. The different areas in project management where lessons may be derived include: (a) project design/scope; (b) budget and funds flow; (c) procurement; (d) PMO manpower/capacity; (e) human resource; (f) sustainability/O&M; (g) knowledge management; (g) coordination with stakeholders/ implementing partners/ development partners; (h) right-of-way; and (i) peace and order. Meanwhile, under project phase, the lessons were identified under the following stages: (a) design/preparation; and (b) implementation. Details of lessons learned are presented in **Annex 4-B**.

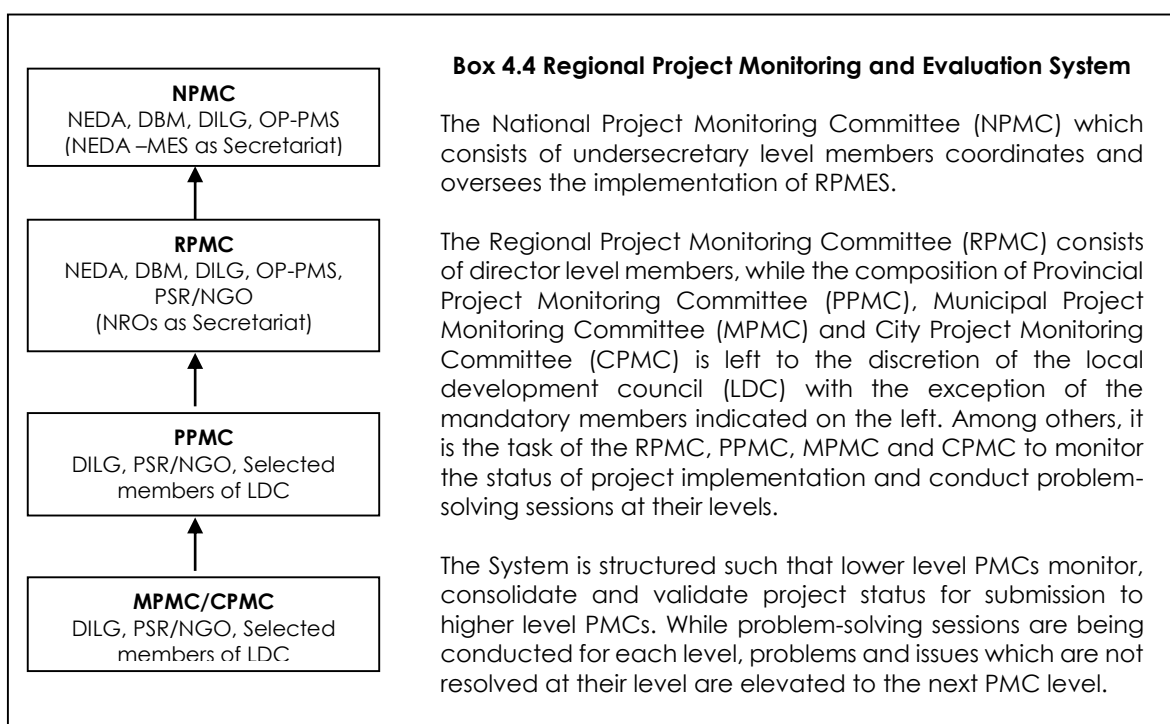
#### Box 4.3 Definition of Lessons Learned

Lessons learned are generalizations based on evaluation experiences with projects, programs, or policies that abstract from the specific circumstances to broader situations. Frequently, lessons highlight strengths or weaknesses in preparation, design, and implementation that affect performance, outcome, and impact. (Source: OECD-DAC.)

### 4.2.3 Use of Existing Institutional Mechanisms

#### 4.3.3.1 Regional Project Monitoring and Evaluation System

The Regional Project Monitoring and Evaluation System (RPMES) was established to devolve project facilitation, problem solving, and M&E to the regional, provincial, city/municipal levels by involving various agencies, local government units (LGUs) and non-government organizations (NGOs). The RPMES covers all development projects, implemented by NGAs, LGUs, SUCs and GOCCs, at the regional, provincial, and city/municipal levels.



#### 4.2.3.1 Project Implementation Officers (PIO) System

Created in 1999, the PIO system designates an Undersecretary of an IA to be held accountable for overseeing the implementation of their respective ODA-funded projects. The NEDA-MES serves as the PIO Secretariat. PIOs convene quarterly to discuss their respective portfolio performances, problems and bottlenecks, and other relevant issues.

## 5 RESULTS

### 5.1 Project/Program Results Contributing to the Philippine Development Plan and Results Matrices Sector Objectives

This section discusses the results (i.e. outputs and outcomes) from ongoing and completed ODA projects and programs as they link to the development objectives of the Philippine Development Plan.

For the CY 2014 ODA Review, twenty-two programs and projects reported on results which contributed to 33 sector outcome indicators in seven chapters of the PDP-RM, with the breakdown presented in Table 5.1 and complete details shown in Table 5.2.

**Table 5.1 ODA Projects and Programs with Reported Results Contributing to the PDP**

No. of Projects/ Programs <sup>25</sup>	PDP Chapter	
2	Chapter 1	Roadmap to Inclusive Growth
2	Chapter 3	Competitive and Innovative Industry and Services Sector
3	Chapter 4	Competitive and Sustainable Agriculture and Fisheries Sector
2	Chapter 6	Social Development
3	Chapter 8	Peace and Security
5	Chapter 9	Sustainable and Climate-Resilient Environment and Natural Resources
7	Chapter 10	Accelerating Infrastructure Development

#### Box 5.1 Outcomes Contributing to the Various PDP and RM Sector Objectives

The Philippine Development Plan (PDP) 2011 to 2016 Midterm Update identifies the key sector and sub-sector development objectives and strategies to achieve the societal goal of "Poverty in multiple dimensions reduced and massive quality employment created". Its accompanying Revalidated Results Matrices (RM) provide results orientation to the Plan by providing an indicator framework to the Plan objectives.

ODA programs and projects are implemented in support of the strategies of the GPH to attain the development objectives of the PDP and the Revalidated RM.

**Table 5.2 Project/Program Results Supporting the PDP-Results Matrices Indicators**

Results Indicator	Project	Accomplishment
<b>Chapter 1: Roadmap to Inclusive Growth</b>		
Poverty incidence reduced	MRDP2/ DA/ WB	<ul style="list-style-type: none"> <li>Household real annual income in project areas increased by 36% from a baseline of PhP72,604 to PhP98,649.</li> </ul>

<sup>25</sup> One project/program may contribute to outcome indicators in more than one chapter of the PDP. Thus the total count of projects and programs may not tally.

