

## CY 2010 ODA Portfolio Review TECHNICAL NOTES

### Chapter 1

- 1 In the mid-1960s, Chenery and Strout introduced the 'two-gap' approach as justification for ODA. (ODA, Economic Growth and Poverty Reduction, December 2010. Available at <http://ideas4develop.blogspot.com/2010/12/oda-economic-growth-and-poverty.html>)
- 2 Kang, Hyewon. June 2010. The Philippines' Absorptive Capacity for Foreign Aid. Philippine Institute for Developing Studies. Discussion Paper Series No. 2010-15
- 3 ODA, Economic Growth and Poverty Reduction, December 2010. Available at <http://ideas4develop.blogspot.com/2010/12/oda-economic-growth-and-poverty.html>
- 4 Kang, Hyewon. June 2010. The Philippines' Absorptive Capacity for Foreign Aid. Philippine Institute for Developing Studies. Discussion Paper Series No. 2010-15
- 5 Japan International Cooperation Agency (JICA). October 2010. *Review of Development and Growth in the Philippines*
- 6 Per capita GDP of recipient countries were regressed as a function of: (1) aid amount received; (2) indicators to represent and "goodness"; (3) vector for all other variables which may affect macroeconomic growth; (4) regional dummy variable for East Asia; and, (5) regional dummy variable for the Philippines.
- 7 Net ODA received per capita, as defined by WB WDI, is calculated by dividing net ODA received by the midyear population estimate. It includes loans with a grant element of at least 25 percent (calculated at a rate of discount of 10 percent). Data are in current U.S. dollars.
- 8 There is no Country Strategy Paper for cooperation with China. For New Zealand, a country framework for development will soon be prepared in consultation with the Philippine government to guide the direction of New Zealand's bilateral programme to the Philippines for the next five years. The Country Strategy Papers for Spain (AECID) and France (AFD) are currently being developed. Lastly, there are no country strategy papers for cooperation with Canada, Germany, Netherlands, UK, Denmark, Finland, Belgium, Czech Republic, and Italy because the Philippines is not a priority partner country for development cooperation for these countries.
- 9 The GOJ is currently updating Japan's Country Assistance Strategy (CAS) for the Philippines, which will serve as Japan's cooperation framework and basis for the programming of ODA and other development initiatives in the Philippines for the next 3 to 5 years

- 10 There are ongoing discussions with KOICA on the new CAS.
- 11 Formulation of the ADB Country Partnership Strategy 2011-2016 is now ongoing.
- 12 Formulation of the UNDAF 2012-2018 is ongoing.
- 13 The United Nations Development Assistance Framework (UNDAF) is the UN's overarching strategic document from which the UN agencies derive their niche programmes (i.e. United Nations Development Group Executive Committee agencies UNDP, UNICEF and UNFPA have Country Programme Documents or agency equivalent documents of UN Specialized Agencies). At the request of the Government, the 2005-2009 UNDAF was extended to a 2012 start to fully align with the national planning process and benefit from the new Philippine Development Plan 2011-2016. The new UNDAF covering the period 2012-2018 was endorsed by NEDA and DFA last 23 May 2011.
- 14 The UNDP Country Programme Document (CPD) 2012-2016 is subject to approval of UNDP Executive Board in June.
- 15 Consultations between the GOP and UNICEF have been underway for the development of the next programme, i.e., the Seventh Country Programme for Children (CPC 7).
- 16 Indicates the satisfaction rating per area of concern (Sector, Environmental, Social, Financial, Economic, etc.)
- 17 The turnover (how many times in one year) provides information on the operational efficiency of Imprest Accounts of the borrowers.

### **Chapter 3**

- 18 Total Grant Assistance supporting MDGs amounted to US\$ 628 million or 28 percent of the total ODA Grants portfolio.
- 19 Goal 3 is a cross-cutting theme that is already embedded in the programs and projects while Goal 6 is being supported by one grant project funded by UNFPAs Joint UN Programme on HIV and Migration.
- 20 Grant element (GE) computation from the Department of Finance (DOF) does not include projects implemented by GOCCs and GFIs except for the NorthRail Project Phase 1, Sections 1 and 2.
- 21 The list does not include program loans and projects that were not yet made effective.

