



Official Development Assistance

PORTFOLIO REVIEW REPORT

2019

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ODA Portfolio Review 2019

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Acronyms

AARNR	Agriculture, Agrarian Reform, and Natural Resources
ADB	Asian Development Bank
AIIB	Asian Infrastructure Investment Bank
AM	Alert Mechanism
ARB	Agrarian Reform Beneficiary
ARMM	Autonomous Region in Muslim Mindanao
BAC	Bids and Awards Committee
BSP	<i>Bangko Sentral ng Pilipinas</i>
CAR	Cordillera Administrative Region
CC	Climate Change
CF	Commitment Fees
COA	Commission on Audit
CP	Contract Package
DA	Department of Agriculture
DAR	Department of Agrarian Reform
DBM	Department of Budget and Management
DBP	Development Bank of the Philippines
DED	Detailed engineering design
DENR	Department of Environment and Natural Resources
DepEd	Department of Education
DFAT	Department of Foreign Affairs and Trade
DILG	Department of the Interior and Local Government
DOE	Department of Energy
DOF	Department of Finance
DOH	Department of Health
DOTr	Department of Transportation
DP	Development partner

DPWH	Department of Public Works and Highways
DRR	Disaster risk reduction
DSWD	Department of Social Welfare and Development
DTI	Department of Trade and Industry
EDCF	Economic Development Cooperation Fund
EU	European Union
FMR	Farm-to-market road
FPIC	Free, prior, and informed consent
GAD	Gender and development
GFI	Government financial institution
GID	Governance and Institutions Development
GOCC	Government-owned and -controlled corporation
GPH	Government of the Philippines
IA	Implementing Agency
ICC	Investment Coordination Committee
ICC-CC	Investment Coordination Committee – Cabinet Committee
ICC-TB	Investment Coordination Committee – Technical Board
IFAD	International Fund for Agricultural Development
IFP	Infrastructure Flagship Project
INFRA	Infrastructure Development
IPIF	Infrastructure Preparation and Innovation Facility
ITT	Industry, Trade, and Tourism
JICA	Japan International Cooperation Agency
JV	Joint Venture
KEXIM	Export-Import Bank of Korea
KOICA	Korea International Cooperation Agency
LANDBANK	Land Bank of the Philippines
LGU	Local Government Unit
LP	Loan Proceeds
LRTA	Light Rail Transit Authority

LTI	Land Tenure Instruments
LWUA	Local Water Utilities Administration
MDFO	Municipal Development Fund Office
MES	Monitoring and Evaluation Staff
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
MWSS	Metropolitan Waterworks and Sewerage System
NB	NEDA Board
NCIP	National Commission on Indigenous Peoples
NCR	National Capital Region
NEDA	National Economic and Development Authority
NGA	National Government Agency
NIA	National Irrigation Administration
OA	Oversight Agency
ODA	Official Development Assistance
OECD	Organization for Economic Cooperation and Development
OFID	OPEC Fund for International Development
O&M	Operations and Maintenance
OPAPP	Office of the Presidential Adviser on the Peace Process
PAGASA	Philippine Atmospheric, Geophysical, and Astronomical Services Administration
PDP	Philippine Development Plan
PMO	Project Management Office
PPP	Public-Private Partnership
RM s	Results Matrices
RoWA	Right of Way Acquisition
SDGs	Sustainable Development Goals
SRCD	Social Reform and Community Development
TA	Technical Assistance
TOR	Terms of Reference

TPC	Total Project Cost
UN	United Nations
UNDP	UN Development Programme
UNICEF	UN Children's Fund
USA	United States of America
USAID	United States Agency for International Development
VAT	Value Added Tax
WB	World Bank
WD	Water District

EXECUTIVE SUMMARY

ODA Portfolio Profile

The total ODA portfolio as of December 2019 amounted to USD21.62 billion, consisting of 84 loans worth USD19.98 billion (92% of the total portfolio), and 268 grants worth USD1.64 billion (8% of the total portfolio).

Japan provided the bulk of ODA assistance to the country accounting for 39 percent share (USD 8.51 billion for 41 loans/grants) of the active ODA portfolio, followed by the Asian Development Bank (ADB) with 26 percent (USD5.70 billion for 44 loans/grants) and the World Bank (WB) with 20 percent (USD4.31 billion for 25 loans/grants).

Similar to CY 2018, the infrastructure development (INFRA) sector accounted for the largest share of the active ODA portfolio with 58 percent (USD12.54 billion), followed by the social reform and community development (SRCD) sector with 18 percent (USD3.81 billion), the governance and institutions development (GID) sector with 15 percent (USD3.38 billion), the agriculture, agrarian reform, and natural resources (AARNR) sector with 8 percent (USD1.68 billion); and the industry, trade, and tourism (ITT) sector with the remaining 1 percent (USD0.20 billion).

Performance

FINANCIAL

All absorptive capacity indicators improved in CY 2019. Disbursement level, disbursement rate, and availment rate of the portfolio showed notable increases while disbursement ratio had a slight increase in comparison to the CY 2018 performance. Historically, loans' financial performance is at a decreasing trend, however, the portfolio performance is showing improvements for the past two years.

Specifically, overall disbursement level of the loans portfolio increased by 21 percent from USD 2.23 billion in CY 2018 to USD2.71 billion in CY 2019 mainly due to the increase in disbursements of project loans. Disbursement ratio barely increased in CY 2019 by 0.80 percentage point from 19.29 percent in CY 2018 to 20.09 percent in CY 2019. The disbursement rate of project loans portfolio exhibited a 6-percentage point increase from 58 percent in CY 2018 to 64 percent in CY 2019, however, the project loans portfolio still registered a disbursement shortfall. Availment rate of the project loans portfolio also performed better with a 6-percentage-point increase from 67 percent in CY 2018 to 73 percent in CY 2019. However, despite the improved performance, the project loans portfolio registered a USD1.46 billion net availment backlog.

On the other hand, for the grants portfolio, utilization level of the active grants reached USD0.83 billion, posting a utilization rate of 51 percent against the total grant amount of USD1.64 billion. This reflects a 19-percentage-point decrease in utilization rate compared to CY 2018 (70%).

PHYSICAL

Out of the 329 active ODA-assisted projects (61 loan-assisted projects and 268 grant-assisted projects), 62 were physically completed (19%); one was ahead of schedule (<1%); 217 were on schedule (66%); 40 were behind schedule (12%); eight have not yet started (>2%); and one project loan closed with incomplete outputs (<1%).

In terms of the physical status of the 61 loan-assisted projects, nine were physically completed, one was ahead of schedule, 25 were on schedule, 17 were behind schedule, one closed with incomplete outputs, and eight that have not yet started.

For the 268 grant-assisted projects, 53 were already completed, 192 were on schedule, and 23 were behind schedule.

Programs/Projects Results

For the CY 2019 ODA review, 54 programs and projects reported results that contributed to 41 sector outcome indicators in five chapters of the Philippine Development Plan 2017-2022 Results Matrices (PDP-RMs).

Key Implementation Issues

Various key implementation issues encountered by 54 projects in CY 2019 were discussed in the report.

Site Condition/ Availability

Three of the 33 issues related to site condition and availability (i.e., availability of project site, inadequacy of existing site structures, unanticipated geological conditions, right-of-way (RoWA) and land acquisition, resettlement, and peace and order concerns in the project area) which affected 24 projects were already resolved.

Procurement Issues

Nine of the 16 issues related to delays in procurement, which affected 16 projects were already resolved.

Government/Funding Institution Approvals

Four of the 12 issues related to government or funding institution approvals that affected 11 projects were already resolved.

Budget and Funds Flow

Five of the 16 issues related to budget and funds flow (i.e., absence, lack of, or inadequate funding, delayed fund releases, and adverse movement of interest or exchange rates) which affected 15 projects were already resolved.

Design, Scope, Technical Issues

Two of the eight issues related to design, scope, and technical (i.e., changes in project scope and specifications outside the agreed range and inadequate design resulting in facilities which are substandard or incapable of delivering services at anticipated cost and specified level) that affected eight projects were already resolved.

Performance of Contractor/Consultant

Five issues on the poor performance of contractor/consultant (e.g., failure to provide contracted service to required specifications or failure of contractor's financial and technical capacity to meet the project's financial demands and technical specifications) which affected four projects were not resolved in CY 2019.

Capacity of Project Management Office (PMO) and Other Implementing Partners

Two of the six issues related to the capacity of PMO and other implementing partner (e.g., recruitment, turnover of staff affecting project implementation, and low technical capacity to manage/implement the project) which affected six projects were already resolved.

Institutional Support

Three of the five issues related to inadequate support or coordination with stakeholders or implementing partners, which affected five projects were already resolved.

Project Uptake and Processing/ Approval of Sub-projects

Two issues on creating demand and processing approvals of sub-projects, which affected two projects have yet to be resolved.

Inputs and Cost

Seven issues on inputs and cost (e.g., unavailability of required quantities, inadequacy in the quality of inputs/materials, or higher cost of inputs against anticipated cost at project design) which affected six projects have yet to be resolved.

Other Implementation Issues

Three of the five issues related to legal matter or force majeure (e.g., major typhoons, flooding or earthquakes) which affected five projects were already resolved.

Actual Problem Projects in the Alert Mechanism

The NEDA's Enhanced Alert Mechanism, which identifies and flags projects that require priority monitoring and facilitation using 10 leading indicators on financial, physical, cost overrun, and stage of project implementation, covered a total of 63 ongoing Investment Coordination Committee (ICC)-approved ODA projects (61 loan-assisted and 2-grant assisted projects).

Thirty-two loan- and grant-assisted projects were flagged as actual problem projects for priority monitoring as of December 2019. Of these, 19 projects were identified to be in the critical stage (Alert Level II), having implementation issues that remained unresolved for at least six months (or two consecutive reporting quarters).

Assessment of Continued Viability of ODA Programs/Projects

The ICC/NEDA Board processed 15 agency requests for project re-evaluation in CY 2019 involving changes in cost and scope, extension of implementation and/or loan validity period, and loan reallocation.

For CY 2020, 31 projects implemented by eight agencies are expected to be restructured, covering extension of loan validity and/or implementation period, changes in scope, cost, implementation arrangements, and loan reallocation.

Lessons Learned

Experiences and lessons learned by agencies in the implementation of their respective projects specifically in the context of site/right-of-way acquisition, implementation arrangements, human resource, communications, cost, procurement, and adoption of technology were discussed in the Report.

Recommendations

Recommendations for implementing and oversight agencies, as well as development partners in the areas of project design, capacity development, budget requirements, and monitoring and evaluation were also discussed in the Report to further improve the performance of ongoing loan- and grant-assisted projects for CY 2020 and beyond. These include results monitoring to show how these projects are linked or contribute to the achievement of the PDP 2017-2022 objectives.

01

THE ODA PORTFOLIO REVIEW

Mandate

Republic Act (RA) No. 8182, also known as the ODA Act of 1996, as amended by RA 8555, mandated NEDA to conduct an annual review of the status of all projects financed by ODA and 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.

Objectives

In compliance with the above mandates, NEDA conducts annual reviews of the ODA portfolio to: (a) report on the status of all projects financed by ODA, including their budgetary requirements; (b) identify key implementation issues, problems, actual or prospective causes (e.g., procurement delays, cost overrun), and cross-cutting concerns that hamper project implementation; (c) report on actions taken by concerned agencies to facilitate project implementation; (d) report on projects requiring restructuring; (e) report results (outputs and outcomes) derived from implementing ODA programs and projects; and (f) formulate recommendations to improve portfolio performance.

Methodology

The Review covered all active ODA loan- and grant-assisted programs and projects with loans and grants that were either signed or became effective, and the supported programs and projects implemented or completed, or had the ODA financing closed from January 1, 2019 to December 31, 2019. This Review also covered projects of government-owned and controlled corporations (GOCCs)/government financial institutions (GFIs) funded by foreign lenders/development partners, wherein the borrowings are made pursuant to the original charters of GOCC/GFI or under special borrowing laws (amended Foreign Borrowings Act).

The review process involved online¹ consultations, discussions, and validation with 15 agencies involved in implementing the programs/projects. NEDA undertook the Review with oversight agencies (OAs) namely the Department of Budget and Management (DBM), Department of Finance (DOF), and Commission on Audit (COA) along with various development partners (DPs).

Structure

This Report is organized into eight (8) sections inclusive of this introduction.

- **Section 2** provides an overview of the ODA portfolio in CY 2019, with specific updates on ODA-funded infrastructure flagship projects (IFPs) implemented under the Build, Build, Build Program.
- **Section 3** reports on the financial performance of the ODA portfolio including the multi-year budgetary requirement of implementing agencies (IAs) as well as the physical performance of the ODA portfolio.
- **Section 4** reports on results (outcomes and outputs).
- **Section 5** discusses key implementation issues and problematic projects in CY 2019.
- **Section 6** provides an assessment of the continued viability of ODA programs/projects.
- **Sections 7 and 8** present the important lessons learned from project/program implementation and the recommendations for 2020 and beyond, respectively.

¹ In view of the imposition of the enhanced community quarantine (ECQ) in Luzon (including its associated islands) beginning on March 16, 2020 until May 15, 2020 and the modified ECQ from May 16 to 31, 2020 which restricted the movement of the population except for necessity, work, and health circumstances, in response to the growing pandemic of coronavirus disease 2019 (COVID-19) in the country, consultations were conducted using various digital platforms such as email, online messaging, video conferencing, SMS etc.

02

THE CY 2019 ODA PORTFOLIO

The total ODA portfolio as of December 2019 amounted to USD21.62 billion, consisting of 84 loans worth USD19.98 billion (92% of the total portfolio), and 268 grants worth USD1.64 billion (8% of the total portfolio). These ODA support 76 loan-assisted programs and projects and 268 grant-assisted projects (Table 2.1).

Table 2.1 Composition of the ODA Portfolio

ODA	Count	Net Commitments (in USD billion)	Number of Programs/Projects Supported by ODA
Loans	84	19,976.35	76
Programs	15	5,295.20	15
Projects	69	14,681.15	61
Grants	268	1,641.18	268
Projects	268	1,641.18	268
TOTAL	352	21,617.53	344
Programs	15	5,295.2	15
Projects	337	16,322.33	329

Based on available data on the 61² projects, the total cost of projects as approved by the ICC and financed by the active ODA loans in CY 2019 amounted to PHP1.95 trillion, of which PHP445.50 billion or 23 percent was funded by Government counterpart. Further shown are the percent share of each fund category to the total project cost of the entire portfolio (Table 2.2). See Annex 2-A for the list of ODA loan assisted projects in 2019 and their ICC-approved total project cost).

² Program loans were excluded in the analysis as program loans generally have no government counterpart.

Table 2.2 Share of Various Fund Categories to the Project Loans Portfolio

Fund Category	Amount (in PHP million)	Percent Share to Total Portfolio
Loan Proceeds	1,450,924.31	74.56
Grant Proceeds	2,433.40	0.13
Government of the Philippines Counterpart	445,500.77	22.90
Private Sector Counterpart	39,565.31 ³	2.03
LGU/ Beneficiary Counterpart	7,443.14	0.38
Total Project Cost	1,945,866.93	100.00

ODA Distribution

By Implementing Agency

As of CY 2019, the Department of Transportation (DOTr) had the largest share of the active ODA portfolio with 38 percent (USD8.19 billion for 19 loans and 5 grants), followed by the Department of Public Works and Highways (DPWH) with 16 percent (USD 3.40 billion for 22 loans and 8 grants), and the Department of Finance (DOF) with 15 percent (USD 3.21 billion for 10⁴ loans and 5 grants). Table 2.3 presents the ODA distribution by implementing agency.

Table 2.3 ODA Distribution by Implementing Agency

IA	Loans	Grants	Total Count	Loan Net Commitment (USD million)	Grant Amount (USD million)	Total ODA (USD million)	% Share on Total ODA
DOTR	19	5	24	8,180.24	8.47	8,188.71	37.88
DPWH	22	8	30	3,267.47	129.50	3,396.97	15.71
DOF	10	5	15	3,150.00	55.65	3,205.65	14.83
DSWD	5	11	16	1,913.88	40.03	1,953.91	9.04
DepEd	3	13	16	895.20	251.59	1,146.79	5.31
DA	4	37	41	711.81	59.65	771.46	3.57
DOLE	1	11	12	400.00	22.90	422.90	1.96

³ For DOTr Projects

⁴ The 10 loans consist of eight program loans and two project loans.

IA	Loans	Grants	Total Count	Loan Net Commitment (USD million)	Grant Amount (USD million)	Total ODA (USD million)	% Share on Total ODA
NIA	4	-	4	384.90	-	384.90	1.78
LANDBANK	2	4	6	320.33	18.75	339.08	1.57
MWSS	2	1	3	278.54	1.00	279.54	1.29
DOH	-	21	21	-	237.76	237.76	1.10
DENR	3	16	19	160.30	60.82	221.12	1.02
DAR	3	1	4	115.57	2.20	117.77	0.55
LWUA	1	2	3	60.00	3.00	63.00	0.29
DTI	1	1	2	62.90	-	62.90	0.29
DOE	2	3	5	29.23	25.20	54.43	0.25
PCC	1	-	1	23.30	-	23.30	0.11
DILG	1	-	1	22.68	-	22.68	0.10
Other IAs ⁵	-	67	67	-	336.04	336.04	1.55
DP-Implemented ⁶	-	36	36	-	213.54	213.54	0.99
LGU-Implemented ⁷	-	15	15	-	103.44	103.44	0.48
Multi-Agency	-	11	11	-	71.64	71.64	0.33
Grand Total	84	268	352	19,976.35	1,641.18	21,617.53	100.00

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 (ITT); infrastructure development (INFRA); and social reform and community development (SRCD).

⁵ Other IAs include BARMM with nine projects, NEDA with eight projects, DILG with five projects, CCC and MINDA with four projects, CHR, OPAPP, TESDA, and NDRRMC with three projects each, DOJ, POPCOM, SC, SEC, and CWC with two projects each, and BSP, DOST, PPP Center, PAGASA, PEMSEA, NEA, PNP, PCW, COA, UPLB, UPMin, PAGRO, OCD, NCC, and ECCD with one project each.

⁶ DP-implemented projects are grants that are administered by the DPs including Australia, Canada, EU, IOM, UN Habitat, UNDP, UNIDO, and WHO.