Results Indicator	Project	Accomplishment
Employment generated increased	ICRMP/ DENR/ ADB	<ul style="list-style-type: none"> <li>at least 5,000 individuals provided with livelihood opportunities thru the establishment of the Visitors' Information Center in Mati, Davao Oriental.</li> </ul>
<b>Chapter 3: Competitive and Innovative Industry and Services Sector</b>		
Employment generated from industry and services increased annually	RuMEPP/ DTI/ IFAD	<ul style="list-style-type: none"> <li>74,683 jobs generated in CAR, and Regions 5, 8, 12 , and Caraga.</li> <li>12,541 MEs generate additional employment.</li> <li>7,379 MEs still operational after three years.</li> </ul>
GVA in the Industry and Services sectors improved	RuMEPP/ DTI/ IFAD	<ul style="list-style-type: none"> <li>57,330 MEs located in CAR, and Regions 5, 8, 12 , and Caraga provided with micro-credit by SBC-accredited MFIs.</li> </ul>
Total approved investments increased	COMPETE/ DTI/ USAID	<ul style="list-style-type: none"> <li>Facilitated US\$2.4 B investment (1,200 MW capacity power plant) for the Central Luzon Electric Cooperation Association resulting in a historic low generation rate of PhP3.70/kwh.</li> </ul>
<b>Chapter 4: Competitive and Sustainable Agriculture and Fisheries Sector</b>		
Yield of major commodities increased	RaFPEP & IRPEP/ DA/ IFAD	<ul style="list-style-type: none"> <li>Palay yield increased by an average of 10.16% in project areas in Regions 6, 8 and 10.</li> </ul>
	PIDP/ NIA/ WB	<ul style="list-style-type: none"> <li>Cropping intensity in NISs in project areas increased from 151% to 191%.</li> </ul>
	MRDP2/ DA/ WB	<ul style="list-style-type: none"> <li>Average cropping intensity in project areas increased to 237%.</li> </ul>
Private investments in agri-related activities increased	MRDP2/ DA/ WB	<ul style="list-style-type: none"> <li>Agricultural and rural infrastructure investments grew by an average of 93% in 25 municipalities sampled.</li> </ul>

Results Indicator	Project	Accomplishment
<b>Chapter 6: Social Development</b>		
Net enrolment rate increased Completion rate increased Cohort survival rate increased	SPSP/ DSWD/ ADB	<ul style="list-style-type: none"> <li>An average of 98% and 97.5% of HHs in Set 2 and 3 CCT areas respectively meet education conditionalities.</li> </ul>
	SWRDP/ DSWD/ WB (program loan)	<ul style="list-style-type: none"> <li>An average of 98.2%, 97.9%, and 98.2% of HHs in Set 1, 2, and 4 CCT areas meet education conditionalities.</li> </ul>
Proportion of births delivered in a facility increased Proportion of births attended by a health professional increased	SPSP/ DSWD/ ADB	<ul style="list-style-type: none"> <li>An average of 89.1% and 86.6% of HHs in Set 2 and Set 3 CCT areas meet health conditionalities regularly.</li> </ul>
Maternal, infant, and under 5 mortality rates decreased Contraceptive prevalence rate increased	SWRDP/ DSWD/ WB (program loan)	<ul style="list-style-type: none"> <li>An average of 93.5%, 95.2%, and 93.1% of HHs in Set 1, 2, and 4 CCT areas meet health conditionalities.</li> </ul>
<b>Chapter 8: Peace and Security</b>		
% of provinces with communities affected by and vulnerable to armed conflict equipped with tools and processes for conflict-sensitive, peace-promoting and gender-responsive planning and programming increased	MPDLGP/ OPAPP/ Spain	<ul style="list-style-type: none"> <li>Capacity development conducted in 15 CPP-NPA-NDF areas.</li> <li>Provincial planning workshops conducted as application of training on conflict-sensitive planning.</li> </ul>
Number of Transparency and Accountability Mechanisms fully operational in PAMANA implementation increased	Monitoring & Communicating Results/ OPAPP/ WB	<ul style="list-style-type: none"> <li>System development and enhancement plan for PAMANA prepared.</li> <li>Enhanced monitoring and evaluation system for PAMANA developed.</li> <li>6 training modules for information officers in communicating progress and results of PAMANA developed.</li> <li>A National PAMANA Communications Plan and 5 Regional Communications Plans prepared.</li> </ul>

Results Indicator	Project	Accomplishment
Gender-responsive and conflict-sensitive policies/programs/support services for women and children in conflict situations identified and mainstreamed in NGAs and LGUs in PAMANA provinces	SNPI/ OPAPP/ UNDP	<ul style="list-style-type: none"> <li>5 provinces and 1 city in ARMM revalidated previous National Action Plan on Women, Peace and Security and identified interventions included in their respective GAD plans and budgets.</li> <li>5 provinces able to develop gender- and conflict-sensitive guidelines to operationalize their Women and Peace Centers.</li> <li>17 PAMANA LGUs assisted to finalize their <i>National Action Plan on Women, Peace and Security</i> issues and interventions.</li> <li>21 NGAs capacitated in integrating women, peace and security concerns in their GAD plans and accomplishment reports.</li> </ul>
<b>Chapter 9: Sustainable and Climate-Resilient Environment and Natural Resources</b>		
Number of Ancestral Domains Sustainable Development and Protection Plans (ADSDPPs) formulated	CHARMP2/ DA/ IFAD, OFID	<ul style="list-style-type: none"> <li>6 ADSDPPs packaged and reproduced.</li> </ul>
% of terrestrial, inland water and costal and marine areas effectively and equitably managed increased	ICRMP/ DENR/ ADB	<ul style="list-style-type: none"> <li>4,354.58 hectares of mangrove areas rehabilitated/ reforested</li> <li>3,506 hectares of mangrove areas were re-vegetated.</li> </ul>
Forest land/area protected increased	ICRMP/ DENR/ ADB	<ul style="list-style-type: none"> <li>10,604.88 hectares of watershed areas rehabilitated/ reforested.</li> </ul>
	CBFMMP/ DENR/ Germany	<ul style="list-style-type: none"> <li>9,316 hectares reforested and rehabilitated.</li> </ul>
Annual damages and losses (crops and properties) due to natural disasters, environmental hazards, human induced and hydro-meteorological events decreased	The Project for Improvement of the Meteorological RADAR / DOST-PAGASA / JICA	<ul style="list-style-type: none"> <li>Timely warning and advisories of impending disastrous weather conditions regularly made.</li> </ul>