## Chapter 4

- 22 DPs are the bilateral and multi-lateral institutions that disburse the grant funds to recipient countries. Note that they may or may not be the funding institutions or sources of the disbursed funds.
- 23 The following DPs did not submit validated data on their grant assistance: AusAID, Spain and New Zealand.
- 24 The total amount of grant assistance in the Philippines is US\$ 2,437.074 million. However, this Review only reflects grants implemented or monitored by the GOP, amounting to US\$ 2247.531 million. US\$ 189.543 million was excluded in the review for the following reasons:
- a. US\$ 132.469 million are implemented by the CSOs, Private Sector or the DPs.
  - b. US\$ 18.229 million pertains to: (1) clustered funds provided by EOJ-JICA (Country and Sector Program Formation, Overseas Development Planning, Grant for Loan Assistance Expert) that cannot be further disaggregated into project level, (2) grants from Other Government Departments of Canada.
  - c. Although seven (7) closed (in 2008 or 2009) GIZ-assisted grant projects worth US\$ 38.845 million continue to utilize their remaining balances, the utilization of these project funds no longer translate to project outputs. GIZ continues to utilize the remaining balance only for administrative transactions (i.e. social security, personal services) and such transactions no longer directly involve the Philippines, even though they are part of the project cost.
- 25 The following are the notes on the distribution figures for each Development Partner:
- a. JICA  
  
Nine (9) ongoing technical cooperation projects from JICA have no reported grant amounts and were hence excluded in the portfolio. Total disbursement of said projects amount to US\$ 18.468 million.

**Table 4-A1 JICA Grants Excluded from the CY 2010 Portfolio**

	Project Title	Implementing Agency	Utilization in US\$M	Project Start	Project Closing Date
1	Project of Strengthening of Local Health System in the Province of Benguet	DOH-CHD CAR, Benguet Province	3.980	3/16/2006	3/15/2011
2	Capacity Development Project on Water Quality Management in the Philippines	DENR-EMB	8.489	1/31/2006	1/30/2011

	Project Title	Implementing Agency	Utilization in US\$M	Project Start	Project Closing Date
3	Assistance Project on Introduction of Customs Post Entry Audit	BOC	0.334	6/8/2008	3/31/2011
4	Project on the Development and Promotion of Location - Specific Integrated High - Yielding Rice Technologies	PhilRice	5.541	11/15/2004	11/14/2009
5	Maternal and Child Health Project	DOH, Ifugao and Biliran Province	4.239	3/16/2006	3/15/2010
6	Rice-Based Farming Systems Training and Support Program for the ARMM	PhilRice	1.412	2/2/2005	2/1/2010
7	The Project for Enhancement of Local Governance and Community Empowerment in Micro-Watersheds in Misamis Oriental	Misamis Oriental	2.559	1/16/2008	1/15/2011
8	Capacity Enhancement Program of Metropolitan Iloilo-Guimaras Development Council(MIDC) and Banate Bay Resource Management Council Inc.(BBRMCI)	Iloilo Provincial Government, MIGEDC, BBBRMCI	3.308	10/5/2007	10/4/2010
9	Improvement of Implimentation on Security Export Control in Asia		-11.395	12/5/2010	12/18/2010

Previous ODA Reports indicated that equivalent monetary values of grant assistance from the EOJ/JICA which are in the form of experts, equipment and studies can only be determined after project completion. However, as clarified in the consultation with JICA, equivalent monetary values can be identified for each of its grant project. For instance, since the amount for Training Programs provided often on a yearly basis undergoes liquidation procedures, the disbursement for the year is registered as the grant amount. The following JICA grant types have grant amounts: Individual Expert Dispatch, Development Studies, Technical Cooperation Projects (TCPs) and General Project Grants (mixture of IED and Capacity Building).

b. World Bank

Trust funds have been critical in the World Bank's support to the Philippines by providing co-financing and technical assistance to build the government's capacity and to support sector-specific and cross-sectoral initiatives. The World Bank's Philippines country team has proactively supported Government's efforts to pursue financial assistance from other donors. These grants complement World Bank investment operations and to help address specific areas that the Government has not been inclined to borrow for. These strategic partnerships have built on and further reinforced the coordinated policy dialogue on sector issues and reform agenda particularly in health, education, social protection, and infrastructure and in extending support to conflict affected communities in Mindanao. Besides providing support to lending operations, trust funds have also allowed the government and the country team to undertake a range of strategically positioned AAA and capacity building activities and have served as

effective vehicles for strengthening country systems and advancing harmonization initiatives.<sup>1</sup> As of December 2010, the World Bank trust fund and grant portfolio for the Philippines amounted to US\$ 153.84 million, of which 50 percent had been disbursed.