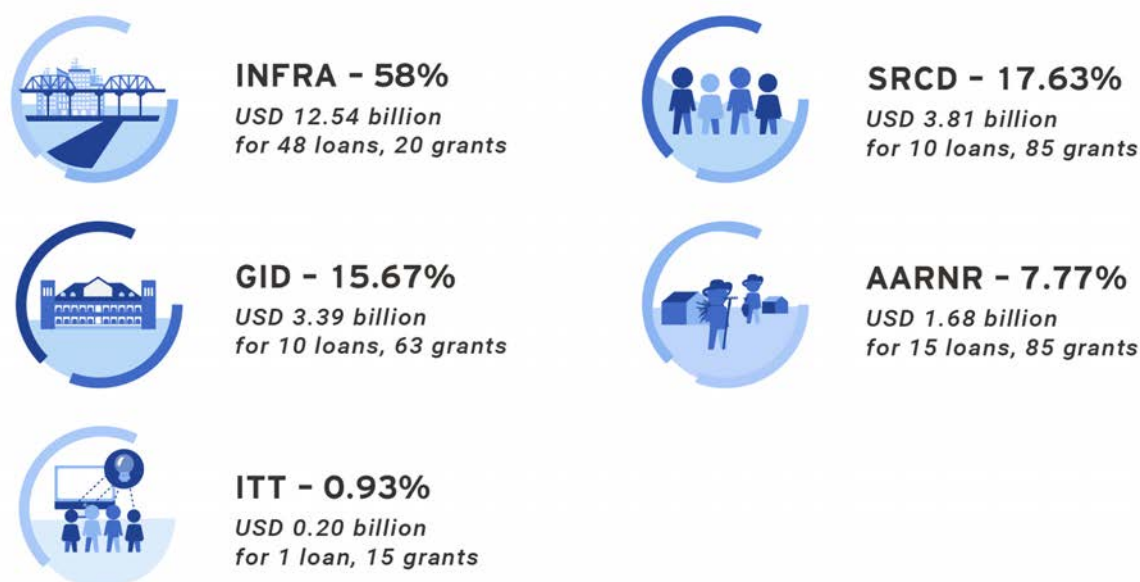
⁷ LGU-implemented grants are administered by the LGUs such as Metro Manila, ARMM, BARMM, Cagayan Valley, MIMAROPA, Bicol Region, Western Visayas, Northern Mindanao, Davao Region, SOCCSKSARGEN, and Caraga Region.

Table 2.4 Sector Classification by Activities/Components

Sector	Key Activities/Components
 <p>AARNR</p>	Farm-to-market roads and bridges, irrigation systems/facilities, agriculture and enterprise development, agricultural credit, multi-purpose buildings, flood protection, solar driers, warehouses, potable water supply, watershed conservation, forest management and agro-forestry, agribusiness, and environmental management (e.g., climate change, disaster risk reduction)
 <p>GID</p>	Tax reforms, human resource development and management, judicial reforms, and local governance
 <p>ITT</p>	Trade and investment, environmental technologies in industries, and microfinance and microenterprise development
 <p>INFRA</p>	Power, energy, electrification, information communications technology, air, land (roads and bridges), rail, and water transportation, flood control and drainage, solid waste management, water supply and sanitation, and other public works (e.g., public markets, bus terminals)
 <p>SRCD</p>	Primary, secondary, and tertiary education, technical and vocational education training, arts, culture, and humanities education, maternal and child health services, hospital services, nutrition and population, social welfare and development, multi-purpose buildings, school buildings, potable water supply, and water, sanitation and hygiene

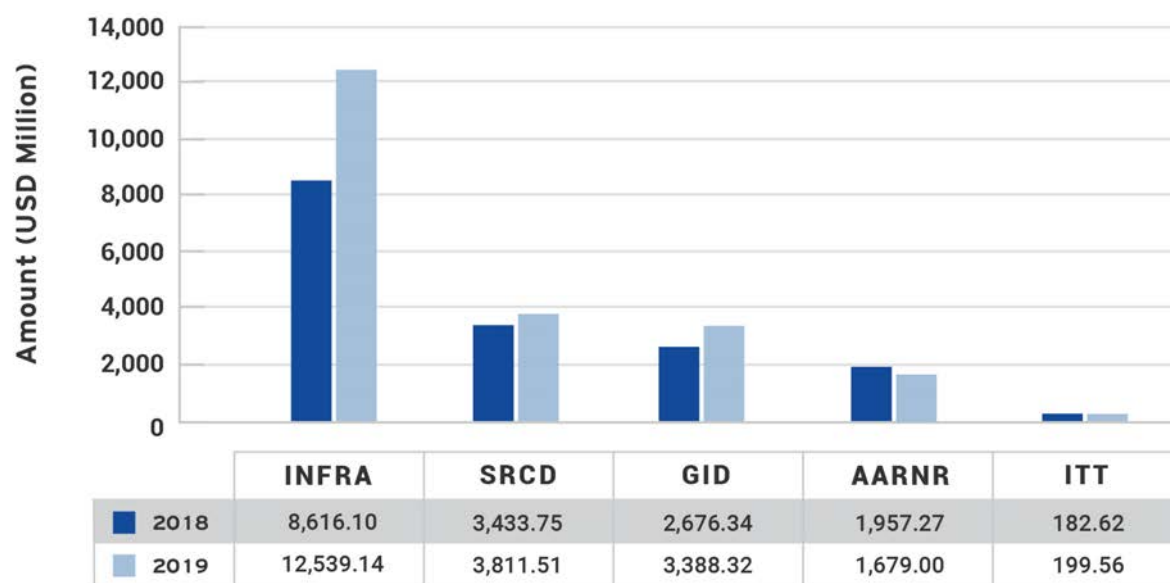
The INFRA sector accounted for the largest share of the active ODA portfolio with 58 percent (USD12.54 billion), followed by the SRCD sector with 18 percent (USD3.81 billion), the GID sector with 16 percent (USD3.39 billion), the AARNR sector with eight (8) percent (USD1.68 billion), and the ITT sector with the remaining 1 percent (USD0.20 billion) (see Figure 2.1 for loans and grants distribution by sector and Annex 2-B for the distribution of ODA loans by sector and subsector).

Figure 2.1 ODA Loans and Grants Distribution by Sector in CY 2019



Year-on-year (CY 2018 and CY 2019) comparison shows that, INFRA sector investment significantly increased in CY 2019, from USD8.62 billion to USD12.54 billion and maintained the highest share on total investments. AARNR posted a slight decrease in sector investment while SRCD, GID, and ITT showed improvements in CY 2019 (see Figure 2.2).

Figure 2.2 Year-on-year (CY 2018 and CY 2019) ODA Classification by Sector



By Region

Box 2.1 ODA Classification by Area Coverage

The three major classifications of area coverage are (a) nationwide; (b) multi-regional; and (c) region-specific. Region-specific programs/projects are implemented in only one region, multi-regional programs/projects are implemented in all regions of the country.

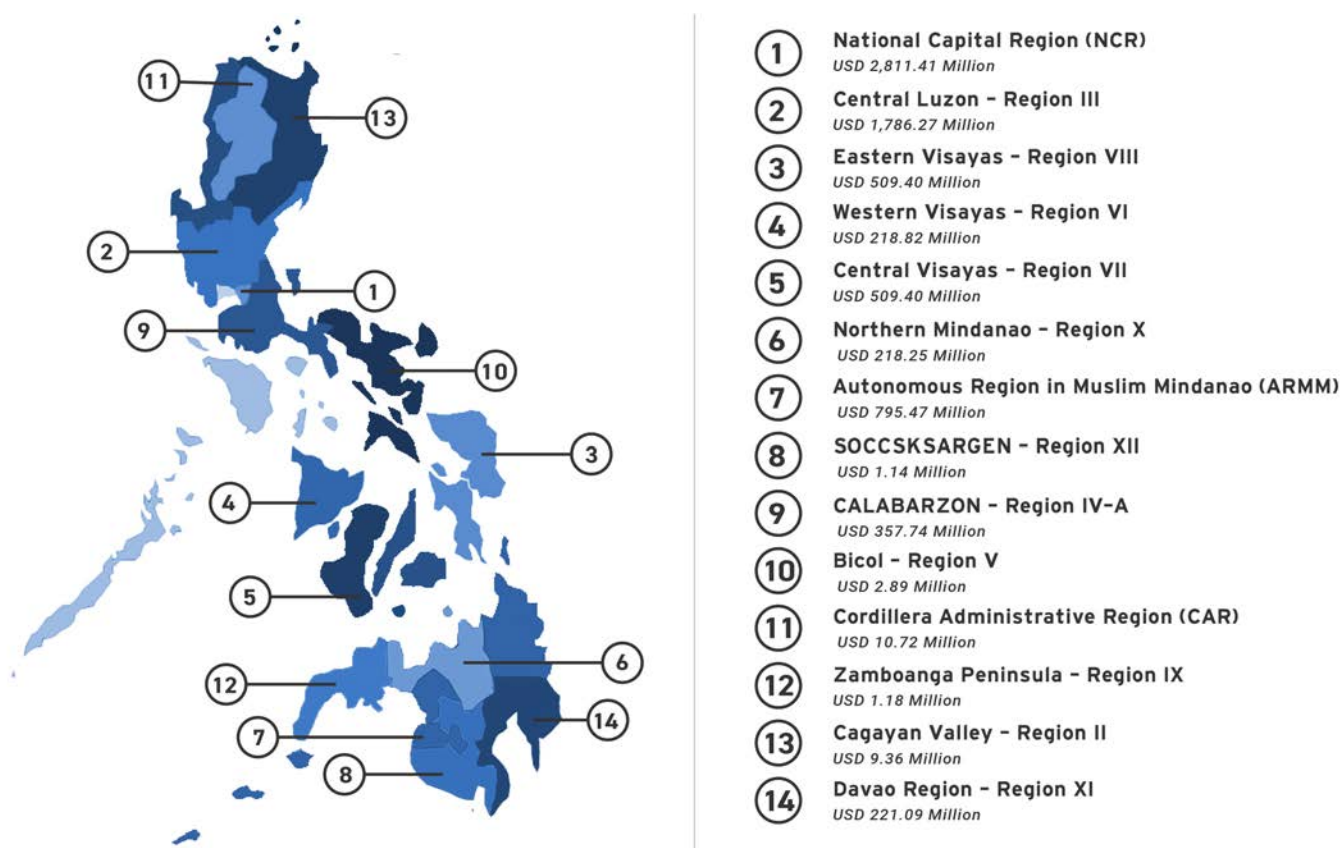
Multi-regional ODA programs/projects had the largest share of the total active ODA portfolio as of end-CY 2019 with 36 percent share (USD7.75 billion), followed by region-specific programs and projects with 32 percent share (USD6.98 billion), and programs and projects implemented nationwide with 32 percent share (USD6.88 billion). Table 2.5 shows the ODA distribution by area coverage.

Table 2.5 Distribution of ODA Loans and Grants by Area Coverage

Coverage	Loans		Grants		Total		
	Count	Net Commitment (USD million)	Count	Net Commitment (USD million)	Count	Net Commitment (USD million)	% Share on Amount
Nationwide	25	6,186.14	141	696.75	166	6,882.89	31.84
Programs	13	4,700.00	-	-	13	4,700.00	21.74
Projects	12	1,486.14	141	696.75	153	2,182.89	10.10
Multi-regional	25	7,182.09	65	572.15	90	7,754.24	35.87
Programs	13	295.2	-	-	13	295.20	1.37
Projects	12	6,886.89	65	572.15	77	7,459.04	34.50
Region-specific	34	6,608.12	62	372.28	96	6,980.40	32.29
Programs	1	300.00	-	-	1	300.00	1.39
Projects	33	6,308.12	62	372.28	95	6,680.40	30.90
TOTAL	84	19,976.35	268	1,641.18	352	21,617.53	100.00

Meanwhile for region-specific programs and projects, the top five regions with the largest share of the ODA portfolio were NCR (40%), Central Luzon (26%), ARMM (11%), Central Visayas (7%), and CALABARZON (5%). Figure 2.3 provides the distribution and the respective ODA net commitment for region-specific ODA programs and projects in CY 2019.

Figure 2.3 Distribution of Region-specific ODA Loans and Grants in CY 2019



By Fund Source

Japan provided the bulk of ODA assistance to the country accounting for 39 percent share (USD8.51 billion for 41 loans/grants) of the active ODA portfolio, followed by ADB with 26 percent (USD5.70 billion for 44 loans/grants) and WB with 20 percent (USD4.31 billion for 25 loans/grants). Table 2.6 provides the percentage distribution of active ODA by fund source.

Table 2.6 Total ODA by Fund Source in USD million

Fund Source	Loans*	Grants	Total Count	Loan Net Commitment (USD million)	Grant Amount (USD million)	Total ODA (USD million)	% Share on Amount
Japan	27	14	41	8,462.07	51.91	8,513.98	39.39
ADB	22	22	44	5,603.79	99.75	5,703.54	26.38
WB	16	9	25	4,251.67	54.03	4,305.70	19.92
Korea	5	8	13	581.77	48.8	630.57	2.92
China	3	2	5	493.08	97.27	590.35	2.73
USA	-	52	52	-	577.71	577.71	2.67
UN System ⁸	5	110	115	146.90	202.35	349.25	1.62
Australia	-	27	27	-	289.63	289.63	1.34
AIIB	1	-	1	207.61	-	207.61	0.96
France	2	3	5	142.22	5.22	147.44	0.68
EU	-	5	5	-	138.15	138.15	0.64
Germany	-	4	4	-	43.05	43.05	0.20
Italy	1	2	3	34.56	5.48	40.04	0.19
Austria	1	-	1	30.00	-	30.00	0.14
OFID	1	-	1	22.68	-	22.68	0.10
Canada	-	3	3	-	14.14	14.14	0.06
Spain	-	6	6	-	9.8	9.80	0.04
New Zealand	-	1	1	-	3.89	3.89	0.02
Grand Total	84	268	352	19,976.35	1,641.18	21,617.53	100.00

ODA on Climate Change (CC) Adaptation and Mitigation and Disaster Risk Reduction (DRR)

IAs identified 59 loans and grants-supported interventions that have components on CC strategies/ interventions and DRR (supporting 32 projects) with a total cost of PHP165.37 billion (Table 2.7). The complete list of loans and grants supporting CC mitigation/adaptation and DRR is provided in Annex 2-C.

⁸ UN System is composed of FAO, IFAD, ILO, IOM, UN HABITAT, UN WOMEN, UNDP, UNFPA, UNICEF, UNIDO, UNOPS, WFP, and WHO. The loan under the UN System refers to the IFAD loans.

Table 2.7 ODA Addressing Climate Change Adaptation and Mitigation and Disaster Risk Reduction⁹

Climate Change (CC) and Disaster Risk Reduction (DRR) Initiatives	Fund Source				Total	
	Loans		Grants			
	Count	Cost (PHP million)	Count	Cost (PHP million)	Count	Cost (PHP million)
CC Adaptation	16	32,197.95	14	343.21	30	32,541.16
CC Mitigation	5	2,177.43	10	6,107.03	15	8,284.46
DRR	10	124,468.34	3	61.25	13	124,529.59
CC Adaptation and Mitigation and DRR	-	-	1	16.52	1	16.52
Total by Component	31	158,843.72	28	6,528.01	59	165,371.73

Box 2.2 Climate Change Adaptation and Mitigation and Disaster Risk Reduction

The Climate Change Act of 2009 (RA 9729 as amended by RA 10171) and National Framework Strategy on Climate Change 2010-2022 defines climate change (a) adaptation; and (b) mitigation strategies as follows:

- **Adaptation** – adjustments in natural or human systems in response to actual or expected climatic stimuli or impacts, which moderates harm or exploits beneficial opportunities. Some mitigation measures include: (a) integrated ecosystem-based management; (b) water governance and management; (c) promotion of a climate-responsive agriculture; (d) support climate-responsive health sector; and (e) encourage climate proofing infrastructure.
- **Mitigation** – human intervention to reduce anthropogenic emission sources and enhance removals by sinks of all greenhouse gases, including ozone-depleting substances and their substitute. Some of the mitigation measures include: (a) energy efficiency and conservation; (b) realization of the full potential of the country's renewable energy; (c) improvement of the transport sector through the uptake of alternative fuels and expansion of mass transport systems; (d) making use of energy-efficient design and materials for public expenditure and settlements; (e) reduction of emissions from deforestation and forest degradation; and (f) waste management.

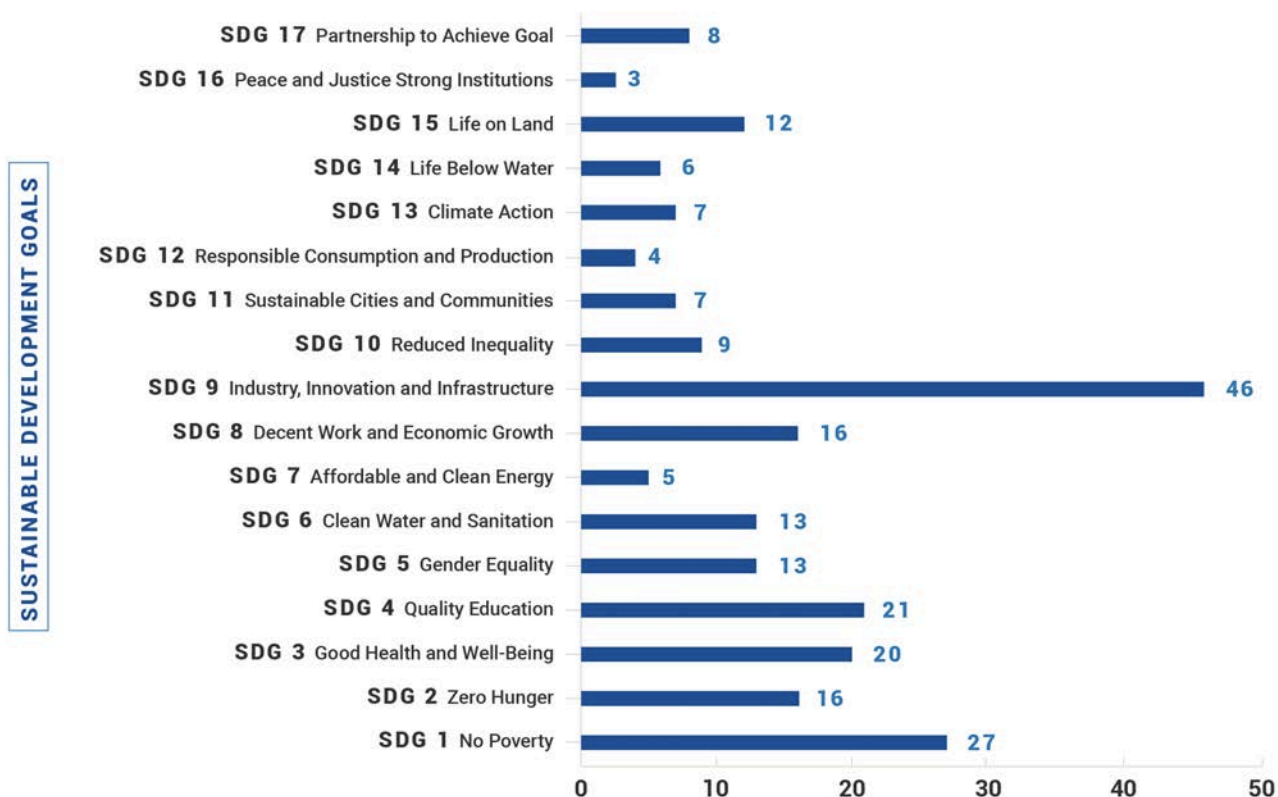
Meanwhile, disaster risk reduction (as defined under RA 10121) refers to the concept and practice of reducing disaster risks through systematic efforts to analyze and manage the causal factors of disasters, including through reduced exposures to hazards, lessened vulnerability of people and property, wise management of land and the environment, and improved preparedness for adverse events.