Results Indicator	Project	Accomplishment
Annual damages and losses (crops and properties) due to natural disasters, environmental hazards, human induced and hydro-meteorological events decreased	Enhancement of Earthquake and Volcano Monitoring and Effective Utilization of Disaster Mitigation Information in the Philippines/ DOST-PHIVOLCS/ JICA	<ul style="list-style-type: none"> <li>PHIVOLCS information, tools and services in mainstreaming disaster risk reduction were used by LGUs in preparing their local development and preparedness plans.</li> </ul>
	ICRMP/ DENR/ ADB	<ul style="list-style-type: none"> <li>5,060 HHs protected from floods thru the establishment of a drainage system in Cateel, Davao Oriental.</li> <li>1,512 HHs protected from floods thru the construction of flood control structures in Carmen, Cebu.</li> <li>1,524 HHs and 2,100 hectares of agricultural land protected from floods thru the Riverbank Stabilization subproject in Claveria, Masbate.</li> </ul>
<b>Chapter 10: Accelerating Infrastructure Development</b>		
Volume of treated municipal wastewater increased	EDP/ DBP/ JICA	<ul style="list-style-type: none"> <li>420 cubic meters of wastewater treated per day.</li> </ul>
Access to upgraded health facilities increased	KC-AF, KC-MCC, KC-Access to Early Childhood Development Phase I, KC-Access to Early Learning/ DSWD/ WB, MCC, Australia DFAT	<ul style="list-style-type: none"> <li>119,281 HHs served by 474 health stations that were established in 472 barangays.</li> </ul>
	ICRMP/ DENR/ ADB	<ul style="list-style-type: none"> <li>16,200 residents provided access to primary health care at the Municipal Hospital in Calayan, Cagayan.</li> </ul>
Increased access to basic sanitation	KC-AF, KC-MCC/ DSWD/ WB, MCC	<ul style="list-style-type: none"> <li>3,109 HHs in 49 barangays served by 49 sanitation facilities.</li> </ul>
Waterless poor areas decreased	KC-AF, KC-MCC/ DSWD/ WB, MCC	<ul style="list-style-type: none"> <li>117,898 HHs in 568 barangays served by 551 water supply systems.</li> </ul>



Results Indicator	Project	Accomplishment
HH access to water supply increased	ICRMP/ DENR/ ADB	<ul style="list-style-type: none"> <li>4,583 HHs provided access to clean water thru the water supply system established in Boston, Davao Oriental and Palanas, Masbate.</li> </ul>
Level III waters supply service coverage in cities and municipalities increased*		
Coverage of 24/7 water supply services in cities increased	Local Water Governance/ DILG/ UNDP	<ul style="list-style-type: none"> <li>access to water supply increased by 23% in Sibagat, Agusan del Sur.</li> </ul>
	ARISP III/ DAR/ JICA	<ul style="list-style-type: none"> <li>19,428 HHs served by level I &amp; II water systems.</li> </ul>
	SSLDIP/ LBP/ WB	<ul style="list-style-type: none"> <li>42,320 HHs served by 22 completed Level III water supply facilities.</li> </ul>
HHs and sitios with electricity increased	KC-AF, KC-MCC/ DSWD/ WB, MCC	<ul style="list-style-type: none"> <li>7,525 HHs served by 52 electrification facilities installed in 52 brgys.</li> </ul>
Increased coverage of solid waste management facility	ICRMP/ DENR/ ADB	<ul style="list-style-type: none"> <li>3,961 HHs served by the materials recovery facilities established in San Antonio and Candelaria in Zambales, and by the slaughterhouse constructed in San Felipe, Zambales.</li> </ul>

\* applies to SSLDIP only

## 5.2 Emerging Results of Ongoing Programs and Projects

There were 25 ongoing programs and projects that reported on other cumulative results (outputs and outcomes not directly linked with the PDP-RM indicators) as of end of CY 2014. These are presented in Table 5.3, grouped by sector and by program/project.

**Table 5.3 Results of Ongoing ODA Programs and Projects**

Project Title/IA/DP	Outputs and Outcomes
<b>Agriculture, Agrarian Reform and Natural Resources</b>	
Agricultural Credit Support Project (ACSP)/LBP/JICA	<ul style="list-style-type: none"> <li>total amount relented was PhP3.56 billion or 49.51% of the PhP7.58 billion total credit component.</li> <li>Total borrowers reached 103 (including conduits and direct borrowers).</li> </ul>

Project Title/IA/DP	Outputs and Outcomes
Second Cordillera Highland Agricultural Resource Management Project/ DA/ IFAD/ OFID	<ul style="list-style-type: none"> <li>• 274.72 km of 93 farm-to-market roads rehabilitated.</li> <li>• 32.07 km of 49 footpaths completed.</li> <li>• 726.5 km of 15 footbridges completed.</li> <li>• 649.92 hectares in 23 domestic water supply and 37 communal irrigation systems rehabilitated.</li> <li>• No. of organizations implementing subprojects: 145 on reforestation; 169 on agroforestry; 645 on livelihood interest groups; and 94 irrigation associations and barangay water supply association on infrastructure subprojects.</li> <li>• 452 livelihood interest groups have been awarded with livelihood assistance fund (LAF) thru 33 community financing institutions.</li> <li>• 573 business plans were prepared for the LAF.</li> <li>• 314 people's organizations (POs) (145 reforestation POs and 169 agroforestry POs) provided with training on nursery and reforestation establishment, simple bookkeeping, and community participation in procurement.</li> <li>• 14 indigenous people's organizations (IPOs) organized.</li> <li>• Capability building trainings conducted for Indigenous Political Structures (IPS)-IPO.</li> <li>• 16 out of the 20 target IPS documented.</li> <li>• 27 farmer groups linked to local/community markets</li> <li>• 33 farmer business schools completed.</li> <li>• 3 certificates of ancestral domain titles approved during first and second reading by the National Commission on Indigenous Peoples Commission En Banc.</li> </ul>
Rapid Food Production Enhancement Program (RaFPEP)/ DA/ IFAD	<ul style="list-style-type: none"> <li>• 112 irrigation associations registered in SEC and undergoing capability training programs.</li> <li>• 110 irrigation associations capacitated to operate and maintain their irrigation system and manage their organization.</li> <li>• 3,944 hectares irrigation systems rehabilitated.</li> <li>• 4,490 hectares irrigation systems restored.</li> <li>• 350 hectares irrigation systems generated.</li> <li>• 11 solar dryers with small warehouses were constructed.</li> <li>• 6 Training-of-Trainers (TOTs) conducted with 164 participants.</li> <li>• 4,300 farmers trained in the 49 irrigation associations.</li> <li>• 8 warehouses repaired.</li> <li>• 6 mechanical dryers retrofitted.</li> <li>• 16 Farmers' Kiosks established.</li> <li>• 19 irrigation associations registered under NFA's Institutionalized Procurement Program.</li> <li>• 3 policy dialogues completed.</li> </ul>
Tulay ng Pangulo Para sa Kaunlarang Pang-Agraryo/ DAR/ France	<ul style="list-style-type: none"> <li>• 17 unbridges constructed.</li> <li>• 85 personnel from 17 LGUs trained.</li> </ul>