The grant assistance from World Bank can be further disaggregated by funding source:

**Table 4-A2<sup>1</sup> Disaggregation of World Bank Grants**

Funding Institution	Fund Source	Total Commitments (\$'000)	Percentage Share (%)
Institutional Development Fund (IDF)	WB profits	2.48	1.6%
Japan Social Development Fund (JSDF)	Japan	3.23	2.1%
Global Environmental Facility (GEFIA)	Multi donor	39.89	25.9%
Free standing Philippine TFs (PH-FS)	Of which, \$42.1 M is AusAID; \$18.4 M is EU, \$0.3 is Sweden	60.85	39.6%
Philippine Mindanao Facility (PH-MTF)	Multi donor	5.11	3.3%
United States (MTF-US)	USAID bilateral contribution to Mindanao TF	0.61	0.4%
Ozone Trust Fund (OTF)	Multi donor	30.00	19.5%
Others	Various	11.66	7.6%
<b>TOTAL</b>		<b>153.84</b>	<b>100.0%</b>

c. Others

Others refer to the following DPs:

**Table 4-A3 Other DPs**

DP	Grant Amount	Percentage Share
China	1.938	0.089
NoRAD	1.898	0.087
Czech Republic	1.81	0.083
KfW	11.800	0.539
New Zealand	5.172	0.236

- 26 Based on the classification provided by NEDA, grant-assistance by USAID is classified under Technical Assistance, although some of its projects have infrastructure components. Government Cooperation Programmes of FAO are also included under Technical Assistance (TA).

<sup>1</sup> World Bank Manila, 2011

- 27 Four projects with official start dates in CY 2011 have already started disbursing in 2010, and were therefore included in the CY 2010 portfolio:

**Table 4-A4 CY 2011 ODA Grants with Disbursements in CY 2010**

	Project Title	DP	Grant Amount in US\$M	Utilization in US\$M	Project Start	Project Closing Date
1	COSERAM	GIZ	8.959	0.057	1/1/2011	12/31/2014
2	The Project on System Loss Reduction for Philippine Electric Cooperatives (EC's)	JICA	0.036	0.036	3/1/2011	3/30/2013
3	Human Resources Development Administraion	JICA	0.004	0.004	1/16/2011	1/31/2011
4	Midwifery Course for Safe Motherhood	JICA	0.002	0.002	2/2/2011	3/11/2011

- 28 Although the disbursements are generally recorded on grant agreement signing date, the following Development Partners have made a distinction on the start dates for disbursements:

**Table 4-A5 Reckoning Dates of Various DPs**

DP	Project Start Date/ Disbursement Reckoning Date	Project Closing Date
ADB	<p><b>for TAs:</b> grant signing date (although some grants were previously listed using the approval date; ADB noted that board approval dates come before the signing dates);</p> <p><b>for General Project Grants:</b> effectivity date (since these grants have separate effectivity dates aside from board approval and signing dates)</p>	Either the account closing date or the project completion date, whichever comes later
EU	effectivity date	project completion date
WB	effectivity date	grant closing date

- 29 Utilization of the following DPs are underreported/ are not reported:
- a. AusAID (only has CY 2010 disbursements for some of its projects)
  - b. New Zealand, Spain (no reported disbursements)

## Chapter 5

- 30 JICA's ex-post evaluation system<sup>2</sup> adopts the Five (5) OECD-DAC evaluation criteria of:
- a. *Relevance* – consistency of the project objectives and design with policies and needs at the times of both before and after the project
  - b. *Efficiency* – productivity of inputs to produce outputs. Comparison of plan and actual performance of outputs, project period and cost.
  - c. *Effectiveness* – degree of achievement of the project purpose (outcome) based on the comparison between planned and actual performance of operation and effect indicators and internal rates of return (IRR), supplemented by relevant qualitative information.
  - d. *Impact* – direct and indirect changes (both positive and negative) the project has brought to macro-economic, social and environmental conditions of the target country or areas.
  - e. *Sustainability* – degree to which the project outputs are maintained and continuously give benefits in medium and long-term.

## Chapter 6

- 31 Currently, the management, operations and maintenance (O&M) of the SCTEx is still under the responsibility of the Tollways Management Corp., the interim operator of the SCTEX. This is pending the review of the Concession Agreement between BCDA and the Manila North Tollways Corporation (MNTC), to come up with a private-public partnership (PPP) that would serve as a model for other PPPs. The contract between BCDA and MNTC on the O&M of the SCTEX was signed last November 2010 but has not yet become effective because the conditions have not been fully delivered by both parties.

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<sup>2</sup> Source: JICA's Evaluation Handbook for ODA Loan Projects