⁹ A program/project may have more than one CC and DRR initiatives.

Sustainable Development Goals (SDGs)

For CY 2019, a total of 117 programs and projects which are financed by 58 loans and 59 grants supported the achievement of the 17 SDGs. The top three SDGs supported by ODA loans and grants are SDG 9 (Industry, Innovation and Infrastructure), SDG 1 (No Poverty), and SDG 4 (Quality Education), with 46, 27, and 21 ODA programs and projects, respectively (Figure 2.4). See Annex 2-D for the list of ODA loans and grants supporting the SDGs.

Figure 2.4 ODA Programs and Projects Supporting the Sustainable Development Goals (SDGs)



*A program/project may be counted in more than one SDG.

Box 2.3 Sustainable Development Goals (SDGs)

Built on the success of the Millennium Development Goals and anchored on the 2030 Agenda, the SDGs are universal set of goals aimed towards ending poverty, protecting the planet, and ensuring that all people enjoy peace and prosperity. Adopted in September 2015 and made effective in January 2016, 193 partner countries of the United Nations commit to uphold the achievement of the following goals by 2030:



Promoting Gender-Responsiveness of Projects

Pursuant to RAs No. 7192 (Women in Development and Nation-Building Act) and 9710 (Magna Carta of Women), NEDA has been tracking the amount of ODA allotted for gender-responsive programs and projects since 2007. RA 9710 specifically provides that “5-30 percent of funds received from foreign investments and multilateral agencies are in support of gender-responsive programs and projects.” The Harmonized Gender and Development (GAD) Guidelines has been used as the tool in monitoring the gender-responsiveness of ODA programs and projects.

For 2019, about 82 percent of the ODA portfolio with available GAD classification was accounted to be gender-responsive and gender-sensitive, with a total project cost of PHP603.05 billion (Table 2.7). Those with promising GAD prospects comprised 15 percent while 3 percent registered as projects with invisible GAD initiatives. The complete list is provided in Annex 2-E.

Table 2.8 Classification of ODA Projects by Gender-Responsiveness

Classification	Projects			
	Count	% Share	Total Project Cost (PHP M)	% Share
Gender-responsive	12	30.00	568,366.62	77.00
Grants	8		566,025.09	
Loans	4		2,341.53	
Gender-sensitive	11	28.00	34,681.35	5.00
Grants	3		30,558.53	
Loans	8		4,122.82	
With promising GAD prospects	12	30.00	113,657.26	15.00
Grants	8		107,248.45	
Loans	4		6,408.81	
GAD is invisible in the project	5	13.00	22,909.47	3.00
Grants	2		19,093.67	
Loans	3		3,815.80	
TOTAL	40	100.00	739,614.70	100.00

Thirteen implementing agencies with ODA loans and grants rated the projects in terms of gender-responsiveness. These are the Department of Agriculture (DA), Department of Agrarian Reform (DAR), Department of Environment and Natural Resources (DENR), Department of Education (DepEd), Department of the Interior and Local Government (DILG), Department of Energy (DOE), Department of Health (DOH), Department of Labor and Employment (DOLE), Department of Transportation (DOTr), Department of Public Works and Highways (DPWH), Department of Social Welfare and Development (DSWD), Land Bank of the Philippines (LANDBANK), and Public-Private Partnership Center (PPP) Center.

ODA Status

ODA Loans

The loans portfolio in CY 2019 amounted to USD19.98 billion for 15 program loans and 69 project loans worth USD5.30 billion and USD14.68 billion, respectively. The amount is net of USD574.05 million loan cancellations. The 69 project loans supported 61 projects, of which, seven projects supported by two loans each, one project supported by three loans, and one loan supporting two projects. Annex 2-F provides the list of loans and Annex 2-G provides the description of loan-supported programs and projects.

Box 2.4 Concessionalities of ODA Loans to the Philippines

The grant element is a measure of the concessionalities 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 (OECD).

Pursuant to the amended RA 8182 (ODA Act), ODA must contain a grant element of at least 25 percent. The DOF computes for the grant element of direct loans of the National Government (NG); hence, excludes foreign borrowings/foreign loans of GOCCs/GFIs (usually guaranteed by the NG), which are incurred pursuant to their original charter or under special borrowing laws (e.g., Foreign Borrowings Act, as amended).

For the 16 newly signed direct loans of the NG in 2019, the weighted average grant element computed by DOF is 61 percent. The financing terms of development partners, such as interest rate, maturity (interval to final payment), and grace period interval to first payment of capital, are presented in Annex 2-H. Annex 2-I presents the grant element of all active ODA loans as of 2019.

Source: DOF

The loans portfolio in CY 2019 increased by USD5.52 billion from USD14.46 billion in CY 2018 to USD 19.98 billion in CY 2019. Sixteen loans (six program loans and 10 project loans) amounting to USD6.11 billion were newly signed in 2019 while the remaining 68 (nine program loans and 59 project loans) amounting to USD13.87 billion have been in active status or continuing from previous years. A comparison of the CY 2018 and CY 2019 ODA loans portfolios by status is shown in Table 2.9. Annex 2-J shows the historical data on the magnitude of the ODA loans portfolios in the past 10 years.

Box 2.5 2019 ODA Loans Net Commitment in Original Currency

Loans were contracted in their original currencies as follows:

Currency	Loan Count	Amount in Original Currency (millions)	Amount in USD million
USD	46	10,861.41	10,861.41
JPY	26	897,931.00	8,260.03
KRW	5	684,035.34	581.77
EUR	6	230.35	254.92
SDR*	1	13.25	18.22
Total	84	1,593,071.36	19,976.35

*Special Drawing Rights

For the purpose of analysis and reporting, the non-USD denominated loans were converted to USD using the Bangko Sentral ng Pilipinas' average monthly foreign exchange rates for the last quarter of 2019.

Table 2.9 CY 2018 and CY 2019 Status of ODA Loans in USD million by Loan Type

Status	Programs				Projects			
	CY 2018		CY 2019		CY 2018		CY 2019	
	Amount (USD million)	Count	Amount (USD million)	Count	Amount (USD million)	Count	Amount (USD million)	Count
Continuing	2,669.25	8	3,145.20	9	8,415.19	55	10,721.79	59
Closed	719.25	3	1,645.20	5	650.21	7	850.75	9
Terminated ¹⁰	-	-	-	-	33.18	2	-	-
Newly Effective	-	-	-	-	-	-	211.21	1
Ongoing	1,950.00	5	1,500.00	4	7,731.80	46	9,659.83	49
New	900.00	3	2,150.00	6	2,480.44	10	3,959.36	10
Closed	-	-	450.00	1	-	-	-	-
Newly Effective	600.00	2	300.00	1	1,893.22	7	3,314.24	6
Not Yet Effective	300.00	1	1,400.00	4	587.22	3	645.12	4
TOTAL	3,569.25	11	5,295.20	15	10,895.62	65	14,681.15	69

¹⁰ The two terminated projects in 2018 are (a) Integrated Marine Environment Monitoring System Phase 2 (PHILO Project Phase 2) and (b) Inclusive Partnerships for Agricultural Competitiveness.

Of the 16 new loans in CY 2019, seven became effective (one program loan and six project loans), eight were signed but not yet effective (four program loans and four project loans), while one program loan closed as of December 2019. Further, looking on the annual comparison of ODA loans (see Table 2.10) from 2017 to 2019, a steady increase in both the new and completed loans is observed.

Table 2.10 Status of Loans in USD million CY 2017-2019

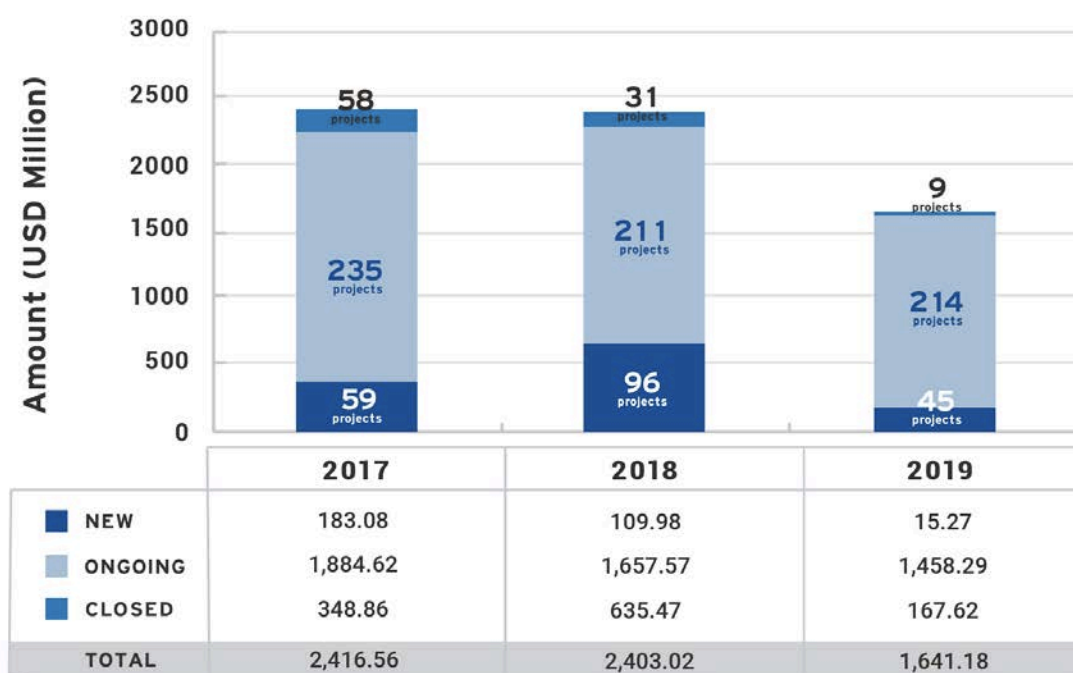
Status	2017		2018		2019	
	Amount (USD million)	Count	Amount (USD million)	Count	Amount (USD million)	Count
Continuing	10,682.97	59	11,084.44	63	13,866.99	68
Closed	1,093.35	7	1,369.46	10	2,495.95	14
Terminated	-	-	33.18	2		
Not Yet Effective	33.58	1	-	-		
Newly effective	-	-	-	-	211.21	1
Ongoing	9,556.04	51	9,681.80	51	11,159.83	53
New	1,641.61	11	3,380.44	13	6,109.36	16
Closed	-	-	-	-	450	1
Newly Effective	168.24	8	2,493.22	9	3614.24	7
Not Yet Effective	1,473.37	3	887.22	4	2045.12	8
TOTAL	12,324.58	70	14,464.88	76	19,976.35	84

ODA Grants

The ODA Grants portfolio as of CY 2019 consisted of 268 ¹¹ active ODA grant-assisted projects with assistance from 27 development partners (DPs). Covered in this Report are nine new and 259 active grants continuing from previous years with a total grant amount of USD1.64 billion. Of the continuing grants, 214 are still ongoing while 45 already closed in 2019 (see Figure 2.5). The total number of active grant-assisted projects decreased as observed from 338 projects as of year-end CY 2018 to 268 projects as of December 2019. In effect, there was a decline in the total grant amount as of December 2019 is lower than the cumulative grant amount during the same period last year. Annex 2-K provides the list of ODA grants covered in the Report.

¹¹ Data of grant projects with total grant amount of PHP250.00 million and above were requested from the agencies.

Figure 2.5 ODA Grants Magnitude in USD million (CY 2017 to CY 2019)



Box 2.6 Other Development Partners-Assisted Programs and Projects (Non-ODA)

This Report only covers development partners' (DPs) assistance where the Government of the Philippines is the implementing/executing agency, and/or a direct beneficiary.

Meanwhile, 14 DPs provided supplemental information on grants channeled through civil society organizations including non-government organizations and private sector groups. There were 92 programs/projects reported with total amount of USD812.40 million (see Annex 2-L for the list of non-ODA grants).

Infrastructure Flagship Projects

Background

To support a higher growth trajectory and improve the quality of life in both urban and rural communities, infrastructure development remains among the top priorities of the government over the medium term. Spending on infrastructure is being intensified while addressing persistent

issues and challenges hampering implementation, so that the so-called “Golden Age of Infrastructure” will form part of a solid foundation for reaching the country’s *AmBisyon Natin* 2040.¹²

To usher in this golden age of infrastructure and increase the pace of growth, intensify inclusion, reduce poverty and attract foreign investment, the Duterte Administration launched the Build Build Build Agenda which is seen to address the poor quality of infrastructure and promote transparency and efficiency of major infrastructure agencies in implementing government infrastructure projects according to schedule.¹³

Out of the 5,586 infrastructure programs/projects/activities listed in the 2017-2022 Public Investment Program, there were 75 game-changing and high-impact infrastructure projects identified by the NEDA Board Committee on Infrastructure (INFRACOM) and the Investment Coordination Committee (ICC) as flagship projects. The list of 75 infrastructure flagship projects (IFPs) was adopted by the NEDA Board on June 27, 2017.

By the third quarter of 2019, the government initiated the updating of the list of flagship projects as part of the midterm review/assessment of the Build Build Build Agenda. The updating was necessary to ensure the relevance and responsiveness of the government’s flagship projects to the development objectives of the country for the medium-term. The updated list now contains 100 IFPs, wherein 35 projects were retained from the original 75, while 65 new projects were added.

The IFPs are expected to greatly contribute in achieving the country’s development goals by enhancing connectivity and promoting growth centers outside the urban-industrial region centered around Metro Manila. The total investment requirement for these projects is estimated at PHP4.35 trillion.

In addition, a Knowledge Management System is being developed for monitoring and evaluation of the IFPs. The system will serve as the database of the IFPs, allowing for data encoding, report generation, and estimation of risks and delays in project implementation. Implementing agencies are expected to encode and upload the latest project updates to the system to capture real-time monitoring information on the IFPs.

¹² PDP 2017-2022

¹³ Aide Memoire on the Government’s Build Build Build Program, NEDA Infrastructure Staff (May 8, 2020)

IFPs by Source of Financing

As of December 31, 2019, a total of 53 projects worth PHP2.50 trillion (57.34%) are to be implemented through ODA, 17 projects (2.37%) worth PHP103.15 billion through government funds, 29 projects (38.80%) worth PHP1.69 trillion through public-private partnership (PPP) (including unsolicited scheme) and one project (1.49%) to be implemented by mixed financing (ODA and PPP) worth PHP64.90 billion. Table 2.11 provides the breakdown of IFPs by mode of financing.

Table 2.11 IFPs by Source of Financing

Mode of Financing	Number of Projects	Indicative Cost (in PHP billion)	Share (%)
ODA	53	2,495.09	57.34
GAA	17	103.15	2.37
PPP	29	1,688.60	38.80
ODA and PPP	1	64.92	1.49
TOTAL	100	4,351.76	100.00

Status of ODA-funded IFPs

As of end 2019, there were 27 IFPs (51% of the 53 projects) with a total investment requirement amounting to PHP1.61 trillion funded through ODA. The 27 IFPs are supported by 26 ¹⁴ active loans and grant, with four projects funded through Korean assistance, 12 projects through Japan assistance, four projects through ADB, two projects through WB, and four projects through China assistance. Meanwhile, one project was funded through mixed (ADB and JICA) financing.

In terms of project implementation status, ¹⁵ 27 projects were in various stages of implementation: procurement (eight projects), detailed engineering design (eight projects) and ongoing construction (11 projects) as seen in Table 2.12.

¹⁴ LRT Line 1 South Extension and LRT Line 2 East Extension are under one loan, "Capacity Enhancement of Mass Transit Systems in Metro Manila"

¹⁵ As of May 2020

Table 2.12 IFPs with Active Loans and Grants

Project Title/ IA	Total Project Cost (PHP million)	Net Loan/Grant Commitment (USD million)	Project Status
Korea (Loan)			
New Cebu International Container Port/ DOTr	9,195.00	172.64	DED
Pangul Bay Bridge Project/ DPWH	7,375.34	100.13	DED
Samar Pacific Coastal Road Project/ DPWH	1,126.04	20.63	Ongoing Construction
Integrated Disaster Risk Reduction – Climate Change Adaptation Measure in the Low-lying Areas in Pampanga Bay/ DPWH	6,150.78	80.48	Ongoing Construction
Japan (Loan)			
Metro Manila Subway Project - Phase 1/ DOTr	356,964.17	925.29	Procurement
Metro Rail Transit Line 3 Rehabilitation/ DOTr	21,965.65	350.49	Ongoing Construction
North South Commuter Railway Project/ DOTr	149,130.00	2,226.07	Procurement
Metro Manila Priority Bridges for Seismic Improvement Project/ DPWH	7,933.00	89.99	Procurement
Davao City Bypass Construction Project/ DPWH	48,804.54	219.91	Procurement
Arterial Road Bypass Project Phase III/ DPWH	5,260.64	86.46	Ongoing Construction
Road Network Development Project in Conflicted-Areas in Mindanao/ DPWH	14,302.00	202.04	Procurement
Cavite Industrial Area-Flood Risk Management Project/ DPWH	9,891.50	146.52	DED
Pasig Marikina River Improvement Channel Project Phase IV/ DPWH	33,097.58	348.69	DED
Capacity Enhancement of Mass Transit Systems in Metro Manila (LRT Line 1 South Extension Project)/DOTr	64,915.43	397.87	Ongoing Construction
Capacity Enhancement of Mass Transit Systems in Metro Manila (LRT Line 2 East Extension Project)/DOTr	9,510.66		Ongoing Construction

Project Title/ IA	Total Project Cost (PHP million)	Net Loan/Grant Commitment (USD million)	Project Status
JICA (Grant)			
Reconstruction and Development Plan for Greater Marawi/ DPWH	970.00	0.08*	Ongoing Construction
ADB			
Angat Water Transmission Improvement Project/ MWSS	3,290.00	67.33	Ongoing Construction
Improving Growth Corridors in Mindanao Road Sector Project (Tawi-Tawi Interlink Bridges)/ DPWH	1,802.00	380.00	DED
Improving Growth Corridors in Mindanao Road Sector Project (Guicam Bridge)/ DPWH	1,175.00		DED
Emergency Assistance for Reconstruction and Recovery of Marawi/ DPWH	6,835.00	100.00	Ongoing Construction
ADB and JICA			
North-South Commuter Railway Extension Project/ DOTr	628,420.89	2,838.06	Procurement
WB			
Cebu Bus Rapid Transit/ DOTr	16,309.11	141.00	Procurement
Metro Manila Bus Rapid Transit/ DOTr	5,463.38	64.60	DED
China (Grant)			
Binondo-Intramuros Bridge and Estrella-Pantaleon Bridge/ DPWH	5,947.10	56.48*	Ongoing Construction
China (Loan)			
Chico River Pump Irrigation Project/ NIA	4,372.90	62.09	Ongoing Construction
New Centennial Water Source - Kaliwa Dam Project/ MWSS	12,200.01	211.21	DED
PNR South Long Haul/ DOTr	175,318.00	219.78	Procurement
TOTAL	1,607,725.72	9,451.28	

*Grant amount

03

PERFORMANCE

Loans Financial Performance

Loans financial performance was measured using four absorptive capacity 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 or draw-downs from loan proceeds for a given year.