Project Title/IA/DP	Outputs and Outcomes
Mindanao Sustainable Agrarian and Agriculture Development Project /DAR/JICA	<ul style="list-style-type: none"> <li>At least 12,000 farmers trained on appropriate technologies.</li> <li>12 units' communal irrigation projects constructed/ rehabilitated to serve 2,080 hectares farmlands.</li> <li>395.2 km roads, 952 linear meters of bridges and 58 post-harvest facilities constructed/ rehabilitated.</li> <li>20 viable agri-business/enterprises established.</li> <li>149 local organizations capacitated.</li> <li>20 farmers/group/cooperatives and 15 women organizations strengthened/ organized.</li> <li>25 LGUs assisted.</li> <li>7,648 hectares agroforestry and tree crops production projects established in 205 barangays of the 12 covered settlements.</li> <li>12,000 farmers trained on sustainable agricultural practices.</li> </ul>
Agrarian Reform Infrastructure Support Project III/ DAR/ JICA	<ul style="list-style-type: none"> <li>64 CIs/communal irrigation projects (CIPs) constructed/ rehabilitated serving with 5,756 hectares total irrigated area.</li> <li>134 irrigation associations/ farmer organizations strengthened and organized.</li> <li>328 agribusinesses/ rural enterprises/livelihood projects approved for implementation.</li> <li>136 primary cooperatives trained and assisted in profitable/ recommended technologies.</li> <li>25 federations assisted and strengthened.</li> <li>535.15 km of farm-to-market roads constructed/ rehabilitated.</li> <li>43 water systems (level I &amp; II) constructed and installed.</li> <li>91 Water Users Associations to be registered, strengthened, with policies, systems, procedures approved by their respective Board of Directors.</li> </ul>
Community Based Forest and Mangrove Management Project (CBFMMP) / DENR/ Germany	<ul style="list-style-type: none"> <li>19 forest land use plan approved by the concerned Sangguniang Bayan.</li> <li>15 Co-Management Agreement with the LGUs signed and implemented.</li> <li>15 LGUs signed the Sub-Loan Agreement with LBP for infrastructure loans for sub-projects on farm-to-market roads, road maintenance equipment (availed by 7 LGUs, all equipment purchased in use), drinking water systems (availed by 4 LGUs, two systems completed), aquaculture, sawmill, and rural markets.</li> <li>Five cost recovery mechanisms in-place and continuously being documented by the Project Management Units and Technical Assistance Team.</li> </ul>
Forestland Management Project/ DENR/ JICA	<ul style="list-style-type: none"> <li>Watershed characterization in all sub-watersheds completed.</li> </ul>
<b>Social Reform and Community Development Sector</b>	
KALAH-CIDSS – National Community-Driven Development Program (KC-NCDDP)/ DSWD/ WB	<ul style="list-style-type: none"> <li>77,836 community volunteers trained.</li> </ul>
KALAH-CIDSS Millennium Challenge Corporation (KC-MCC)/ DSWD/ MCC	<ul style="list-style-type: none"> <li>380,591 community volunteers trained.</li> <li>1,829 community sub-projects completed.</li> </ul>

Project Title/IA/DP	Outputs and Outcomes
Emergency Assistance and Early Recovery for Poor Municipalities Affected by Typhoon Yolanda (KC-JFPR)/ DSWD/ ADB	<ul style="list-style-type: none"> <li>1 community sub-project completed.</li> </ul>
Improving Access to Early Learning through Community-led Approach Project/ DSWD/ DFAT-Australia	<ul style="list-style-type: none"> <li>15 community sub-projects completed.</li> </ul>
Kapit Bisig Laban Sa Kahirapan – Comprehensive and Integrated Delivery of Social Services - Additional Financing (KCAF) / 7959-PH / WB	<ul style="list-style-type: none"> <li>118,228 community volunteers trained.</li> <li>2,330 community sub-projects completed.</li> </ul>
Utilizing the KALAHI-CIDSS Community-Driven Development Approach to Improve Access to Early Childhood Development and Basic Education Services in Targeted 4Ps Areas/ DSWD/ DFAT-Australia	<ul style="list-style-type: none"> <li>390 community sub-projects completed.</li> </ul>
UNFPA 7 <sup>th</sup> Country Programme/ DSWD/ UNFPA	<ul style="list-style-type: none"> <li>23 women friendly spaces (WFS) established.</li> <li>9 trainings conducted.</li> <li>238 LGU implementers and WFS facilitators capacitated.</li> <li>70 field offices and LGU staff trained on gender-based violence prevention and response in emergencies.</li> </ul>
Institutional Strengthening of National and Local Governance on Human Rights and Economic Empowerment with a Gender Focus: Implementation of the Magna Carta of Women/DSWD/Spain	<ul style="list-style-type: none"> <li>36 policies, 19 plans, 12 programs, and 339 mechanisms in support of Magna Carta for Women developed/implemented.</li> <li>8 convergence models being established.</li> <li>18 partner LGUs increased their GAD budgets in 2015 by an average of 31.73% from 2014 levels.</li> </ul>
<b>Peace and Security Sector</b>	
Mainstreaming Peace and Development in Local Governance in the Philippines (MPDLGP) Project/ OPAPP/ Spain	<ul style="list-style-type: none"> <li>90,000 copies of Bangsamoro Basic Law Comics published (40,000 were in Tagalog; 25,000 in Tausug; and 25,000 in Maranao).</li> <li>100 bancas and nets delivered in 2 out of 7 municipalities.</li> </ul>

Project Title/IA/DP	Outputs and Outcomes
Strengthening National Peace Infrastructures (SNPI) Programme/ OPAPP/ UNDP	<ul style="list-style-type: none"> <li>• 5 provinces and 1 city of ARMM revalidated their previous plans and identified appropriate interventions in their respective GAD plans.</li> <li>• Capacity development conducted in 7 PAMANA provinces.</li> <li>• 17 PAMANA provinces assisted to finalize their women, peace and security issues and interventions.</li> <li>• 5 provinces and the ARMM regional government was able to develop gender- and conflict-sensitive guidelines to operationalize their Women and Peace Centers.</li> </ul>
TAF in Support of the Government of the Philippines Peace, Security and Development Agenda/ OPAPP/ DFAT-Australia	<ul style="list-style-type: none"> <li>• 674 ground operators capacitated.</li> <li>• 10 workshops for the development, operationalization and pilot-testing of a Community-Based Demobilization Program conducted.</li> <li>• 4 focus group discussions and consultations with CSOs and former rebels conducted.</li> <li>• 26 NGAs capacitated.</li> <li>• Trainers' training for the AFP and the PNP trainers and lecturers conducted, and modules developed.</li> </ul>
<b>Infrastructure Sector</b>	
Gapan-San Fernando-Olongapo Road/ DPWH/ Korea EDCF	<ul style="list-style-type: none"> <li>• 6 out of 10 bridges completed.</li> <li>• 22.06 km road and 220 lm of bridges constructed.</li> </ul>
Pinatubo Hazard Urgent Mitigation III/ DPWH/ JICA	<ul style="list-style-type: none"> <li>• 19.98 km channel excavation/ dredging/ embankment undertaken/constructed.</li> <li>• 4.88 km fishpond dike, sluice gate, and river diversion structures constructed.</li> </ul>
Support for Strategic Local Development and Investment Project/ LBP/ WB	<ul style="list-style-type: none"> <li>• 1,224 HHs benefitted from the 5.59 km drainage system constructed in Candon, Ilocos Sur.</li> </ul>
<b>Industry and Services Sector</b>	
Trade-Related Assistance for Development (TRADE) Project/ DTI/ USAID	<ul style="list-style-type: none"> <li>• Assisted in ensuring that Customs Modernization and Tariff Act bill incorporated provisions consistent with international tariff filing standards.</li> </ul>
Promotion of Green Economic Development (ProGED) / DTI/ GIZ	<ul style="list-style-type: none"> <li>• 18 industry cluster roadmaps integrating green approaches developed.</li> <li>• 11 resolutions passed at subnational level.</li> <li>• 2 subnational resolutions submitted to the national level.</li> <li>• 123 MSMEs integrated green approaches in their operations by tapping green service providers and adopting green technologies.</li> <li>• 33 MSMEs/ suppliers adopted green practices introduced by their buyers.</li> </ul>

Project Title/IA/DP	Outputs and Outcomes
Trade Related Technical Assistance 3/ DTI/ EU	<ul style="list-style-type: none"> <li>• Draft Philippine Export Development Plan completed.</li> <li>• Consultations and draft Industry Roadmaps were completed: (a) processed meat products; (b) processed fishery products; (c) ship building and repair; (d) integrated circuit design; and (e) medical tourism.</li> <li>• Consultations and draft study for trade remedies to support exporters were completed.</li> <li>• Briefings and media familiarization on the ASEAN Economic Community and Generalized System of Preferences (GSP+) for the policy reform and advocacy communications were conducted in Tabuk, Kalinga, and Tagbilaran City in Bohol, and Cagayan de Oro city in Misamis Oriental.</li> <li>• Draft report on National Quality Infrastructure (NQI) legislation in the Philippines completed.</li> <li>• Random tests and draft report on Market Surveillance for Selected Low Voltage Equipment products were completed.</li> <li>• Training and mentoring for personnel of FDA laboratories on ISO 17025 were conducted.</li> <li>• Training for national and regional FDA inspectors completed.</li> </ul>
National Industry Cluster Capacity Enhancement Project (NICCEP) / DTI/ JICA	<ul style="list-style-type: none"> <li>• 189 industry cluster teams assisted and organized.</li> <li>• 24 action plans prepared.</li> <li>• 12 pilot models of industry cluster.</li> </ul>

### 5.3 Other Results of Completed Programs and Projects

The IAs also reported on other results (outputs and outcomes not directly linked with the PDP-RM indicators) from completed projects and programs based on *Project/Implementation Completion Reports*, *Ex-Post Evaluation Reports*, and *Impact Evaluation Studies*, among other sources.

#### Box 5.2 Reports for Completed Projects

##### **Project Completion Report/Implementation Completion Report/Terminal Report**

Project completion reports are prepared (six months prior or one year after project completion) to account for all project deliverables at completion. The report covers inputs used and activities undertaken to deliver the outputs. It also includes an initial assessment of project outcomes as well as an assessment of the interventions sustainability.

##### **Ex-Post Evaluation**

The conduct of ex-post evaluation is carried out two to three years after project completion to assess if the project has achieved its desired objectives. An ex-post evaluation report usually contains an assessment of the achievement of project's medium- and long-term objectives.

##### **Impact Assessment**

An assessment of how a project, program or intervention affects an outcome, whether these effects are planned or unplanned, positive or negative, direct or indirect. The timing for the conduct of the assessment will depend on the criteria that would govern the selection of the intervention, primary of which is the potential of evaluation results as a source of lessons learned.

Source: NEDA-Monitoring and Evaluation Staff

### 5.3.1 Projects and Programs Completed in CY 2014

Other results from some programs/projects completed in CY 2014 are provided in Table 5.4.

**Table 5.4 Results of Programs and Projects Completed in CY 2014**

Project Title/IA/DP	Outputs
<b>Agriculture, Agrarian Reform and Natural Resources</b>	
Integrated Coastal Resources Management Project/ DENR/ ADB	<p>The following policy studies were completed:</p> <ul style="list-style-type: none"> <li>• Ecotourism Policy</li> <li>• Biodiversity Conservation Policy</li> <li>• Policy Study on User Fees for Marine Protected Areas and Resource Rents for Major Coastal Habitats</li> <li>• Mangrove Management</li> <li>• Foreshore Management</li> <li>• Policy Study on Environment and Social Impacts</li> <li>• Policy Study on Environmental Hazard Management</li> <li>• Study on Live Reef/Food Fish Trade</li> <li>• Study on Incentives/ Disincentives System</li> <li>• NICM and Marine Biodiversity Research Agenda</li> </ul>
<b>Industry and Services Sector</b>	
Invest Enabling Environment (INVEST)/ DTI/ USAID	<ul style="list-style-type: none"> <li>• Established an efficient Business One Stop Shop in partner cities.</li> </ul>

### 5.3.2 Completed in Previous Years

Examples of other results from projects completed in previous years that were contained in ex-post and impact evaluation studies/reports conducted or published in CY 2014 are presented in Table 5.5.