Disbursement Rate is defined as the actual disbursement level as a percentage of target disbursement for the year.

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, a project in its initial stage would register a close-to-zero availment rate. A project that has an availment rate closer to 100 percent signifies that it is likely on track, catching up, or past midway its implementation. Meanwhile, a project that is about to close, but still registers a comparably low availment rate, reflects that it has a large disbursement backlog and may require loan restructuring subject to ICC/NEDA Board action.

Disbursement Ratio is the ratio of actual disbursements for a given year to the loan balance available at the beginning of the year inclusive of newly effective loans. Disbursement ratio increases or improves with an increase in actual disbursement.

Source: NEDA-Monitoring and Evaluation Staff

CY 2019 Financial Performance

All absorptive capacity indicators improved in CY 2019 (see *Table 3.1*). Disbursement level, disbursement rate, and availment rate of the portfolio showed notable increases while disbursement ratio had a slight increase in comparison to the CY 2018 performance. Annex 3-A provides the details on ODA loans financial performance for CY 2019. Historically loan performance is at a decreasing trend in the past 10 years. However, the portfolio performance showed improvements over the past three years. CY 2019 performance was also generally better compared to the past three-year performance. Annex 3-B shows the historical financial performance of the ODA loans portfolio for the past ten years.

Table 3.1 ODA Loans Financial Performance (CY 2018 vs CY 2019)

Financial Indicators	Count		Total		Increase / (Decline) (%)
	2018	2019	2018	2019	
Disbursement Level (USD million)	76	84	2,231.04	2,708.75	21.41
Program	11	15	1,513.48	1,493.88	(1.30)
Project	65	69	717.56	1,214.87	69.30
Disbursement Ratio	76	84	19.29	20.09	0.80
Program	11	15	52.03	69.79	17.76
Project	65	69	8.29	10.71	2.42
Disbursement Rate	65	69	58.26	64.28	6.01
Project	65	69	58.26	64.28	6.01
Availment Rate	65	69	66.76	72.64	5.88
Project	65	69	66.76	72.64	5.88

Note: Disbursement and availment rate for program loans not computed in the absence of target disbursements for some program loans.

Disbursement Level. As previously seen in Table 3.1, the overall disbursement level increased by 21 percent from USD2.23 billion in CY 2018 to USD2.71 billion in CY 2019 mainly due to the increase in disbursements of project loans. The following project loans were the highest contributors to the high disbursement: (a) North-South Commuter Railway Project (USD235.50 million); (b) Metro Manila Subway Project Phase 1 (USD214.08 million), (c) Metro Rail Transit Line 3 Rehabilitation Project (USD133.86 million); (d) Capacity Enhancement of Mass Transit Systems in Metro Manila (USD55.62 million), and (e) Philippine Rural Development Project (USD58.01 million). However, a slight decrease in the disbursement levels was observed for continuing program loans which already registered high disbursement levels in CY 2018.

Table 3.2 Disbursement Level of Program Loans in CY 2018 and CY 2019

Loan Status	2018 (USD million)	2019 (USD million)
Continuing	1,513.48	1,043.88
New	-	450.00
Total	1,513.48	1,493.88

Disbursement Ratio. Disbursement ratio barely increased in CY 2019 by 0.80 percentage point from 19.29 percent in CY 2018 to 20.09 percent in CY 2019. Six out of the 15 program loans contributed to the 17.76-percentage-point increase in program disbursement ratio. More than half (USD1.50 billion) of the available program loan balance (USD2.14 billion) from the beginning of CY 2019 was disbursed by year-end.

Notwithstanding the increase in loan balance due to the entry of new project loans amounting to USD3.31 billion in CY 2019 from USD2.48 billion in CY 2018, disbursement ratio of project loans registered a 2-percentage-point increase from 8.29 percent in CY 2018 to 10.71 percent in CY 2019.

Disbursement Rate (project loans only). Disbursement rate of the project loans portfolio exhibited a six-percentage-point increase from 58 percent in CY 2018 to 64 percent in CY 2019. However, despite the improved performance, the portfolio still registered a disbursement shortfall.

The top five agencies that contributed the most to the disbursement shortfall for CY 2019 were DOTr, DPWH, DA, NIA, and DAR which constituted 96 percent of the total shortfall amounting to USD675.21 million (Table 3.3).

Table 3.3 Actual Project Loans Disbursement Shortfall by Implementing Agency

IA	Loan Count		Target Disbursement (USD million)	Actual Disbursement (USD million)	Net Disbursement Shortfall (USD million)	% Share to GPH Disbursement Shortfall
	Total	With shortfall				
DOTr	19	10	982.17	713.96	268.21	39.72
DPWH	22	18	380.24	166.01	214.23	31.73
DA	4	4	167.64	106.51	61.13	9.05
NIA	4	3	97.75	38.17	59.58	8.83
DAR	3	3	51.82	7.50	44.31	6.56
Others	16	8	210.46	182.70	27.75	4.11
Total	68	46	1,890.07	1,214.87	675.21	100.00

Availment Rate (project loans only). Availment rate of the project loans portfolio also performed better with a 6-percentage-point increase from 67 percent in CY 2018 to 73 percent in CY 2019. However, despite the improved performance, the project loans portfolio registered a USD1.46 billion net availment backlog. Top contributors to the backlog were the DOTr, DPWH, DA, DENR, and NIA, which constituted 97 percent of the total backlog. (Table 3.4) Refer to Annex 3-C for the list of projects with availment backlog.

Table 3.4 Project Loans Availment Backlog by Implementing Agency

IA	Loan Count		Scheduled Availment (USD million)	Actual Availment (USD million)	Net Availment Backlog (USD million)	% Share to GPH Disbursement Backlog
	Total	With Backlog				
DOTr	19	12	1,952.93	1,195.84	757.09	51.69
DPWH	22	17	1,312.66	823.84	488.82	33.37
DA	4	4	476.29	400.85	75.44	5.15
DENR	3	3	129.61	75.28	54.34	3.71
NIA	4	3	191.08	147.33	43.75	2.99
Others	16	67	965.49	920.22	45.27	3.09
Total	68	46	5,028.06	3,563.35	1,464.71	100.00

Box 3.2 Types of Program Loans

The two types of program loans being implemented by the government are policy-based program loans and sector-based program loans. Policy-based program loans support structural reforms framed on certain policy conditionalities. Loan disbursements are not earmarked for activities/projects implemented by specific implementing agencies (IAs), but form part of the general cash envelope of the national government. On the other hand, sector-based program loans are used to finance IAs' regular activities under a specific sector. Budget allocations and cash releases to the IAs follow the GPH budget execution processes.

Program loans have lower transaction cost. Since 2006, the share of program loans supported structural reforms (i.e., budgetary support, tax reforms, and governance), sector-based approaches (i.e., social welfare, health, education, agriculture, environment, and socioeconomic development), and post-disaster reconstruction. In CY 2019, of the 15 active program loans, eight were policy-based approaches to support investment in local government finance and fiscal decentralization reforms and disaster risk reduction. The remaining seven were sector-based program loans, which support activities for education, social welfare, and development, infrastructure, and agriculture. See Annex 3-D for the performance of program loans.

Source: Department of Finance

Financial Performance of Implementing Agencies

The annual and historical ODA financial performances of the project loans portfolios by agencies with respect to the 70 percent threshold for both the disbursement and availment rates are presented in Table 3.5.

As of end CY 2019, DOTr, DSWD, LANDBANK, and MWSS showed improvements in their disbursement rates from below 70 percent to above 70 percent disbursement rate in CY 2019. DOE and NIA also showed improvements in availment rate from below 70 percent to above 70 percent availment rate. Meanwhile the availment rate of DOF and the disbursement rate of DPWH worsened in CY 2019. Lastly, the performance of DENR, LWUA, DA, and DAR remains the same as in CY 2018.

Table 3. 5 Financial Performance by Agency for Project Loans

Historical and Annual Financial Indicators	Below 70 percent Availment Rate	70 percent and Above Availment Rate
70 percent and Above Disbursement Rate	←DOF, ↑DOTr	↑DSWD, ↑LANDBANK, ↑MWSS, ↑DILG
Below 70 percent Disbursement Rate	DENR, ↓DPWH, LWUA	DA, DAR, →DOE, →NIA

** Movement across quadrants from prior year's performance is indicated by the directional arrows. Left-facing arrow means a decrease in the availment rate performance of the IA from 70 percent and above in CY 2018 to below 70 percent in CY 2019, while a right-facing arrow means an improvement in their availment performance in CY 2019. Meanwhile an upward-facing arrow means an improvement in the disbursement rate performance of the IA from below 70 percent in CY 2018 to 70 percent and above in CY 2019, while a downward-facing arrow means otherwise.*

Multi-Year Budget Requirements

The total multi-year budgetary requirement of implementing agencies from CY 2020 and beyond is estimated at PHP790.52 billion for 53 loan- and grant-assisted projects. The DOTr has the highest total budget requirement forecast with PHP566.67 billion followed by DPWH with PHP188.16 billion and at the third spot is DOF with PHP12.55 billion as seen in Table 3.6. The detailed information on the projected annual physical targets of ODA loan-assisted programs and projects and the corresponding budget requirements for the remaining years of project implementation are presented in Annex 3-E.

Table 3.6 Implementing Agencies' Annual Multi-Year Requirement Forecast

IA	Project Count	Current Cost Estimate (in PHP million)	Annual Multi-Year Requirement Forecast (in PHP million)					
			2020	2021	2022	2023	2024 and Beyond	Total
DOTr	15	1,482,396.33	111,763.21	141,227.81	78,607.33	52,358.74	182,712.88	566,669.97
DPWH	17	264,912.93	18,045.42	50,210.08	62,806.55	43,709.37	13,385.84	188,157.25
MWSS	2	16,093.15	3,389.99	2,075.24	2,576.97	2,835.16	1,674.28	12,551.64
NIA	3	18,719.49	2,293.15	1,901.78	1,820.08	-	-	6,015.01
DA	4	35,223.71	2,610.33	2,554.92	454.26	-	-	5,619.51
DTI	1	3,678.70	690.91	1,088.32	960.81	938.66	-	3,678.70
LWUA	1	2,994.26	280.40	1,652.69	893.59	167.58	-	2,994.26
LANDBANK	2	-	1,456.33	214.14	214.14	214.14	214.14	2,312.89
DENR	2	9,683.88	985.46	783.68	222.95	-	-	1,992.09
DAR	3	9,206.42	101.07	429.08	-	-	-	530.14
DOF ¹⁶	2	-	-	-	-	-	-	-
PCC	1	-	-	-	-	-	-	-
TOTAL	53	1,842,908.87	141,616.27	202,137.74	148,556.68	100,223.65	197,987.14	790,521.46

Source: ODA review forms agency submissions

Commitment Fees

Total commitment fees (CFs) paid in CY 2019 amounted to USD4.66 million, slightly higher than the CFs paid in CY 2018 (Table 3.7). Annex 3-F shows historical data on the commitment fees paid from CY 2005 to CY 2019. About 41 percent of commitment fees paid in CY 2019 was attributed to implementation delays (Box 3.3).

Table 3.7 Commitment Fees Paid in CY 2018 and CY 2019

	2018	2019
A. Commitment Fees Paid (USD million)*	4.60	4.66*
Due to Cost of Financing	2.645	2.730
Due to Delays	1.96	1.930
B. Net Commitment (USD million)	14,464.88	19,976.35
C. Ratio of A to B (%)	0.032	0.023

*Inclusive of four completed program/projects with paid CFs in CY 2019

¹⁶ DOF as executing agency with DPWH and DOTr as implementing agencies for IPIF and IPIF-AF.

Box 3.3 Commitment Fees Attributable to Implementation Delay and as Cost of Financing

CF is the amount levied on the undisbursed loan amount or a portion thereof, payable per annum [Example: 0.75% (rate) x USD10 million (undisbursed amount) = USD75,000]. The rate is applied on the undisbursed amount of the entire loan or a portion thereof (base), which approximates, or may be bigger than the amount scheduled to be disbursed due to availment backlogs. 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 CFs paid in CY 2019 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 were calculated 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 41 percent of commitment fees paid in CY 2019 may be attributed to implementation delays

The top six projects with the highest contribution to total CY 2019 CFs attributed to implementation delays are shown in Table 3.8. These projects collectively accounted for 79 percent of CFs paid due to implementation delays in CY 2019 (see *Annex 3-G for cumulative CFs paid in CY 2019 and prior years, Annex 3-H for the annual amount of CFs paid by implementing agency from CY 2013 to CY 2019, Annex 3-I for the cumulative CFs incurred by projects with active loans as of yearend CY 2019, and Annex 3-J for the list of CFs incurred by project in CY 2019 due to implementation delays*).

Table 3.8 Projects with Highest CFs Paid in 2019 due to Implementation Delays

Project Title/IA/Fund Source	CFs Paid in 2019 due to Delays (in USD million)
Improving Growth Corridors in Mindanao Road Sector Project/ DPWH/ ADB	0.361
Philippine Rural Development Project - Additional Financing/ DA/ WB	0.323
Metro Manila Flood Management Project/ DPWH/ WB	0.317
Capacity Enhancement of Mass Transit Systems in Metro Manila/ DOTC/ GOJ-JICA	0.306
Infrastructure Preparation and Innovation Facility/ DOF (DOTR and DPWH)/ ADB	0.116

Project Title/IA/Fund Source	CFs Paid in 2019 due to Delays (in USD million)
Road Upgrading and Preservation Project/ DPWH/ GOJ-JICA	0.097
TOTAL	1.522

Meanwhile, of the active ODA loans as of yearend CY 2019, the five projects which incurred the largest cumulative CFs since loan effectivity until yearend 2019 are shown in Table 3.9.

Table 3.9 Top Five Projects which Incurred Highest CFs

Project Title/IA/Fund Source	Total CFs Paid (in USD million)
Social Protection Support Project/ DSWD/ ADB	3.214
Road Upgrading and Preservation Project/ DPWH/ GOJ-JICA	2.381
Capacity Enhancement of Mass Transit Systems in Metro Manila/ DOTC/ GOJ-JICA	2.164
Market Transformation Thru Introduction of Energy Efficient Electric Vehicles Project/ DOE/ ADB	1.617
Metro Manila Flood Management Project/ DPWH/ WB and AIIB	1.354
Sub-Total	10.731
Cumulative CFs Paid for Active Loans	21.592

Grants Financial Performance

Grants financial performance was measured in terms of utilization level¹⁷. Utilization level of the active grants reached USD0.83 billion, posting a utilization rate¹⁸ of 51 percent against the total grant amount of USD1.64 billion. This reflects a 19-percentage-point decrease in utilization rate compared to the same period last year (70%).

By Fund Source

The top three fund sources which posted the largest utilization level are USA, Australia, and the UN System with USD226.00 million, USD153.09 million, and USD135.60 million, respectively (see Table 3.10).

¹⁷ Utilization level is the cumulative disbursements of grants reckoned from grant agreement effectivity dates.

¹⁸ Utilization rate is computed as the utilization level over the total grant amount.

Table 3.10 Grant Utilization as of CY 2019 by Fund Source

Fund Source	No. of Projects	Grant Amount (USD million)	Utilization (USD million)	% Share to Total	Utilization Rate
USA	52	577.71	226.00	27.07	39.12
Australia	27	289.63	153.09	18.33	52.86
EU	5	138.15	135.60	16.24	98.15
UN System	110	202.35	120.11	14.38	59.36
ADB	22	99.75	55.57	6.65	55.71
Germany	4	43.05	41.85	5.01	97.21
Korea	8	48.80	35.53	4.25	72.80
Japan	14	51.91	26.56	3.18	51.17
Canada	3	14.14	9.40	1.13	66.44
Spain	6	9.80	9.30	1.11	94.93
WB	9	54.03	8.01	0.96	14.82
China	2	97.27	4.90	0.59	5.04
New Zealand	1	3.89	3.89	0.47	100.00
France	3	5.22	3.05	0.37	58.35
Italy	2	5.48	2.13	0.26	38.95
TOTAL	268	1,641.18	834.98	100.00	50.88

Physical Performance

Overall Government of the Philippines ODA Portfolio (Loans and Grants)

Out of the 329 active ODA-assisted projects (61 loan-assisted projects and 268 grant-assisted projects), 62 were physically completed (19%); one was ahead of schedule (<1%); 217 were on schedule (66%); 40 were behind schedule (12%); eight have not yet started (>2%); and one project loan closed with incomplete outputs (<1%) (see Table 3.11). For details on physical status, refer to Annex 3-K (loans) and Annex 3-L (grants).

Table 3.11 Physical Status¹⁹ of ODA Projects as of end of CY 2019

Physical Status	No. of Projects			% Share on Count	ODA Amount (in USD million)			% Share on Amount
	Loan	Grant	Total		Loan	Grant	Total	
Completed	9	53	62	18.85	895.51	289.28	1,184.79	7.26
Ahead of Schedule	1	-	1	0.30	62.09	-	62.09	0.38
On schedule	25	192	217	65.96	7,905.78	1,236.80	9,142.58	56.01
Behind Schedule	17	23	40	12.16	1,828.75	115.10	1,943.85	11.91

¹⁹ Based on latest ICC-approved revised implementation duration and reported overall physical accomplishment.