**Table 5.5 Results of Programs and Projects Completed in Previous Years**

Program/Projects	Outcomes
<b>Infrastructure Development</b>	
Arterial Road Links Development Project (V) / DPWH/ JICA/ September 2010	<ul style="list-style-type: none"> <li>• Average daily traffic volume increased from 670 vehicles/day in 2001 to 2,110 in 2013.</li> <li>• Average travel time from the Project's target sites (Albay, CAR, Samar and Iloilo) was reduced from 2.5 hrs in 2011 to 0.92 in 2013.</li> </ul>
Central Mindanao Road Project/ DPWH/ JICA/ January 2012	<ul style="list-style-type: none"> <li>• Almost all of the survey respondents believed that the regional economy was enhanced after completion of the project.</li> <li>• Travel time from Junction Awang Cotabato to Kalamansig Sultan Kudarat (and vice-versa) reduced from 8 hrs. in 2001 to 2.5 in 2013.</li> <li>• Daily traffic volume increased from 648 vehicles/day in 2001 to 1,868 in 2013.</li> </ul>
Iloilo Flood Control Project Phases I and II/ DPWH/ JICA/ January 2002 (Phase I); September 2010 (Phase II)	<p>Results of survey conducted in 2014:</p> <ul style="list-style-type: none"> <li>• 71% believed that the project greatly decreased waterborne infections;</li> <li>• 71% believed that sanitation in the area greatly improved; and</li> <li>• 80% believed that security within the area greatly improved.</li> </ul>

Program/Projects	Outcomes
Rural Road Network Development Project (Phase III)/ DPWH/ JICA/ March 2012	<ul style="list-style-type: none"> <li>• All respondents of the 2014 survey believed that their travel times to and from hospitals, university/colleges, corn and palay collection points, and urban centers decreased after project completion.</li> </ul>
Urgent Bridges Construction Project for Rural Development/ DPWH/ JICA/ September 2011	<ul style="list-style-type: none"> <li>• Average daily traffic volume increased from 1,853 vehicles/day in 2001 to 4,028 vehicles/day in 2013.</li> <li>• With permanent bridges constructed, there was no need to take detour routes. Before, if a bridge collapses, motorists would have to take detour routes averaging 40 km and interrupting traffic by around 500 days.</li> </ul>
<b>Social Welfare and Community Development</b>	
Pantawid Pamilyang Pilipino Program (4Ps) – All Sets 1 – 4 Areas/DSWD/ADB and WB	<ul style="list-style-type: none"> <li>• <i>Pantawid</i> children (10-14 years old) work seven days less in a month compared to non-<i>Pantawid</i> children. While the Program cash grants are not enough to completely keep children from working, it has made beneficiary children spend less time working compared to their non-beneficiary counterparts.</li> <li>• <i>Pantawid Pamilya</i> increases households' investments in education. HHs spent PhP206 more per school-aged child per year at the threshold compared to non-beneficiary HHs.</li> <li>• <i>Pantawid Pamilya</i> does not encourage dependency or spending more on vice goods. Findings reveal that adults in beneficiary households work as much as their non-beneficiary counterparts.</li> </ul>



## **6 MAJOR INITIATIVES TO BETTER MANAGE FOR DEVELOPMENT RESULTS**

This section highlights major development effectiveness initiatives undertaken by government and development partners in CY 2014.

### **6.1 By the Government**

#### **6.1.1 Development Finance and Aid Assessment (DFAA) Study**

The DFAA study, undertaken by NEDA in partnership with UNDP and ADB, sought to: (a) measure recent trends in development finance flows and their allocation to national priorities and goals; (b) ascertain potential future flows of each source; (c) evaluate institutional capacity to manage data and budgetary allocations; and (d) analyze complementarities between each and their development effectiveness. The report was completed in November 2014 and its findings indicate that the Philippines could raise the necessary financing to support the development agenda. Recommendations to improve the utilization and management of development finance were also included in the report.

#### **6.1.2 Collaborative Partner-Donor Evaluation (PDE) Study**

The Organization for Economic Cooperation and Development-Development Assistance Committee (OECD-DAC) Evaluation Network (EvalNet) and several volunteer countries have agreed to support an international joint study on partner-donor evaluation work that aims to: (a) understand the capacity building potential of collaborative evaluation work; (b) draw new lessons about capacity development strategies; (c) pave the way to future partner-donor collaboration on evaluation work; and, (d) prepare the ground for the elaboration of a best practice document on collaborative partner-donor evaluation work.

The Philippines, being one of the volunteer countries to participate in the joint study, produced a country paper with the following three main sections: (a) review of the PDE process in terms of its contribution to developing evaluation capacity; (b) the collection of positive stories of partner-donor evaluation work (highlighting IFAD and JICA partner-donor evaluation works); and, (c) an exploration of future opportunities for undertaking such work.

#### **6.1.3 Outcome-based Performance-informed Budgeting for CY 2015**

The adoption of performance-informed budgeting (PIB) for the FY 2014 budget cycle was the initial step towards making the Budget a more comprehensive, transparent, and accountable document by making available both financial and non-financial performance information on the agency. To further enhance the PIB, the DBM issued National Budget Circular No. 552 on 19 February 2014 informing agencies of the shift to an outcome-based PIB for adoption in the FY 2015 budget cycle. This initiative aimed to establish the linkages among the agencies' organizational outcomes with the sectoral outcomes, key results areas and the societal goals in the latest update of the PDP-RM, extending further the Government's logframe/results chain, and strengthening the link between planning and budgeting.

#### **6.1.4 Reconstruction Assistance on Yolanda (RAY) – Implementation for Results (I4R)**

Following the publication of the RAY – Build Back Better in December 2013, NEDA prepared Implementation for Results (I4R) in 2014 which presents an overall results framework for monitoring progress consistent with the Philippine Development Plan. It also highlights key policy and program initiatives under implementation or consideration by four cluster covering: (a) livelihoods and business development; (b) housing and resettlement; (c) social services; and (d) infrastructure. I4R highlights the large portion of the recovery and reconstruction needs related to the private sector, both individuals and enterprises. It provides a framework to ensure close alignment between the objectives of the recovery and rehabilitation program and the PDP.

#### **6.1.5 4th M&E Network Forum**

Building on the gains from the three previous M&E Network fora, the NEDA, in partnership with UNICEF, conducted the 4<sup>th</sup> M&E Network Forum on 13 November 2014 with the central theme of M&E in Emergencies with presentations on the following topics:

- Session 1: Vulnerability Analysis and Humanitarian Performance Monitoring
- Session 2: Innovations in Humanitarian Performance Monitoring and Communication with Affected Population
- Session 3: Learning from Evaluations in Emergencies

The main forum was preceded by a two-day workshop for M&E practitioners/units of implementing agencies, DBM and NEDA with the aim of: (a) apprising the participants on mixed methods for monitoring and evaluation; and (b) promoting organizational capacity in mainstreaming M&E methods in results-based management. More importantly, the training served as a springboard towards greater appreciation of the objective of the main forum, which is highlighting the importance of M&E in Emergencies and how it can drive improvement in results-based management and ensure accountability to affected population.

### **6.2 By the Development Partners**

Consistent with the principles under the Paris Declaration on Aid Effectiveness, 2014 saw some DPs striving to support the national priorities of the Philippine government through the following initiatives listed below.

#### **6.2.1 Updating of the United Nations Development Assistance Framework (UNDAF)**

The UNDAF represents the collective contribution of the United Nations Country Team (UNCT) to realizing national development goals through development cooperation in the Philippines for the period 2012 to 2018. The Joint Implementation Plan (JIP) spells out the arrangements for joint implementation, with results matrices at the output level, a joint monitoring and evaluation mechanism, and tools and a joint management arrangement for harmonized oversight and alignment with country mechanisms.