Physical Status	No. of Projects			% Share on Count	ODA Amount (in USD million)			% Share on Amount
	Loan	Grant	Total		Loan	Grant	Total	
Not yet started	8	-	8	2.43	3,931.00	-	3,931.00	24.08
Closed with incomplete outputs	1	-	1	0.30	58.02	-	58.02	0.36
TOTAL	61	268	329	100.00	14,681.15	1,641.18	16,322.33	100.00

*Note: *Excludes 15 budget-support and policy program loans*

Physical Performance of ODA Loan-assisted Programs and Projects by Implementing Agency

DPWH had the most number of projects that are on schedule, followed by DOTr, DENR, and LANDBANK (see Table 3.12). For details on the reasons for delays, refer to Section 5 (Key Implementation Issues).

Table 3.12 Physical Status of ODA Loan-assisted Projects by IA

IA	Physical Status (Count of Projects)						Total Count
	Completed	Ahead of Schedule	On Schedule	Behind Schedule	Not Yet Started	Closed with Incomplete Outputs	
DA	-	-	1	3	-	-	4
DAR	-	-	1	2	-	-	3
DENR	-	-	2	-	-	-	2
DILG	1	-	-	-	-	-	1
DOE	1	-	-	-	-	-	1
DOF ²⁰	-	-	1	-	1	-	2
DOTr	4	-	7	2	3	-	16
DPWH	3	-	9	7	1	-	20
DSWD	-	-	1	-	-	-	1
LANDBANK	-	-	2	-	-	-	2
LWUA	-	-	-	1	-	-	1
MWSS	-	-	1	-	1	-	2
NIA	-	1	-	2	-	1	4
PCC	-	-	-	-	1	-	1
DTI	-	-	-	-	1	-	1
TOTAL	9	1	25	17	8	1	61

²⁰ DOF as executing agency with DPWH and DOTr as implementing agencies for IPIF and IPIF-AF.

Physical Performance of ODA Grant-assisted Projects by Fund Source

Table 3.13 presents the physical status of ODA grant-assisted projects by fund source.

Table 3.13 Physical Status of ODA Grant-assisted Projects by Fund Source

Fund Source	Physical Status (Count of Projects)			Total Count
	Completed	On Schedule	Behind Schedule	
ADB	4	13	5	22
Australia	9	15	3	27
Canada	-	2	1	3
China	-	2	-	2
EU	3	2	-	5
France	-	3	-	3
Germany	4	-	-	4
Italy	-	2	-	2
Japan	1	13	-	14
Korea	1	4	3	8
New Zealand	1	-	-	1
Spain	-	3	3	6
UN System	26	83	1	110
USA	4	48	-	52
World Bank	-	2	7	9
TOTAL	53	192	23	268

04

RESULTS

Program/Project Outputs and Outcomes Contributing to the Philippine Development Plan and Results Matrices Sector Objectives

Box 4.1 Outcomes Contributing to the Various Philippine Development Plan (PDP) and Results Matrices (RMs) Sector Objectives





The PDP 2017-2022 is the first medium-term plan anchored on the current Administration's 0+10 Point Socioeconomic Agenda and *AmBisyon Natin* 2040. It also considers the country's international commitments such as the 2030 SDGs. The plan aims to lay a stronger foundation for inclusive growth, a high-trust society, and a globally competitive economy towards the attainment of the national long-term vision by 2040. Its accompanying RMs 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 to attain the development objectives of the PDP and the RMs.

Source: www.pdp.neda.gov.ph

For CY 2019 ODA review, 54 program and projects reported outputs and outcomes that contributed to 41 sector outcome indicators in five chapters of the PDP-RMs 2017-2022 (see *Tables 4.1 and 4.2*).

*Table 4.1 ODA Projects and Program with Reported Outputs and Outcomes
Contributing to the PDP 2017-2022*

PDP (2017-2022) Chapter		No. of ODA Projects/ Programs ²¹	No. of PDP-RMs Indicators
	Chapter 8: Expanding Economic Opportunities in Agriculture, Forestry, and Fisheries	8	9
	Chapter 10: Accelerating Human Capital Development	6	6
	Chapter 11: Reducing Vulnerability of Individuals and Families	4	1
	Chapter 19: Accelerating Infrastructure Development	21	15

²¹ One project/program may contribute to several outcome indicators in more than one chapter of the PDP.


PDP (2017-2022) Chapter		No. of ODA Projects/ Programs ²¹	No. of PDP-RMs Indicators
	Chapter 20: Ensuring Ecological Integrity, Clean and Healthy Environment	15	10
TOTAL		54	41

Table 4.2 ODA Projects/Program Aligned with the PDP-RMs

RMs Indicator	Outcome/ Results	Output
Chapter 8: Expanding Economic Opportunities in Agriculture, Forestry, and Fisheries		
Post-harvest losses of key agricultural commodities reduced (% , cumulative)	20,700 out of 25,598 sq m solar driers constructed. 24 agrarian reform beneficiary (ARB) organizations (or about 1,200 farmer beneficiaries) are able to dry their palay using said facility	Italian Assistance to Agrarian Reform Community Development Support Program (IARCDSP)/ DAR/ Italy
	86 (exceeded original target of 58) units of post-harvest/warehouse facilities completed	Mindanao Sustainable Agrarian and Agriculture Development (MinSAAD)/ DAR/ JICA
Number of group beneficiaries provided with technical support services increased	Capacities of eight farmer's associations enhanced in managing and operating income generating projects	Panay Island Upland Sustainable Rural Development Project (PIU-SRDP)/DA/KOICA
	68 out of 130 newly organized and strengthened people's organization/ community groups were trained in managing livelihood, agroforestry, and infrastructure projects.	Scaling-Up of the Second Cordillera Highland Agricultural Resource Management Project (Scaling-Up of CHARMP2)/ DA/ IFAD
Number of fisherfolks provided with production support	485,736 out of 724,313 fisherfolk trained in coastal resource management (CRM) and fisheries local enforcement teams (FLET) trainings	Fisheries, Coastal Resources, and Livelihood Project (FishCORAL)/ DA/IFAD

RMs Indicator	Outcome/ Results	Output
Number of group beneficiaries provided with agricultural and fishery machineries and equipment increased	10 Bayanihan Tipon Centers (BTCs) in upland municipalities and one local food terminal to serve as consolidation center of products coming from the BTCs at the regional level with financial facility under public-private partnership (PPP) was established where the farmers can go into distribution which is also linked to microfinance and credit.	Panay Island Upland Sustainable Rural Development Project (PIU-SRDP)/DA/KOICA
	29,972 out of 45,000 proponent group members operating viable enterprises in production and productivity enhancement, and post-harvest and processing facilities.	Philippine Rural Development Project (PRDP)/DA/WB
	62 out of 115 livelihood interest groups provided with equipment and starter kits for production enhancement and in support to commodity enterprises.	Scaling-Up of the Second Cordillera Highland Agriculture Resource Management Project (Scaling Up of CHARMP2)/DA/IFAD
	All 45 (100%) target irrigators associations benefitted from the procured farm machineries under the agricultural support component of the project	National Irrigation Sector and Rehabilitation and Improvement Project (NISRIIP)/ NIA/ JICA
Share of small farmers adopting new technologies to total number of small farmers trained with new technologies increased (% , cumulative)	9,870 out of 10,829 trained farmers (91%) used improved/ new technologies	Mindanao Sustainable Agrarian and Agriculture Development (MinSAAD)/ DAR/ JICA
	2,315 ARBs trained on new technologies (organic farming)	Italian Assistance to Agrarian Reform Community Development Support Program (IARCDSP)/ DAR/ Italy
	100 trainings for secondary crops conducted	Convergence for Value Chain Enhancement and Rural Growth Empowerment (ConVERGE)/DAR/ IFAD
Share of small farmers borrowing from formal credit sources to total number of farmers availing credit increased (% , cumulative)	Nine out of 11 ARB clusters obtained credit lines from the Land Bank of the Philippines (LANDBANK) and other financing institutions for production and working capital needs	Convergence for Value Chain Enhancement and Rural Growth Empowerment (ConVERGE)/DAR/ IFAD

RMs Indicator	Outcome/ Results	Output
Area distributed under CARP increased	6,667 ha were awarded with individual Certificate of Land Ownership Award (CLOAs) to 5,386 ARBs in the 11 ARC clusters	Convergence for Value Chain Enhancement and Rural Growth Empowerment (ConVERGE)/DAR/IFAD
Area of collective CLOAs subdivided increased	Land survey conducted in 19,213 out of 20,517 ha	Italian Assistance to Agrarian Reform Community Development Support Program (IARCDSP)/ DAR/ Italy
	Land survey conducted in 1,791 ha	Convergence for Value Chain Enhancement and Rural Growth Empowerment (ConVERGE)/DAR/IFAD
Number of registered fisherfolk provided with livelihood projects	24,071 out of 219,959 registered fisherfolk provided with livelihood projects	Fisheries, Coastal Resources and Livelihood Project (FishCORAL)/ DA/IFAD
Chapter 10: Accelerating Human Capital Development		
Net enrolment rate increased (%) • Kindergarten • Elementary • Junior High School • Senior High School (SHS)	3.19 million senior high school enrolled in SY 2019-2020	Senior High School Support Program (SHSSP)/DepEd/ADB
	751 learners gained access to primary education in 33 alternative learning centers	Education Pathways to Peace in Mindanao/DepEd and MBHTE/ Australian DFAT
Completion rate increased (%) • Elementary • Junior High School • SHS	1.25 million senior high school graduated in SY2018-2019	Senior High School Support Program (SHSSP)/DepEd/ADB
Proportion of students performing at moving towards mastery, closely approximating mastery or mastered increased (%) • Elementary • Junior High School • SHS	<ul style="list-style-type: none"> 2,629 classrooms (exceeded original target of 2,623) provided with 145,455 teaching and learning materials 11,910 teachers (against a target of 4,558) trained on remedial reading program 3,323 schools (against a target of 1,781) conducted remedial reading programs with 345,878 learners 	Education Governance Effectiveness (EdGE) Program/ DepEd/USAID

RMs Indicator	Outcome/ Results	Output
Proportion of students at low mastery reduced • Junior High School • SHS	<ul style="list-style-type: none"> Study of 997 (against a target of 950) pre-service teachers supported 221 Schools Division Superintendents trained on Superintendents' Leadership Program 300 Learning Action Cells resource materials developed 	Basic Education Sector Transformation (BEST)/DepEd/Australian DFAT
Certification rate of TVET graduates increased	14,980 out-of-school youth (against a target of 11,613) with certification from TESDA and other training providers	Mindanao Youth for Development (MYDev)/DepEd and TESDA/USAID
Youth placed in employment, education or training increased	16,503 youth were enrolled in the Life Skills Training	Support for the Nationwide Rollout of JobStart Philippines/DOLE/ADB and GAC
Chapter 11: Reducing Vulnerability of Individuals and Families		
Number of Conditional Cash Transfer (CCT) beneficiaries covered	4,250,272 (97%) active CCT beneficiaries registered and receiving the monthly cash assistance ranging from PHP800.00 to PHP1,400.00 for five years (combination of health and education grants).	Social Protection Support Project Additional Financing (SPSP-AF)/DSWD/ADB; Second Social Welfare and Development Reform Project (SWDRP II) /WB; Second Social Welfare and Development Reform Project Additional Financing (SWDRPII AF)/DSWD/WB; and, Second Social Protection Support Project Additional Financing (SPSP-AF II)/DSWD/ADB
Chapter 19: Accelerating Infrastructure Development		
New roads constructed to close the gaps in the national road network (lane km, cumulative) ²²	19.2 lane km including three bridges (L=1,198.42 l.m.)	Arterial Road Bypass Project Phase II (ARBP II)/ DPWH/JICA
	485.39 km out of 2,300 km of farm-to-market roads (FMRs), including bridge completed	Philippine Rural Development Project/DA/WB

²² This is the nearest RMs Indicator which DA, DAR, and DENR projects with FMRs contribute to

RMs Indicator	Outcome/ Results	Output
New roads constructed to close the gaps in the national road network (lane km, cumulative)	70.4 km out of 86.0 km of FMR rehabilitated	Scaling-Up of the Second Cordillera Highland Agricultural Resource Management Project (Scaling-Up of CHARMP2)/DA/IFAD
	5.6 km out of 6.0 km of FMR improved	Panay Island Upland Sustainable Rural Development Project/ DA/ KOICA
	17 km out of 136 km of FMRs constructed/rehabilitated	Convergence for Value Chain Enhancement and Rural Growth Empowerment (ConVERGE)/DAR/ IFAD
	3.3 km gravel road rehabilitated 2.7 km of FMR constructed 73 km bridge constructed	Italian Assistance to Agrarian Reform Community Development Support Program (IARCDSP)/ DAR/ Italy
	210.71 km out of 395.2 km of FMRs constructed/rehabilitated	Mindanao Sustainable Agrarian and Agriculture Development (MinSAAD)/ DAR/ JICA
	16.23 km of FMR constructed	Forestland Management Project (FMP)/DENR/JICA
	20 km access road rehabilitated	Integrated Natural Resources and Environmental Management Project (INREMP)/DENR/ADB/IFAD
Proportion of households with access to safe water supply to total number of households increased	5,148 out of 11,925 households provided access to safe water supply through 22 units of level 2 potable water supply system (PWS) constructed	Mindanao Sustainable Agrarian and Agriculture Development (MinSAAD)/ DAR/ JICA
	234 out of 450 households provided access to safe water supply through 2 units of level 1 PWS constructed	Convergence for Value Chain Enhancement and Rural Growth Empowerment (ConVERGE)/DAR/ IFAD
	46 out of 98 units (or 40.81%) PWS level 1 completed. 368 household members are now benefitting from Project	Italian Assistance to Agrarian Reform Community Development Support Program (IARCDSP)/ DAR/ Italy

RMs Indicator	Outcome/ Results	Output
Average travel time by road with roll-on roll-off (RORO) in key corridors decreased (hours)	<ul style="list-style-type: none"> Travel time from Lipa Floral Garden Junction, Batangas to Alaminos Junction, Laguna reduced by 75 minutes, from 95 minutes to 20 minutes Travel time from San Jose-Rizal Road Section to Mamburao-Abra De Ilog Road Section, Mindoro Province reduced by four hours, from about seven to eight hours to about three to four hours. Travel time from Viga-Bagamanoc Section to end of Bacak-Minaile Section, Catanduanes reduced by 46 minutes, from 74 minutes to 28 minutes 	Road Upgrading and Preservation Project (RUPP)/DPWH/ JICA
	<ul style="list-style-type: none"> Travel time from Iloilo to Capiz reduced by one hour, from three hours to two hours Travel time from Dipolog City to Oroquieta City was reduced by 30 minutes, from one hour and 30 minutes to one hour Travel time from Butuan-Cagayan de Oro-Iligan was reduced by one hour, from six hours to five hours Travel time from Palo-Carigara-Ormoc was reduced by one hour, from two hours and 45 minutes to one hour and 45 minutes 	Road Improvement and Institution Development Project (RIIDP)/DPWH/ ADB
Travel speed by road in key corridors increased (kph)	<ul style="list-style-type: none"> Travel time from Brgy Burol, Balagtas, Bulacan to Brgy. Maasim, San Rafael, Bulacan was reduced by 45 to 50 minutes from one hour and 45 minutes to one hour via MAHARLIKA. Travel distance from NLEX in Brgy Burol, Balagtas, Bulacan to San Rafael, Bulacan was reduced by about 3.42 km by taking ARBP II route instead of approx. 28.03 km (Brgy. Burol, Balagtas – Brgy. Maasim, San Rafael via Maharlika Highway 	Arterial Road Bypass Project Phase II (ARBP II)/ DPWH/JICA
	<ul style="list-style-type: none"> Travel time from Bauang, La Union to Baguio City was reduced by 30 minutes, from one hour and 15 minutes to 45 minutes Travel time from Olongapo to Bugallon was reduced by one hour, from two hours and 30 minutes to one hour and 30 minutes Travel time from Bukidnon to Cotabato was reduced by one hour and 15 minutes, from two hours and 45 minutes to one hour and 30 minutes 	Road Improvement and Institution Development Project (RIIDP)/DPWH/ ADB

RMs Indicator	Outcome/ Results	Output
Ratio of flood-protected areas to the total flood-susceptible areas increased (% cumulative)	<ul style="list-style-type: none"> Contributed in the reduction of flooding incidence in Pasig-Marikina Channel by 15 percent Constructed a 10.40 km of revetment with river wall along the Pasig Marikina Channel Reinforced a total length of 6.10 km along the Pasig Marikina Channel 	Pasig Marikina River Channel Improvement Project Phase III (PMRCIP III)/DPWH/ JICA
Ratio of actual irrigated area to the total potential irrigable area increased	42 ha out of 1,500 ha irrigated by two completed Communal Irrigation Systems (CISs)	Italian Assistance to Agrarian Reform Community Development Support Program (IARCDSP)/ DAR/ Italy
	1,850.54 ha out of 2,080 ha irrigated by five completed communal irrigations systems	Mindanao Sustainable Agrarian and Agriculture Development (MinSAAD)/ DAR/ JICA
Developed new service areas increased (ha)	493 ha new irrigation areas generated	Jalaur River Multipurpose Project, Stage II/ NIA/ KEDCF
Rehabilitated irrigation service areas increased (ha)	8,323 ha out of 22,340 ha of irrigation areas rehabilitated	Jalaur River Multipurpose Project, Stage II/ NIA/ KEDCF
	19,053 ha out of 24,169 ha of irrigation areas rehabilitated	National Irrigation Sector Rehabilitation and Improvement Project/ NIA/ JICA
Restored irrigation service areas increased (ha)	120 ha irrigation areas restored	Jalaur River Multipurpose Project, Stage II/ NIA/ KEDCF
	2,878 ha out of 6,385 ha of irrigation areas restored	National Irrigation Sector Rehabilitation and Improvement Project/ NIA/ JICA
Coverage area of irrigation facilities increased (ha, cumulative)	66 ha out of 2,816 ha irrigated by two completed communal irrigation systems	Philippine Rural Development Project/DA/WB
	262.7 ha out of 482 ha completed rehabilitation for two communal irrigation systems	Scaling-Up of the Second Cordillera Highland Agricultural Resource Management Project (Scaling-Up of CHARMP2)//DA/IFAD

RMs Indicator	Outcome/ Results	Output
Number of night-rated airports increased	One additional night-rated airport constructed	New Bohol Airport Construction and Sustainable Environment Protection Project/ DOTr/ JICA
Maritime incidents responded (in % of total no. of incidents reported, cumulative)	1,441 rescue/monitoring missions conducted through maritime vessels	Maritime Safety Capability Improvement Project for the Philippine Coastguard, Phase I/ DOTr/ JICA
	164 rescue/monitoring missions conducted through maritime vessels	Philippine Ports and Coast Guard Capability Development Project/ DOTr/ AFD
Classroom to pupil ratio improved <ul style="list-style-type: none"> • Primary • Kindergarten • Grades 1-3 • Grades 4-6 • Junior High School • SHS 	31 disaster-resilient, accessible, and gender-sensitive classrooms constructed with 45 student-classroom capacity	Basic Education Sector Transformation (BEST)/DepEd/ Australia-DFAT
	60 percent of DepEd senior high schoolers with an average of 40 to 45 students meeting the minimum service standards	Senior High School Support Program (SHSSP)/DepEd/ADB
Volume of desludged and/or treated septage in water districts (WDs) increased (m ³)	<ul style="list-style-type: none"> • Increase of 226,500 m³/day in wastewater treatment capacity • 4 septage treatment plants (STPs) completed: Ayala-Alabang STP (10,000 m³/day); Talayan STP (71,620 m³/day), South STP (250 m³/day), Pasay STP (46,000 m³/day) • The project is currently serving the 72 percent (1.74 million) of the target 2.4 million population. 	Metro Manila Wastewater Management Project (MMWMP) / LANDBANK/WB
Conserved annual amount of electricity and fuel increased (in kilotons oil equivalent (KTOE), cumulative)	Transformation of public transportation through adoption of locally assembled energy-efficient electric vehicles through the distribution of 3,000 units of e-trike to 37 LGUs and NGAs.	Market Transformation through Introduction of Energy Efficient Electric Vehicles Project (E-Trike Project)/DOE/ADB and ADB-CTF

RMs Indicator	Outcome/ Results	Output
Chapter 20: Ensuring Ecological Integrity, Clean and Healthy Environment		
Area of denuded and degraded forestland decreased	4,372 ha out of 7,648 ha in 259 barangays covered by agroforestry and tree crops production projects	Mindanao Sustainable Agrarian and Agriculture Development (MinSAAD)/ DAR/ JICA
	24 sub-watersheds (100% of target) characterized, surveyed, and mapped	Forestland Management Project (FMP)/ DENR/ JICA
	Two Watershed Management Councils and one Participatory Management Board formed a that will provide the effective management required in three river basins	
	18 watershed management plans that stipulate the O&M and investment mechanisms for said watersheds were adopted by watershed management councils	Integrated Natural Resources and Environmental Management Project (INREMP)DENR/ IFAD/ADB
	8,556 ha of natural of forestland rehabilitated through reforestation	
	13,317 ha of natural forestland rehabilitated through assisted natural regeneration (ANR)	
	14,307 ha of agroforestry with community participation established	
	30 ha degraded forestland was developed and maintained using ANR technology	Facilitating the Participatory Planning of Community-Based Forest Management Using Geographic Information System and Remote Sensing Technologies/ DENR/AFoCo-CFM
Area planted with mangroves increased (ha)	423 ha out of 1,100 ha of mangrove areas rehabilitated	Fisheries, Coastal Resources and Livelihood Project (FishCORAL)/ DA/IFAD
Number of coastal municipalities and cities with delineated municipal waters increased (annual)	43 out of 103 LGUs municipal waters with accompanying zoning ordinances delineated	Fisheries, Coastal Resources and Livelihood Project (FishCORAL)/ DA/IFAD

RMs Indicator	Outcome/ Results	Output
Number of community fish landing centers (CFLC) established (cumulative)	Four out of 11 CFLCs established	Fisheries, Coastal Resources and Livelihood Project (FishCORAL)/DA/IFAD
Percentage of priority water bodies within water quality guidelines increased (BOD)	3,012 tons of biochemical oxygen demand (BOD)/year removed by STPs (proxy)	Metro Manila Wastewater Management Project /LANDBANK/ WB
Area of forestland under effective management increase (ha millions)	A total of 68,664 ha of forest plantations that include silvopasture, fuelwood, and enrichment planting were established	Forestland Management Project (FMP)/DENR/JICA
Employment from ecotourism and sustainable resource-based industries increased	Income of POs increased (by 69%) according to a third-party validation conducted by a consultant	Forestland Management Project (FMP)/DENR/JICA
	45 agroforestry support facilities providing access to markets and expanding volume of agricultural production are undergoing construction and procurement process, while seven have been completed	
Area of terrestrial protected areas with high biodiversity values effectively managed increased (ha)	Signing into law of the Expanded National Integrated Protected Areas System (NIPAS)	Biodiversity Finance Initiative (BIOFIN)/DENR/UNDP
		Small Grants Programme in the Philippines (SGP)/ DENR/GEF/UNDP
		Philippines Indigenous and Community Conserved Areas (Phil-ICAA)/DENR/GEF
Quality of coastal and marine habitat's improved (ha)	Completed biophysical assessment of 25 marine/mangrove protected areas in Batangas Province	Scaling up Implementation of the Sustainable Development Strategy for the Seas of East Asia (SDS-SEA)/DENR/GEF
Percentage of highly urbanized and other major urban centers within ambient air quality guidelines value	Island-wide review of the Wildlife Act conducted in Clark City, Cebu City, and Butuan City	Project on Illegal Wildlife Trade / Combatting Environmental Organized Crime in the Philippines (IWT)/DENR/GEF
	A total of 136 payments for ecosystem services or tourism initiatives supported by the Project	Protect Wildlife Project (PW)/DENR/USAID

Recently Completed Studies on ODA Funded Programs and Projects

The NEDA as part of its monitoring and evaluation functions continues to report on the success of development interventions, specifically, as these completed projects are expected to contribute to poverty reduction and inclusive growth. Based on impact and other evaluation studies recently conducted by NEDA and commissioned by other GPH agencies or with development partners, the results and findings from these studies are presented as follows:

Table 4.3 Evaluation Findings of Recently Completed Studies on ODA-funded Programs and Projects

Title	Results/Findings
Light Rail Transit 2 (LRT2) Impact Evaluation Study	<ul style="list-style-type: none"> • The absence of an LRT2 on its current route will make the R-6 corridor the most congested road in Manila given the 184,476 average daily passengers for the past 10 years. • The project replaces the need for 13,177 public utility jeepneys or 18,488 UV Express vans or 38,895 cars to meet the demand for transport in this congested corridor. • The project provided reliably faster travel from nine to 19 minutes across 11 stations for within the rail lines. • The project provided significant travel time reduction from Manila to Divisoria (east and west end points) from three hours riding a jeepney to one hour in the LRT2. • More than 90 percent of satisfied LRT2 riders enjoys the comfort, safety, and affordability of LRT 2. • The project had added impact on economic opportunities/businesses along the LRT Line. It triggered a process of unintended agglomeration of business establishments and condominiums and dormitories around the train stations. • LRT2 has an unintended positive impact on education as it provides safe, comfortable, efficient and affordable means of transportation to the majority of riders which are students (44%), based on daily riding statistics.
Rural Road Network Development Project (RRNDP)	<ul style="list-style-type: none"> • Average travel time in project areas are lower at 108.8 minutes per week compared to non-project areas at 121.3 minutes per week. • Based on the household survey, households in project areas incur lower travel cost per week (PHP377.90) compared to non-project areas (PHP543.20). • The study roughly estimated an increase in annual per capita income by PHP6,900 in the project areas compared to non-project areas due to emergence of other business opportunities.

Title	Results/Findings
Awang-Upi-Lebak-Kalamansig-Palimbang-Sarangani Road	<ul style="list-style-type: none"> • The 323km road project resulted in an overall time (time index) reduction of an average 16.66 minutes per kilometer. This 16.66-minute reduction is the average travel time of all destinations regardless of mode of transport. • Travel time savings per distribution by a common mode (motorcycle) ranges from 58 seconds to 7.22 minutes per kilometer. • The road itself and the availability of transport services have also contributed to the reduction of hauling cost, to as much as PHP14.81 per sack of farm inputs/produce. It allowed the farmers to regularly transport their produce from their farms to the market any day of the week. • Available transport services for the riding public increased to as much as 100 units with a decrease in average reduction waiting time at 12.53 minutes. • The presence of the road may have contributed to the increase in the land value near the road by PHP290.37 per square meter. • Small businesses have expanded particularly in retailing and services sectors while small store operators have upgraded or became wholesalers. • 93.4 percent of the barangay officials observed that the barangays became more peaceful after the project.
Lower Agusan Development Project – Flood Control	<ul style="list-style-type: none"> • The flood mitigation measure is effective as it decreases an approximate area of 9.05 sq km of flood extent in the city. • About 10,830 households (population of 45,161 individuals) from the east bank and 14,377 households (population of 68,580) from the west bank are now protected from flooding by the project representing 66 percent of Butuan City's total population. About 1,500 business establishments from the west bank also benefitted from the project. • Protected area increased by approximately 294.72 sq km on both sides of the Agusan River which covered a total of 46 out of 86 barangays in Butuan including improved urban drainage system. • The anticipated health problems such as schistosomiasis, malaria, and leptospirosis in the inception report were not experienced by the residents based on the report submitted by the City Health Office from 2009 to 2016.
3rd Wave Impact Evaluation of the Conditional Cash Transfer Program (DSWD)	<ul style="list-style-type: none"> • For all age groups except 3 to 5 years old, program impact on enrolment is strongly positive among monitored children with around 21 percentage point increase in enrolment among children 15 to 20 years old. • Proportion of children 12 to 15 years old enrolled in junior high school is 10-percentage-points higher among children beneficiaries monitored in school compared to non-beneficiaries. • Among children 16 to 17 years old, the impact on children monitored in school is 18-percentage-points higher, while no impact was noted for non-monitored children.

05

KEY IMPLEMENTATION ISSUES

Issues Affecting Implementation and Performance and Measures Taken/To Be Taken

The NEDA Monitoring and Evaluation Staff (MES) currently uses the Enhanced Alert Mechanism as a tool to flag problem projects. Projects with issues are subjected to a series of project implementation reviews (PIRs) and one-on-one agency problem-solving consultations or sessions with concerned project management offices (PMOs), oversight agencies, and development partners to identify possible actions and secure commitment of the concerned stakeholders to address project issues and bottlenecks.

Projects with critical issues, and those needing Investment Coordination Committee (ICC) action, are communicated to the project implementation officers (PIO) which are subsequently reported and discussed during the quarterly PIO meetings. The agreed actions and commitment of various stakeholders are facilitated and tracked until issues are resolved.

In 2019, various key implementation issues encountered by 54 projects are discussed in detail in the succeeding subsections. Table 5.1 provides a summary of major issues, by typology and number of affected projects.

Table 5.1 Classification and Incidence of Key Implementation Issues in 2019

Issue Typology	Number of Incidents			No. of Projects Affected	Agencies
	Resolved	Current	Total		
Site Condition/ Availability	3	30	33	23	DAR, DOH, DOTr, DPWH, LANDBANK, NIA
Procurement	9	7	16	16	DA, DAR, DepEd, DOE, DOTr, DPWH, DSWD, LWUA
Processing of Approvals and Clearances	4	8	12	11	DA, DAR, DENR, DOH, DOTr, DPWH, LANDBANK, NIA
Budget and Funds Flow	5	11	16	15	DA, DAR, DENR, DOTr, DILG, DPWH, DSWD, LWUA
Design, Scope, Technical	2	6	8	8	DAR, DepEd, DOH, DOTr, DPWH, DSWD
Performance of Contractors/ Consultants	-	5	5	4	DA, DPWH, NIA
Capacity of PMO and Other Implementing Partners	2	4	6	6	DAR, DENR, DepEd, DOE, DOTr
Institutional Support	3	2	5	5	DAR, DOE, DOTr
Project Uptake (Demand and Approval of Sub-projects)	-	2	2	2	LANDBANK, LWUA
Inputs and Costs	-	7	7	6	DAR, DPWH
Other Implementation Issues	3	2	5	5	DOTr, DPWH

Site Condition/Availability

Issues on availability of project site, inadequacy in existing site structures, unanticipated geological conditions, right-of-way (RoWA) and land acquisition, resettlement, and peace and order concerns in the project area are classified under this typology.

Under this typology, three of the 33 issues that affected 23 projects were already resolved.

Table 5.2 Projects with Issues on Site Condition/Availability

Project Title/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Resolved		
New Bohol Airport Construction and Sustainable Environment Protection Project/ DOTr/ JICA	Delay in transfer of lot to DOTr due to claim on compensation on improvements which affected the completion of fencing works.	<p>Action Taken: The Office of the Solicitor General participated in court hearings to resolve the issue on compensation of improvements.</p> <p>The concerned Court issued the Alias Writ of Possession on October 21, 2019. Turnover of property to DOTr was executed by the Court Sheriff on October 28, 2019.</p> <p>Fencing works were completed in November 2019.</p>
Emergency Assistance for Reconstruction and Recovery of Marawi – Health Component (EARRM-HC) Project/ DOH/ ADB	Delay in construction of the two local health units due to lack of supporting documents to certify the proof of land ownership of the two sites (Marawi and Lumbayanague).	<p>Action Taken: The Marawi City Office of the Mayor requested to change the site for the proposed city health unit. DOH and ADB consented to the change of site following the assessment conducted by ADB on the new site (located at the Marawi City Hall Complex).</p>
Samar Pacific Coastal Road Project/ DPWH/ KEDCF	Contractor's workers cannot work beyond 5:00 pm due to security reasons (threats from insurgents). Major equipment operating on site were required to be returned to the base camp before sun down. This resulted in slow progress of works.	<p>Actions Taken: Contract Time Extension No. 3 for 51 days was approved on September 26, 2019 due to peace and order concerns.</p> <p>Update: Per letter dated April 23, 2020 from the Project Engineer/ Consultant, additional army soldiers were deployed in the project area as reinforcement to provide security to the contractor. Further, the Philippine Army is maintaining three army patrol bases in the area.</p>
Current		
Cebu Bus Rapid Transit Project/ DOTr/ WB and AFD	Prolonged approval of the MOA with the City of Cebu on the depot and key terminal sites of the project.	<p>Updates: Location of the depot site and the key terminal sites already identified.</p> <p>Actions to be Taken: DOTr to finalize the agreements on the conditions for use of the South Road Properties (SRP) and the terminal sites. The MOA between DOTr and the Cebu City government is targeted for approval by July 2020.</p>

Project Title/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Metro Manila Bus Rapid Transit/DOTr/WB	Delay in the identification/ selection/ negotiation of suitable depot site	<p>Action Taken: DOTr identified candidate and alternative sites (e.g., near UP-Ayala Techno Hub).</p> <p>Action to be Taken: DOTr to continue negotiations with property owners of the candidate/alternative depot sites.</p>
Capacity Enhancement of Mass Transit Systems in Metro Manila LRT Line 1 South Extension Project/ DOTr/ JICA	Acquisition of additional lots due to change in station location.	<p>Action to be Taken: DOTr to undertake direct negotiations with property owners or expropriation within 2020.</p> <p>By executing a Contract to Sell and Deed of Absolute Sale, the DOTr paid Philippine Reclamation Authority (PRA) for the RoWA of lots for Package 1.</p> <p>DOTr to secure ICC approval for cost overrun which should cover the increase in RoWA cost by about PHP3,491.92 million or 14% percent of the total project cost to acquire additional lots.</p>
Capacity Enhancement of Mass Transit Systems in Metro Manila LRT Line 2 East Extension Project/ DOTr/ JICA	<p>Project structures encroached within private properties.</p> <p>For package 2, the private owner (J&F Properties Inc.) offers the property for free but on condition that interconnection fee with the station would be waived in perpetuity.</p>	<p>Actions Taken: Permit-to-enter in the east bound access stairs in Masing station secured on October 22, 2019.</p> <p>DOTr did not agree on said condition.</p> <p>Actions to be Taken: DOTr/LRTA-PMO to continue negotiations with property owners, or to pursue expropriations if negotiations fail.</p>
New Bohol Airport Construction and Sustainable Environment Protection Project/ DOTr/ JICA	Delay in the completion of Deeds of Exchange (DEs) due to lacking technical documents.	<p>Actions Taken: The PGBh through its legal office provided legal assistance to landowners to fast track the gathering and securing of technical documents for the remaining 10 DEs (15 lots).</p> <p>Actions to be Taken: The PGBh will continue to provide assistance to landowners and complete the preparation of remaining DEs for 15 lots.</p>

Project Title/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
New Bohol Airport Construction and Sustainable Environment Protection Project/ DOTr/ JICA	Delay in the compensation for nine remaining lots (not directly affected by airport structures) due to lacking technical documents.	<p>Actions Taken: The PGBh through its legal office provided legal assistance to landowners to fast track the gathering and securing of technical documents for the remaining nine lots.</p> <p>Actions to be Taken: The PGBh will continue to provide assistance to landowners and for the former to complete the compensation of remaining nine lots.</p>
New Cebu International Container Port Project/ DOTr/ KEDCF	Projected Affected Families (PAFs) yet to be identified.	<p>Actions Taken: DOTr and DPWH entered into a MOA for the latter to conduct parcellary survey to identify the PAFs in coordination with LGU of Consolacion, Cebu.</p> <p>Action to be Taken: DOTr to expedite/ facilitate the approval of the MOA with DPWH and the lead consultant (Yooshin Engineering Corp.) to finalize the alignment of the access road.</p>
New Cebu International Container Port Project/ DOTr/ KEDCF	Delayed land acquisition for the access road.	<p>Action Taken: DOTr and DPWH entered into a MOA on January 13, 2020 for the latter to handle land acquisition.</p> <p>Action to be Taken: DOTr to expedite/ facilitate the approval of the MOA with DPWH and the lead consultant (Yooshin Engineering Corp.) to finalize the alignment of the access road.</p>
Arterial Road Bypass Project III/ DPWH/ JICA	Prolonged acquisition of Road Right of Way from Balagtas to San Rafael, Bulacan (Sta. 47+400 to Sta. 57+366) due to difficulty or inability of land owners to submit the complete documentary requirements.	<p>Action Taken: DPWH coordinated with Bureau of Internal Revenue and Registry of Deeds.</p> <p>Actions to be Taken: DPWH Roads Management Cluster I (RMC I) to closely coordinate with Bulacan's 1st and 2nd District Engineering Offices (DEOs) for the RoWA.</p> <p>Close coordination with other agencies involved in the approval of their claims.</p>