Following the UNDAF National Steering Committee (NSC) meeting in June 2014, a series of workshops were held with NEDA, concerned government agencies, and the UNCT to reflect on the NSC agreements and directives on the focus, alignment, and metrics in light of significant changes in context/circumstances since 2011, including the midterm update of the PDP 2011 to 2016. In support of equity and its inter-linkages with institutions and localization, strategic priorities were identified for the remaining three years of the UNDAF.

These priorities correspond to one or more of the 17 sub-outcomes of the UNDAF, and imply the strategic deployment of resources in policy analysis, advocacy efforts and possible joint programmes. The documents show how the UNCT supports the application of its normative agenda within national processes and as part of the global dialogue on various issues.

## **6.2.2 IFAD-PH Country Strategic Opportunities Programme (COSOP) 2012-2014**

The COSOP for 2012-2014 was extended until 2016 to support the Philippine Development Plan 2011-2016 Midterm Update. The PH-COSOP strategic objectives are supportive of the key sectoral outcomes and cross cutting concerns of the PDP. Projects assisted by IFAD under the 2010-2016 COSOP (e.g., INREMP, CONVERGE<sup>26</sup>, FishCORAL<sup>27</sup>, HARP) were jointly designed by the government lead implementing agency and IFAD to ensure ownership, alignment, harmonization, and mutual accountability.

## **6.2.3 USAID Forward**

USAID undertook USAID Forward, an ambitious reform agenda, in an effort to strengthen the agency by embracing new partnerships, investing in the catalytic role of innovation, and demanding a focus on results.

In 2013, the first ever USAID Forward Progress report was released along with the underlying data that informed USAID's scorecard of indicators. In line with the Agency's commitment to transparency, a second set of data detailing USAID's results for 2013 was released in 2014.

The reforms were focused on three main areas:

- Deliver results on a meaningful scale through a strengthened USAID;
- Promote sustainable development through high-impact partnerships and local solutions; and
- Identify and scale-up innovative, breakthrough solutions to intractable development challenges.

## **6.2.4 World Bank's Country Partnership Strategy for FY 2015-2018**

The Philippines Country Partnership Strategy (CPS) for FY 2015 to 2018 supports the government's plan to promote inclusive economic growth that creates more and better jobs and reduces poverty. As such, the CPS is fully aligned with the World Bank Group goals of ending poverty and boosting shared prosperity. The CPS includes an analysis of how growth patterns and underlying government policies have shaped the country's development record, notably on limited poverty reduction despite significant economic growth. The CPS will support structural reforms needed to reverse long standing policy distortions – food security, land reform, competition, labor market and business climate – which have undermined the creation of more and better jobs and the translation of growth into poverty reduction.

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<sup>26</sup> Convergence on Value-Chain Enhancement for Rural Growth and Empowerment (DAR).

<sup>27</sup> Fisheries, Coastal Resources, and Livelihood Project (DA-BFAR). CONVERGE and FishCORAL were both approved by the NEDA Board on 17 October 2014, but Special Presidential Authority is yet to be issued as of 25 June 2015.

### **6.2.5 Australian-assisted Philippine Policy Window**

The Australian-assisted Philippine Policy Window develops and funds rigorous, mixed-methods impact evaluations commissioned by policymakers and programme managers to answer questions about the attributable impact of interventions implement in the country. It will make available to GPH agencies and/or NGOs grants for the conduct of impact studies of policies and programs<sup>28</sup>.

In July 2014, an impact evaluation and design clinic was conducted by the International Initiative for Impact Evaluation (3ie) under said Policy Window. Representatives of ten agencies of the Philippine Government participated in the workshop, namely: (a) DepEd; (b) DENR; (c) DOH; (d) DPWH; (e) DOLE; (f) DSWD; (g) DTI; (h) NEDA; (i) OPAPP; and (j) PIDS. The workshop provided an overview of impact evaluation and the design of impact evaluation of government policies and programs.

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<sup>28</sup> Source: <http://www.3ieimpact.org/>

## 7 ACTIONS TAKEN AND RECOMMENDATIONS

This section presents the actions taken on the recommendations made in the CY 2013 ODA Portfolio Review as well as the recommendations for improved performance and reporting in 2015 and beyond.

### 7.1 Actions Taken on the Recommendations of the CY 2013 ODA Portfolio Review

This section gives a summary of the actions taken by implementing agencies, oversight agencies, and development partners in response to the recommendations made in the previous review.

#### 7.1.1 Actions Taken By Implementing Agencies

Following the recommendations made in the previous year's review, implementing agencies have taken both project-specific and portfolio-wide measures to improve the performance of their respective ODA portfolios. **Annex 7-A** presents in detail the CY 2013 recommendations vis-à-vis the actions taken by each agency in CY 2014.

#### 7.1.2 Actions Taken by Oversight Agencies and Development Partners

Corresponding efforts were undertaken by OAs and DPs for most of the recommendations of the CY 2012 Review. Table 7.1 shows in detail both the completed and ongoing measures.

**Table 7.1 Actions Taken by Oversight Agencies and Development Partners**

CY 2013 Recommendations	Responsible Agency	Actions Taken
Assess ODA in the context of other sources of development financing	OAs	<b>Done.</b> The Development Finance and Aid Assessment report, which includes a discussion on the country's development finance landscape, was finalized in November 2014 and printed in April 2015.
Conduct of an action planning workshop on how to address key implementation issues identified in the Review.	NEDA	<b>Continuing work.</b> During the quarterly meetings of the Project Implementation Officers' (PIO) and the National Project Monitoring Committee (NPMC), as well as in the quarterly RPMES fora, measures in addressing key implementation issues of major ongoing projects are regularly discussed and concrete actions to be taken are identified.
Enhance reporting on MfDR initiatives undertaken by various agencies and development partners	NEDA	<b>Continuing work.</b> To complement GPH initiatives on MfDR reported in the Annual ODA Reviews, information on DP initiatives were included in the CY 2014 ODA Review.

CY 2013 Recommendations	Responsible Agency	Actions Taken
Enhance protocols for better M&E	IAs, OAs, DPs	<b>Continuing work.</b> Enrichment of ex-post evaluation manual with learnings from joint ex-post evaluation exercises ongoing.  NEDA MES reviewed the RPMES Operations Manual. First draft of the updated Manual was shared with NROs for comments.
Continue tracking key aid effectiveness indicators	DPs, NEDA	<b>Continuing work.</b> Continue to adopt the Global Partnership Monitoring Framework (GPMF) as the main monitoring instrument for tracking progress on commitments on actions agreed under the Busan Partnership.
Document, report and disseminate good practices on project implementation	IAs, NEDA	<b>Substantially done.</b> The winners of the Good Practice Awards (GPA) were announced during the 4th Quarter 2014 PIO meeting. Results and details on the winning entries for the GPA were published in the NEDA website in May 2015.
Linking results framework, from planning and budgeting through implementation and M&E.	OAs, IAs, DPs	<b>Continuing work.</b> Some efforts undertaken by the government in linking planning to budgeting are discussed in Section 6.1.
DPs to ensure better alignment of their results framework with the PDP-RM.	DPs, NEDA	<b>Continuing work.</b> Some of the 2014 initiatives of DPs (World Bank, IFAD, USAID, and UNDP) to align with the GPH results framework are discussed in Section 6.2.
Enhance risk register of projects and quality-at-entry mechanisms.	OAs, IAs, DPs	<b>Continuing work.</b> In the CY 2014 Review, project/program risk analysis was enhanced to track the status of the risk in the registry (whether it was mitigated, or has occurred, ended, or is still current as of year-end 2014). In addition, the progress of the IAs in keeping with the management strategies identified during the CY 2013 Review was also tracked and reported.

### 7.1.3 Actions Taken on Proposed Enhancements for the Review

In response to the 2013 proposed enhancements for the ODA Review, NEDA has taken the following activities listed in Table 7.2.

**Table 7.2 Actions Taken on Proposed Enhancements for ODA Review**

Section	CY 2013 Recommendation	Status / Action Taken
ODA Loans Portfolio	<p>A parallel reporting of disbursements in Peso should be carried-out to address forex and expenditure issues as well as to improve reporting and comparability of ODA statistics across DPs.</p> <p>Report on the amount of outstanding ODA loans of the GPH (including ODA loans that already closed but not yet paid).</p> <p>Enhance regional disaggregation of ODA.</p>	<p><b>Continuing work.</b></p> <p><b>Continuing work.</b></p> <p><b>Done.</b> Regional breakdown of total project/program cost is included in the 2014 Review.</p>
ODA Grants Portfolio	Review grant performance in terms of utilization.	<b>Continuing work.</b>
ODA Loans and Grants Portfolio	Prepare a comparative assessment of GPH's ODA portfolio and ODA portfolio of other developing countries.	<b>Continuing work.</b>
Physical Implementation	Ensure that all projects report overall weighted physical accomplishment (OWPA).	<b>Continuing work</b> (34 of the 58 projects have OWPA). NEDA, thru the MES, is assisting IAs in monitoring and reporting OWPA.
Results	<p>Strengthen results monitoring and evaluation through conduct of (a) GPH-led ex-post and impact evaluations for selected completed ODA projects; (b) ensure all completed projects have PCRs and EOPRs; (c) ensure all ongoing projects have logframes.</p> <p>Revisit quality of development statements (goal, purpose, outputs) and characteristics and dimensions of the indicators of project logframes.</p>	<p><b>Substantially done.</b> NEDA-MES drafted and is initiating the pilot testing of an ex-post evaluation manual in coordination with selected NEDA Regional Offices. EOPRs for projects completed in 2013 and 2014 were prepared. An inventory of project logframes was prepared.</p> <p><b>Continuing work.</b> NEDA reviews the quality of project logframes and their alignment with the PDP during project appraisal and implementation.</p>
Key Implementation Issues	Assess the issue of (a) difficulty to secure MB opinion required for sub project approvals; and, (b) interest rates and funds flow of demand driven projects (two-step loan type).	<b>Continuing work.</b>



Section	CY 2013 Recommendation	Status / Action Taken
Lessons Learned	Assess how lessons learned and good practices are utilized in project formulation.	<b>Partially done.</b> To feedback lessons learned to NEDA units involved in project appraisal, a compendium of EOPRs (1 <sup>st</sup> year was in 2013) and lessons learned was prepared in 2014, and knowledge sharing sessions were conducted. Meanwhile, based on the 2014 Review submissions, a number of IAs reported using lessons learned and best practices in project formulation.
Recommended Actions for CY 2014 and Beyond	<p>Conduct continuing capacity building in all aspects of ODA portfolio management.</p> <p>Strengthen further knowledge management (e.g., management information system support among others) on project monitoring and evaluation.</p>	<b>Continuing work.</b> On knowledge management, consultations with NEDA sector staffs and NEDA Regional offices were conducted in 2014 with the aim of establishing a unified and integrated management information system on projects and programs, with the short term objective of drafting a TOR for the procurement of a consulting firm to undertake the same.

## 7.2 Recommendations for CY 2014 and Beyond

This section summarizes the recommendations for implementing agencies, oversight agencies, and development partners for enhanced performance and reporting in the future.

### 7.2.1 For Implementing Agencies

Agency-specific recommendations to address key implementation issues affecting agency ODA portfolio performance were discussed during the agency consultation meetings.

Some recommendations provided in this Report aimed to address ongoing implementation issues, while some were intended to further account for lessons learned and to capture emerging outcomes from projects and programs. These recommendations include measures to: (a) fast-track procurement processes; (b) ensure sustainability of completed projects; (c) adhere to committed catch-up plans in case of delayed projects; (d) flag the possibility of project restructuring; (e) enhance institutional and reporting arrangements for relending projects; (f) make LGUs commit to report on outputs and emerging outcomes from sub-projects funded by relending facilities of GFIs such as DBP and LBP; and (g) comply with NEDA's reporting requirements, among others.

The consolidated action plan per IA aimed at improving ODA portfolio performance for CY 2015 and beyond are discussed in **Annex 7-B**.



## 7.2.2 For Oversight Agencies and Development Partners

Recommendations for OAs and DPs for 2015 and beyond were agreed upon during the agency consultation meetings. Details of some of these recommendations are presented in Table 7.3.

**Table 7.3 Recommendations for OAs and DPs for CY 2015 and Beyond**

Recommendations	Responsible Agency
Continue work on previously recommended enhancements: <ul style="list-style-type: none"> <li>• Regular conduct of action planning workshops on addressing key implementation issues</li> <li>• Enhance reporting on MFDR initiatives undertaken by various agencies and DPs</li> <li>• Enhance protocol for better M&amp;E</li> <li>• Continue tracking key aid effectiveness indicators</li> <li>• Link results frameworks from planning and budgeting through implementation and M&amp;E</li> <li>• Assess the alignment of project results frameworks with the PDP-RM</li> <li>• Enhance risk register of projects and quality-at-entry mechanisms</li> </ul>	NEDA, DPs IAs, OAs
Enhance reporting on loans and grants (financial and physical performance, results, issues, and risks)	NEDA, DPs IAs, OAs
Revisit sector classification consistent with other reporting institutions	NEDA, OAs
Further strengthen knowledge management (e.g., management information system support among others) on project monitoring and evaluation.	NEDA