Project Title/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Arterial Road Bypass Project II/ DPWH/ JICA	Difficulty or inability of land owners to submit the complete documentary requirements for payment of compensation.	<p>Action Taken: DPWH coordinated with Bureau of Internal Revenue and Registry of Deeds.</p> <p>DPWH reported that out of 661 affected PAPs, 333 were paid, 73 payment on process (59 with complete documents while 14 lack documents), 81 free patent, 1 donation, 173 are for expropriation (three were filed in RTC Malolos)</p> <p>Action to be Taken: DPWH Roads Management Cluster I (RMC I) to closely coordinate with Bulacan's 1st and 2nd DEOs for the RoWA.</p> <p>Close coordination with other agencies involved in the approval of their claims.</p>
Binondo-Intramuros and Estrella-Pantaleon Bridges Project/ DPWH/ China	The Binondo-Intramuros Bridge Project encroaches the buffer zone of San Agustin Church and San Fernando Bridge which are both considered as heritage sites.	<p>Actions Taken: DPWH confirmed that the project will not affect the buffer zone of the San Agustin Church. However, the design of the project will encroach the San Fernando Bridge which was part of the original alignment for the project.</p> <p>DPWH-RMC1 submitted the revised DED plans for review and approval of the Bureau of Design (BOD).</p> <p>Actions to be Taken: DPWH to facilitate finalization and approval of the revised DED plans by February 2020.</p> <p>DPWH to facilitate civil works contractor request for 160 days contract extension due to the issue of the project encroaching a heritage site.</p> <p>Updates: As of March 10, 2020, the revised DED plans are still with the consultant for finalization vis-à-vis BOD corrections and comments. Further, DPWH reported that the consultant is progressing slowly in finalizing the said plans given the current COVID-19 pandemic.</p>

Project Title/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Central Luzon Link Expressway Project/ DPWH/ JICA	<p>Delays in the acquisition of road right-of-way (RROW) (through expropriation) in Aliaga and Cabanatuan, Nueva Ecija which delayed the progress of work for the project.</p> <p>Some of the affected lot owners rejected the letter offers and had adverse claims for their lots.</p>	<p>Actions Taken: DPWH prepared documents for lots to be expropriated for filing to Office of the Solicitor General (OSG). DPWH also conducted an information education campaign to assist claimants in completing the required documents under RA 10752.</p> <p>As of March 2020, out of the total 869 affected lots, 841 lots are ongoing acquisition through negotiated sale.</p> <p>Action to be Taken: The remaining 28 lots will be acquired through expropriation, 16 of which were already filed at the Regional Trial Court of Cabanatuan, Nueva Ecija (these either have adverse claims by their respective lot owners, or have lacking documents), while for the remaining 12 lots, expropriation cases are still being prepared for filing.</p>
Central Luzon Link Expressway Project/ DPWH/ JICA	<p>Increase in RoWA cost due to the enactment of the RoWA Act.</p> <p>RoWA budget was based on zonal value of land amounting to PHP70 per square meter, but current market value amounts to around PHP130 per square meter.</p>	<p>Actions Taken: DPWH reported that payments for some lots for RROWA were initially shouldered by the contractor to fast-track RROWA and implementation of the project.</p> <p>DPWH clarified that through the expropriation process, only the zonal value of the affected lots needs to be paid through the Courts to gain the necessary permits-to-enter, with the remaining balance (difference between the zonal value and market value) to be paid later.</p> <p>Action to be Taken: DPWH to review whether the ICC approved allocation for RROWA (PHP337.02 million) is still sufficient. DPWH will also request ICC notation or approval not later than September 2020, if there will be an increase in cost.</p>



IGCMRSP PR 07: Zamboanga Sibugay's Tampilisan -Sandayong Road newly paved PCCP full with paved shoulders.

Project Title/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Improving Growth Corridors in Mindanao Road Sector Project/ DPWH/ ADB	Delayed processing of RoW compensation to affected persons due to incomplete documents/ requirements.	<p>Action Taken: DPWH RRoW team assisted the affected persons to complete the required documents.</p> <p>Action to be Taken: DPWH to provide continuous assistance to the affected persons in accomplishing the required documents by June 30, 2020.</p>
Metro Manila Interchange Construction Project, Phase VI/ DPWH/ JICA	Difficulties in RoWA inside the DND-owned Veteran's Golf Course, particularly for the widening of North Avenue and installation of a pump house for the tunnel section.	<p>Actions Taken: Tripartite MOA (TMOA) for RRoWA is under process for signature by DPWH, DND, and NHA.</p> <p>TMOA for RRoWA was already signed by DPWH and forwarded to DND for signature on December 3, 2019 before sending back to NHA for signature.</p> <p>NHA drafted the permit-to-enter that DND may issue to DPWH to expedite pre-construction works at the site.</p> <p>Action to be Taken: DPWH-RMCI to facilitate signing of the TMOA before start of civil works construction.</p> <p>DND to issue permit-to-enter to DPWH.</p>

Project Title/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Road Upgrading and Preservation Project/ DPWH/ JICA	Deletion of some road maintenance sub-projects under long-term performance-based maintenance-cum-enhancement (LTPBME) component in Region III because the Area of Special Treatment (AOST) is beyond maintainable levels.	<p>Action Taken: Realignment/identification of other feasible road maintenance sub-projects under LTPBME component is ongoing and expected to be completed by January 2021.</p> <p>Action to be Taken: DPWH to facilitate earlier completion of all sub-projects.</p>
Road Upgrading and Preservation Project/ DPWH/ JICA	Delay in the work schedule of the Bohol Circumferential Road (CP3: Reconstruction of Clarin Bridge) is being encountered due to RoWA issues.	<p>Actions Taken: Partial Work Suspension Order (WSO) No. 1 was issued on August 6, 2018. Works resumed on April 22, 2019. The contractor's request for time extension of 215 calendar days due to WSO 1 was approved.</p> <p>DPWH engaged LANDBANK to determine the current market value of the 65 affected lots.</p> <p>Updates: Partial WSO No. 2 was issued on January 3, 2020 due to RRoW problem in Approach A.</p> <p>Acquisition of RRoW is ongoing. Out of 64 affected lots, seven are for payment, one is donated, 21 are for processing, 24 are lacking documentation, and 11 lots are for expropriation. Meanwhile, out of the 18 affected structures for improvements, nine are for processing, seven are lacking documentation, one owner is always out of town, and one is for expropriation.</p> <p>Action to be Taken: DPWH/contractor to closely coordinate with the concerned DEO for the acquisition of RRoW. DPWH to strictly adhere to the revised PERT/ CPM. Completion of Clarin Bridge targeted by March 2021.</p>
Road Upgrading and Preservation Project/ DPWH / JICA	Delay in the construction activities in Mamburao Road Section, particularly the construction of the Taberna Bridge since the actual water level was six-meter deeper than the original assessment, warranting the need to redesign the substructure of the Taberna Bridge.	<p>Action Taken: Contractor and DPWH Bureau of Design agreed to redesign the bridge substructure.</p> <p>Update: Works for the construction of the Taberna Bridge was suspended on January 22, 2020.</p> <p>Action to be Taken: DPWH to fast track the finalization of the revised design of the substructure of the Taberna Bridge.</p>

Project Title/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Samar Pacific Coastal Road Project/ DPWH/ KEDCF	Contractor's workers cannot work beyond 5:00 pm due to security reasons (threats from insurgents). Major equipment operating on site were required to be returned to the base camp before sundown. This resulted in slow progress of works.	<p>Action Taken: Contract Time Extension No. 3 for 51 days was approved on September 26, 2019 due to peace and order concerns.</p> <p>Update: As of March 11, 2020, DPWH reported that the issue is resolved as additional military personnel were already deployed in the project site.</p>
Cavite Industrial Area-Flood Risk Management Project/ DPWH/ JICA	Delay in RoWA due to lack of appropriate land registration (documentary requirements), specifically, for the project affected lots in Noveleta and Rosario areas.	<p>Action Taken: DPWH is currently facilitating securing of said documentary requirements in preparing the Parcellary Survey/Plan.</p>
Integrated Disaster Risk Reduction – Climate Change Adaption in Low-Lying Areas in Pampanga Bay/ DPWH/ KEDCF	As originally designed, the dike embankment is not suitable to the soil condition (e.g., silty clay). Hence, the need to revise the design.	<p>Actions Taken: The UPMO-FCMC, consultant and contractor decided to revise the design of dike embankment to use steel sheet pile and concrete slope protection and bamboo cribbing.</p> <p>DPWH, through a letter dated March 2, 2020, requested ICC approval of the change in scope and increase in cost for the project to incorporate the proposed change in design.</p>
Integrated Disaster Risk Reduction- Climate Change Adaptation in Low-Lying Areas in Pampanga Bay/ DPWH/ KEDCF	Delay in processing of the RoWA of the lots due to lacking documentation to process the payment.	<p>Actions Taken: DPWH is facilitating the process of payments of lot owners with complete documentation (i.e., title, parcellary survey, estimated costs by the independent appraiser [LANDBANK or DBP]). Meanwhile, for some lot owners with incomplete documentation, the contractor will cover the payment and will be reimbursed once the owners complete the required documentation.</p> <p>Actions to be Taken: DPWH UPMO-FCMC will continue to negotiate with the landowners to at least secure permits-to-enter to the affected lots.</p>



FRIMP-CDOR: 4.1km floodwall for the Flood-Risk Management Project of Cagayan de Oro River

Project Title/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Flood Risk Management Project- Cagayan de Oro River/ DPWH/ JICA	<p>Delays in processing of the RoWA of the lots due to lacking documentation to process the payment.</p> <p>Specifically, the delays are due to: (a) incomplete document requirements (i.e., TIN, IDs, Tax declaration) of project affected persons; (b) slow processing of payments by DPWH's Finance Service, due to voluminous claims being processed; and (c) change in master list of affected lots/ structures due to changes in project design vis-à-vis approved DED.</p>	<p>Actions Taken: DPWH has employed the following strategies to resolve the issue:</p> <ol style="list-style-type: none"> 1. Continuously negotiate with the lot owners. 2. DPWH prepared a MOA on compensation budget for structures amounting to PHP305 million which was already downloaded to Cagayan de Oro City. Other compensation budgets are being processed in DPWH Central Office and Regional Office X. 3. DPWH/JICA approved the Resettlement Action Plan. Construction of Resettlement Site Development is proposed under contract package 3. <p>DPWH also initiated the filing of expropriation case in court on RoW claims with lacking documents and non-issuance of Permit to Enter.</p> <p>Actions to be Taken: Continue aforementioned strategies. DPWH targets to complete all activities to resolve the issue with RoWA within CY 2020.</p>



Tuguegarao, Cagayan: Construction of Tagoloan River dike embankment and sluiceway

Project Title/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Flood Risk Management Project – Cagayan, Tagaloan and Imus River/ DPWH/ JICA	Delays in RoWA activities due to sheer number of claimants estimated at more than 1,000 families (Imus River component).	<p>Actions Taken: DPWH is currently facilitating the payment for the RoWA for the area.</p> <p>Action to be Taken: DPWH will constantly coordinate with Regional Trial Court for the payment of RoW (expropriation) and issuance of Writs of Possession and subsequent release of payments to land owners of provisional amount deposited in court for the remaining lots.</p>
Flood Risk Management Project – Cagayan, Tagaloan and Imus River/DPWH/ JICA	Additional temporary stock yard (TSYs) and disposal areas (DAs) with an estimated area of 50 ha are needed to accommodate remaining estimated volume of excavated materials amounting to approximately 1.2 million cubic meters from the Imus and Bacoor retarding basins	<p>Actions Taken: DPWH and Provincial Government of Cavite agreed on the additional TSYs and DAs. The Provincial Government provided seven units of dump trucks to haul materials from TSY in Kawit and committed to identify additional TSY and DA. Currently, TSYs in Noveleta and Kawit are being utilized by the contractor.</p> <p>DPWH also invited private companies/entities to haul excavated materials from the project after complying documentary requirements.</p> <p>Action to be Taken: DPWH targeted to fully address the issue on TSY within the 1st semester of CY 2020.</p>

Project Title/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Metro Manila Flood Management Project/ DPWH/ WB and AIB	<p>Delay in preparation of Vitas Resettlement Action Plan (RAP) for the project site due to coordination issues among DPWH, National Housing Authority (NHA) and Social Housing Finance Corporation (SHFC) with regard to final relocation of NHA beneficiaries, livelihood restoration opportunities, budget implementation schedule, support to be provided on the receiving LGUs, grievance and redress mechanism and institutional support.</p> <p>In addition, there was an increase in the number of informal settler families (ISFs) in the RAP for Vitas pumping station from 165 to 205.</p>	<p>Actions Taken: DPWH, together with HUDCC, prepared the RAP for Vitas. RAP was submitted to WB for review on February 15, 2020.</p> <p>The WB comments are already received and is currently being incorporated in the revised documents.</p> <p>Actions to be Taken: PMO to start relocating PAPs from Vitas Site once RAP is approved by WB. SHFC to finalize the remaining requirements for the relocation site (i.e., electricity connection, status of the road construction).</p>
Metro Manila Wastewater Management Project / LANDBANK/ WB	<p>Delayed issuance by the LGUs of the locational, excavation, construction, and building permits due to concerns on impact of project on the traffic condition affected the implementation of both Maynilad Water Services, Inc. (MWSI) and Manila Water Company, Inc. (MWCI) subprojects (South Pasig Package 1A, Cupang STP, Valenzuela Conveyance System Package 1 and Valenzuela Conveyance System Package 3).</p>	<p>Actions Taken/to be Taken: Based on the proposed action plan submitted by LANDBANK, the concessionaires are expected to employ the following strategies:</p> <ol style="list-style-type: none"> 1. In coordination with LGUs, formulate and implement comprehensive traffic management plan to mitigate the effects of construction activities in the immediate vicinity; 2. Change in construction methodologies to catch up to the slippage of some subcontract packages; and, 3. Employ engineering interventions to ensure the achievement of project development objectives. <p>LANDBANK will also continue to closely monitor progress of subcontract packages and the project as a whole.</p>
Mindanao Sustainable Agrarian and Agriculture Development Project/ DAR/ JICA	<p>Peace and order situation in Mindanao affected the implementation of the remaining 54 sub-projects.</p>	<p>Action Taken: DAR-MinSAAD sustained its coordination meetings with concerned PPMO/LGUs to facilitate implementation of sub-projects.</p>

Project Title/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Chico River Pump Irrigation Project/ NIA/ China	Delay in RoW payment to 972 out of 1,391 project affected persons (PAPs) due to pending submission of legal requirements (Cagayan area).	<p>Action Taken: NIA PMO coordinated with land owners to acquire permit-to-enter and construct while RoWA is ongoing. Project Appraisal Committee Resolution No. 001, s. 2019 for Cagayan side was approved on January 23, 2020, which states the current value of the land, crops and trees agreed between NIA and the PAPs will be considered the fair market value of the properties.</p> <p>Actions to be Taken: NIA to facilitate settlement of payment to PAPs.</p>
	Additional scope of works include on-farm facilities, improvement of canal lining, construction of drainage facilities, and protection works.	<p>Action Taken: CRPIP-PMO prepared supporting documents to facilitate the review of the NIA Board in the approval of the additional funding for the proposed additional Scope of Works for CRPIP.</p> <p>Actions to be Taken: CRPIP-PMO to submit the proposal for NIA Board approval on: (a) increase in cost with an estimated amount of PHP1.04 billion due to (b) increase in scope covering on-farm facilities, improvement of canal lining, construction of drainage facilities, and protection works by January 2020.</p>
Jalaur River Multi-Purpose Project Stage II/ NIA/ Korean Economic Development Cooperation Fund (KEDCF)	Per KEDCF mission recommendation, NIA needs to undertake additional site and geotechnical investigation, which will also entail additional cost and time extension.	<p>Actions Taken: NIA coordinated with KEDCF to proceed with the additional site and geotechnical investigation.</p> <p>NIA approved geotechnical investigation plan prepared by KRC-JV (consultant) and submitted to KEDCF for review and approval.</p> <p>Actions to be Taken: NIA to discuss KEDCF's recommendations with DAEWOO (contractor).</p> <p>NIA to request ICC approval for project restructuring.</p>

Procurement

This typology refers to issues caused by delays in procurement and pre-procurement activities such as failures in bidding and negotiations with potential contractors, among others.

Under this typology, nine of the 16 issues that affected 16 projects were already resolved.

Table 5.3 Projects with Issues on Procurement

Project/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Resolved		
MRT 3 Rehabilitation Project/ DOTr/ JICA	Delays in the procurement of the supervision consultant due to high bid price which necessitated [review and approval/clearance/ no objection] by JICA of the negotiated contract price. Target contract award was originally scheduled in October 2019.	<p>Actions Taken: DOTr proceeded with contract negotiations with the lone bidder.</p> <p>The contract for the supervision consultant was awarded on December 18, 2019. DOTr to finalize/ facilitate the approval of the contract of the supervision consultant.</p>
North-South Commuter Railway Project, Phase 1 (Malolos-Tutuban)/ DOTr/ JICA	Delay in the procurement of the electrical and mechanical contractor due to the decision to change the signaling system from Communications-based Train Control (CBTC) to European Train Control System (ETCS) Level 2, as the latter is a proven system capable of reaching operating speed of 160 km/h to achieve one-hour travel time from Buendia to Clark International Airport. Said system will also ensure interoperability with the North-South Commuter Railway Extension Project.	<p>Action Taken: After a series of meetings, the Embassy of Japan agreed to the use of ETCS as the signaling system for the project last August 2019.</p> <p>Updates: DOTr to request ICC action on change in scope due to the decision to change the signaling system from CBTC to ETCS Level 2.</p>
LRT Line 1 South Extension Project/ DOTr/ JICA	<p>Procurement for the depot management contractor was delayed due to two failures in bidding resulting from high bid prices.</p> <p>Commencement of depot management works was originally targeted in January 2019.</p>	<p>Actions Taken: Upon the instruction of JICA, DOTr proceeded to negotiate with the bidders using the JICA guidelines for procurement under Japanese ODA loans.</p> <p>Notice-to-Proceed (NTP) for the depot management contractor was issued on June 24, 2019.</p>

Project/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
LRT Line 2 East Extension Project/ DOTr/ JICA	Prolonged procurement of electromechanical system (EMS) contractor resulting from two bidding failures due to non-qualification of bidder (1st round) and high bid price (2nd round).	Action Taken: DOTr proceeded to negotiate with and award the EMS contract to Marubeni-DMCI Joint Venture. The NTP was issued on February 14, 2019.
Maritime Safety Capability Improvement Project Phase II/ DOTr/ JICA	Delays in the procurement of the general consultant arising from clarifications on the technical proposal of the bidders. This consequently delayed the procurement of the shipbuilder.	Actions Taken: Contract of the General Consultant was awarded on September 28, 2018. The NTP was issued on November 9, 2018. Contract for the Shipbuilder was awarded to Mitsubishi Shipbuilding Co. Ltd. on December 27, 2019 and signed on February 7, 2020.
Panguil Bay Bridge Project/ DPWH/ KEDCF	Prolonged procurement due to conflicting opinion between DPWH and KEXIM bank on whether there is a failure in bidding or to proceed with negotiated procurement.	Actions Taken: In view of the conflicting opinions, DPWH requested the legal opinions of the Department of Justice (DOJ) and Government Procurement Policy Board (GPPB). DOJ, through a letter dated July 12, 2019 rendered its opinion for the project to proceed with the negotiated procurement. GPPB opined in a letter dated October 18, 2019 that the procurement is not covered by the Government Procurement Reform Act (GPRA). DPWH proceeded and completed the negotiated procurement process, and KEDCF concurred with the results of the negotiated procurement through a letter dated October 29, 2019. Notice of Award was issued to the contractor on November 5, 2019. NTP was issued on February 14, 2020 where civil works will commence on February 28, 2020.
Water District Development Sector Project/ LWUA /ADB	Delay in project implementation due to bidding failure of the Polomolok WD in South Cotabato. The winning bidder was disqualified during post qualification for non-disclosure of the ongoing joint-venture contract which has a slippage of more than 15 percent. Likewise, there was a delay in project implementation due to procurement activities not carried out because of the community quarantine restrictions.	Actions Taken: ADB approved LWUA's request for rebidding. Procurement is ongoing as of 2nd quarter of 2020. LWUA encouraged the WD to adopt electronic system of procurement including conduct of pre-bid conferences and meetings through video conferencing and online submission of bids.

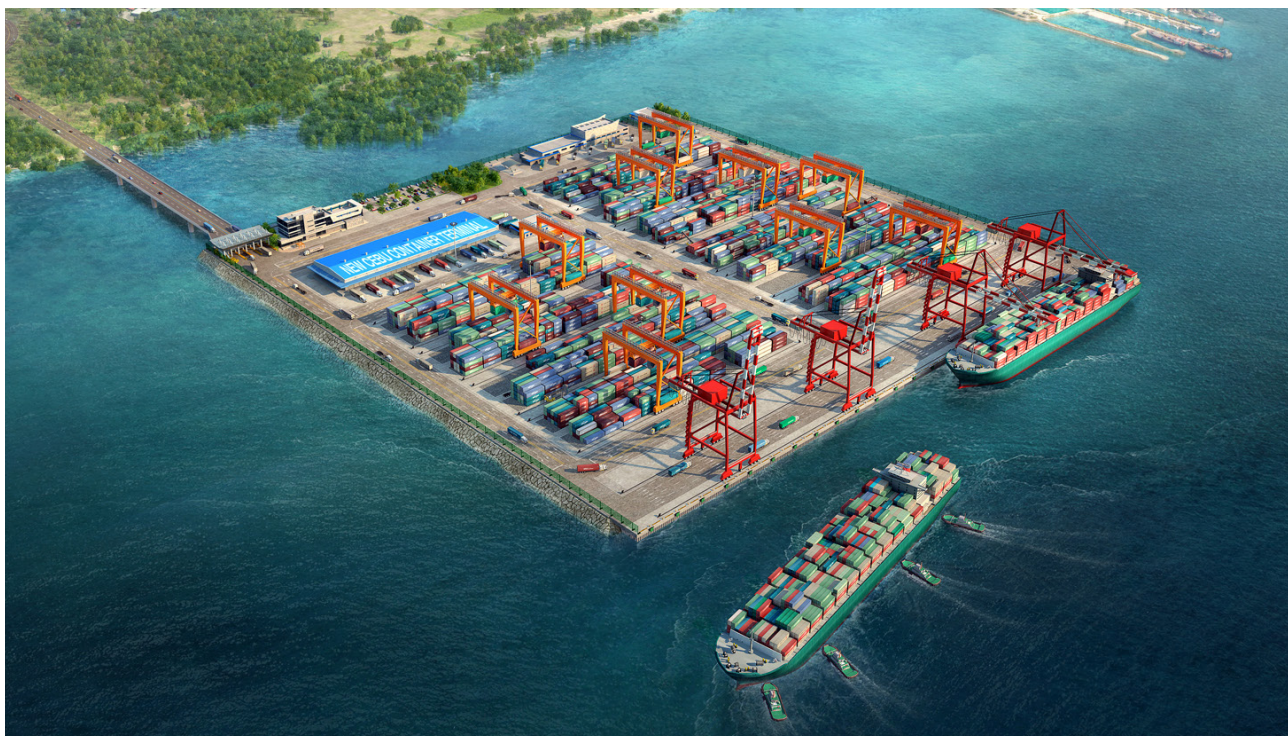
Project/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Panay Island Upland Sustainable Rural Development Project/ DA/ Korea International Cooperation Agency (KOICA)	Delay in the procurement by KOICA of the following: small scale projects (house and community improvement projects), income generating projects, and marketing improvement projects.	Actions Taken: KOICA authorized DA Regional Field Office (RFO) VI to handle the procurement process for small scale projects (house and community improvement projects), income generating projects, and marketing improvement projects while payment will be the responsibility of KOICA. A special Bids and Awards Committee (BAC) was created and the regular TWG, canvassers and inspection committee of DA RFO VI were tapped to facilitate the procurement process through a special order.
<i>Pantawid Pamilyang Pilipino Program/ DSWD/ WB</i>	Delay in the scaling-up of the program resulting from the earlier delays in procurement of data collection firm for the 3rd wave impact evaluation (IE) final report of the Conditional Cash Transfer (CCT) program.	Actions Taken: Scaling-up of the program was superseded by the Republic Act 11310 or 4Ps Act enacted in April 2019. The Philippine Institute for Development Studies (PIDS) officially endorsed the 3rd wave IE final report to DSWD in January 2020. The findings were already presented to the DSWD Management Committee, pending the transmittal of final report to the Office of the Secretary and its presentation to DSWD Executive Committee. As mandated by Section 10 of the 4Ps Act, PIDS will conduct an impact assessment to evaluate the effectiveness of the 4Ps every 3 years after effectivity of said law.
Current		
Metro Manila Interchange Construction Project, Phase VI/ DPWH/ JICA	Delay in the procurement of civil works contractor of the North/ Mindanao Interchange and the C5/ Green Meadows/Acropolis/ Calle Industria Interchange due to high bids (81% above the approved budget for the contract).	Actions Taken: DPWH declared a failure of bidding on November 7, 2019, and rejected the lone bidder's appeal on December 3, 2019. Updates: As requested by the BAC, the lone bidder submitted a revised financial proposal on March 9, 2020. The BAC rejected the revised proposal and declared a failure of bidding on May 26, 2020. Action to be Taken: In June 2020, DPWH will refer the declaration of failure of bidding to JICA for concurrence.
Metro Manila Priority Bridges Seismic Improvement Project/ DPWH/ JICA	Delay in procurement due to failure of bidding for civil works declared in December 2019. This was due to lack of participating bidders (reasons cited by two of the three interested bidders: tight construction schedule, and insufficient manpower and financial capacity).	Action Taken: DPWH made minor revisions in the terms of reference and bidding documents, particularly on the schedule of major activities, but retained the 28-months contract duration. Update: JICA concurred on May 7, 2019 the failure of bidding in December 2019. The revised bidding documents was submitted to JICA on May 26, 2020 for comments/ recommendation. Action to be Taken: DPWH to advertise for the second round of bidding by June 2020

Project/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Access to Sustainable Energy Programme/ DOE/ EU	Delay in procurement of contractors under component 3 (call for proposals), as there are limited contractors in project areas which are experiencing peace and security issues.	Action Taken: Procurement to be rescheduled in 2020.
Philippine Rural Development Project/ DA/ WB	Delay in procurement in the rural infrastructure sub-projects due to low participation of bidders.	Action Taken: The project conducted a conference with the contractors to explain the project requirements and consequently invited bidders to participate in the invitation to bid. Conducted coaching sessions for new BAC members on the harmonized WB and RA 9184 procurement guidelines.
Mindanao Sustainable Agrarian and Agriculture Development Project/ DAR/ JICA	Delays in procurement in some sub-projects due to limited/ absence of bidders particularly in Lanao del Norte where there are peace and order issues.	Action Taken: DAR conducted regular coordination meetings and assessment with concerned LGU and line agencies implementing the projects such as NIA and DPWH on how to fast track procurement. Action to be Taken: Sustain and raise the quality level of project coordination meetings with the line agencies (DPWH and NIA) as well as LGUs.
Convergence on Value Chain Enhancement for Rural Growth and Empowerment/ DAR/ IFAD	Poor procurement planning, execution, contract management, and recording resulting in delays in procurement of related value-chain equipment and related infrastructure.	Action Taken: ConVERGE is on the process of hiring a contracts administration officer. Meanwhile the Finance Section and M&E Section of CPMO started the establishment of the Procurement Filing System and Procurement Tracking Database. Action to be Taken: DAR will hire a contracts administration officer (instead of a procurement officer) who will track procurement activities of the Regional and Provincial Project Management Offices and municipal LGUs. The contracts management officer will ensure timely compliance to the No Objection Tracking Utility System (NOTUS) comments whenever a no objection is required; assist the regional and provincial PMOs and municipal LGUs in contract management; update the Contracts Register; and establish a procurement filing system at Central PMO.
Better Life for Out-of-School Girls in Tacloban City to Fight Against Poverty and Injustice/ DepEd/ KOICA	The Project encountered consecutive bidding failures because few prospective service providers expressed their interests for the construction of Girls Education Centre.	Action Taken: Aggressive information dissemination of bidding announcement had been pursued with the support of partner institutions. Action to be Taken: The procurement process for the selection of the construction firm for the establishment of the Girls Education Centre is expected to commence in July 2020. The actual construction will be started at the last quarter of 2020.

Government/Funding Institution Approvals

This subsection discusses difficulties in obtaining clearances, permits, and approvals from the government or funding institutions.

Under this typology, four of the 12 issues that affected 11 projects were already resolved.



NCICPP: New Cebu International Container Port Project bird's-eye view of plan

Table 5.4 Projects with Issues on Processing of Clearances/Permits and Approvals

Project/IA/Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Resolved		
New Cebu International Container Port Project/DOTr/ KEDCF	Due to delay in the procurement of consulting services, there is a risk that the Loan Agreement will terminate (Section 11.04 of the L/A) if the contract with the winning bidder is not signed within 18 months from the L/A effectivity date (September 21, 2018).	<p>Action Taken/ Updates: Notice of award for consulting services was issued on January 20, 2020 to Yooshin Eng. Corp.</p> <p>The contract was already signed on March 9, 2020 by DOTr and Yooshin Eng. Corp., and subsequently concurred by KEXIM on March 13, 2020.</p>

Project/IA/Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Davao City Bypass Construction Project/ DPWH/ JICA	After the project restructuring approved by the NEDA Board in 2018, CP I was repackaged into 3 subcontracts but the resulting cost of Japanese content fell below 30 percent requirement, which disqualifies the project to access the highly concessional STEP loan financing from JICA.	<p>Actions Taken: In order to comply with the JICA STEP loan financing requirement, DPWH requested in December 2019 another round of cost increase (from PHP25,849.01 million, as confirmed by the NEDA Board ad referendum on October 20, 2018, to PHP46,804.54 million) and change in scope/design (changes in length of the embankments and bored piles, change in design of the intersection with Davao-Bukidnon Road from a flyover crossing to an at-grade road and underpass and additional total road length of 300 meters).</p> <p>ICC-CC and NEDA Board approved said request on December 20, 2019 and January 28, 2020, respectively.</p>
Mindanao Sustainable Agrarian and Agriculture Development Project/ DAR/ JICA	Pending approval by JICA of a one-year loan validity extension (July 3, 2019 to July 3, 2020). The request for extension was endorsed by DOF to DFA on May 11, 2017.	<p>Action Taken: In a letter dated June 27, 2019, DOF reiterated its earlier request for DFA's immediate endorsement of MinSAAD's one-year loan validity extension request to the Embassy of Japan on July 2, 2019, JICA approved DAR's request for the one-year loan validity extension.</p>
Development Objective Agreement on "Family Health Improved"/ DOH/ USAID	Difficulty in accessing project data (i.e., actual expenditures and disbursement plan for the remaining fund) in compliance with the ICC documentary requirements for the approval of the amended grant agreement.	<p>Update: Special Presidential Authority signed by the Executive Secretary on May 8, 2020 and amended grant signed by DOH Secretary and USAID Mission Director on May 18, 2020.</p>
Current		
Davao City Bypass Construction Project/ DPWH/ JICA	Supplemental JICA loan to cover the cost increase still pending signing/ approval of both governments.	<p>Action Taken: DPWH provided comments to DFA on the Draft Exchange of Notes between the Government of the Philippines (GPH) and the Government of Japan (GoJ) for the Supplemental Loan amounting to JPY34,830 million.</p> <p>Update: Supplemental Loan Agreement between GoJ and GPH was signed on June 16, 2020.</p>

Project/IA/Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Harnessing Agribusiness Opportunities through Robust and Vibrant Entrepreneurship Supportive of Peaceful Transformation Project/ LANDBANK/ JICA	Difficulty in complying with JICA's environmental and social safeguard conditions to secure concurrence on JICA's sub-loans.	<p>Actions Taken: LANDBANK requested JICA to include support in conducting environmental safeguard and social screening to subproject proposals under the grant technical assistance. The request was concurred by JICA in March 2020. The Technical Assistance (TA) Phase II is still being finalized. Currently, LANDBANK personnel and JICA are doing the environment and social screening while the consultants are not yet onboard.</p> <p>Actions to be Taken: LANDBANK to coordinate with JICA to fast track the approval of the TA Phase 2.</p>
Italian Agrarian Reform Community Development Support Program/ DAR/ Italy	Procurement delays due to bidding failure and delays in the issuance of No Objection Declarations (NODs) by the Italian Government.	<p>Actions Taken: Revised MoU between the Italian and Philippine Governments which includes the provision that procurement will proceed regardless of the number of eligible bidders and the implementation of 45-day maximum period in issuing NOD was endorsed to the Department of Foreign Affairs in October 2019.</p> <p>In its July 27, 2018 meeting, the ICC-CC approved DAR's request for the adoption of the 45-day period for issuance of the NOD.</p> <p>Update: In July 2019, the Government of Italy submitted a counter proposal on the modification to the MoU to include the following revisions: to increase the threshold for the issuance of NODs from EUR100,000 to EUR500,000 and reduce the number of eligible bidders to proceed with the procurement, from three bidders to one bidder depending on the market situation in the area.</p> <p>DFA posted no objection to the counter-proposal through its letter to the Italian Embassy dated November 2019, while suggesting that DAR's comments be incorporated into the MoU. As of April 30, 2020, the Italian Embassy is waiting for clearance from the Italian Ministry of Foreign Affairs (MDGC-MEAC) before the Note Verbale is issued.</p>

Project/IA/Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Jalaur River Multipurpose Irrigation Project, Phase II/ NIA/ KEDCF	<p>Delay in the commencement of construction works by DAEWOO Engineering and Construction Co., Ltd. (DAEWOO E&C) due to the following:</p> <ol style="list-style-type: none"> 1. Delayed conformance of DAEWOO on NIA's compliance with the contract agreement conditions; and 2. Prolonged evaluation of the KEDCF to the environmental and social conditions and subsequent compliance of NIA prior to commencement of construction. 	<p>Actions Taken: DAEWOO conditionally agreed with NIA on April 10, 2019 as the official commencement date of the contract, subject to fulfillment of two contract conditions.</p> <p>NIA fulfilled the conditions along with the observations, clarifications and comments of KEDCF during the procurement process. The Environmental and Social Commitment Plan between KEDCF and NIA was signed on November 8, 2018. As a result, the Bank concurred on the contract on November 19, 2018.</p>
Integrated Natural Resources and Environmental Management (INREMP) Project/ DENR/ ADB and IFAD	<p>Slow process of securing NCIP clearance for the implementation of subprojects in INREMP sites due to the varied frequency of conducting the FPIC process across INREMP's four covered river basins.</p>	<p>Actions Taken: NCIP Memorandum Order was issued to the concerned regional NCIP offices (CAR and Central Visayas) to facilitate and hasten the conduct of the FPIC process as a result of an agreement between the DENR Forest Management Bureau Director and the NCIP en banc on 16 January 2019.</p> <p>By December 2019, a total of 90 out of the 168 contract packages (CPs) were issued by the NCIP. Of the 78 remaining CPs, 71 applications already underwent community validation whose reports are under review by the NCIP.</p> <p>Actions to be Taken: INREMP regional units to consistently coordinate with regional NCIP offices to ensure continuity of conduct of the FPIC process and to secure NCIP clearance.</p>

Project/IA/Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Forestland Management Project (FMP) /DENR/JICA	Delayed issuance of Land Tenure Instruments (LTIs) to FMP's partner Provincial Offices (POs) due to the varied frequency of conducting the FPIC process across FMP's four covered river basins. Conduct of FPIC is a requirement for by NCIP prior to issuing clearance.	<p>Actions Taken: DENR Regional and POs are continuously coordinating with their NCIP counterparts for conduct of the FPIC process.</p> <p>Focal person per region was assigned to coordinate the application for NCIP certificate/clearance.</p> <p>NCIP Memorandum Order was issued to NCIP CAR and Western Visayas to facilitate conduct of the FPIC process and issuance of NCIP clearances as a result of an agreement between the DENR-FMB Director and the NCIP en banc on January 16, 2019.</p> <p>Actions to be Taken: For 56 of the remaining 149 NCIP clearances, the field implementing units will continue its close coordination with Regional / Provincial NCIPs to facilitate issuance of clearances until July 2020 per submitted FMP catch-up plan.</p>
Philippine Rural Development Project (PRDP)/ DA/ WB	Delayed transfer of funds from LGU to proponent groups (PGs) implementing the enterprise sub-projects due to the imposition of the LGUs' requirement to accredit the PGs (NGOs) before releasing funds. Some PGs incurred delay in complying with the requirements for accreditation (e.g., accomplishment reports, board resolution, and financial statement, among others) as they were also preoccupied with the operation of the enterprise as well as their individual farming activities.	<p>Actions Taken: The PRDP conducted dialogues with the accountants of the LGUs to explain what PRDP requires for the LGUs to release funds to the PGs. Through this, it was clarified that the accreditation of the PG by the LGU is not a pre-requisite or requirement for the downloading of funds to the PGs for the implementation of PRDP I-REAP subprojects.</p> <p>Actions to be Taken: Continuous monitoring of progress after issuance of No Objection Letter 1 and provide appropriate advice to LGUs.</p>
Rehabilitation of Felipe Abrigo Memorial Hospital and Strengthening of Guiuan Inter-Local Health Zone Project/ DOH/KOICA	Delays in construction startup due to difficulty in securing clearances (e.g., ECC, building permit, perimeter fence permit)	<p>Action to be Taken: DOH to closely coordinate with City Environment and Natural Resources Office and LGU to immediately secure the required clearances.</p>

Budget and Funds Flow Issues

Budget and funds flow issues refer to absence, lack of, or inadequate funding, delayed fund releases, and adverse movement of interest or exchange rates.

Under this typology, five of the 16 issues that affected 15 projects were already resolved.

Table 5.5 Projects with Issues on Budget and Funds Flow

Project/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Resolved		
Improving Growth Corridors in Mindanao Road Sector Project/ DPWH/ ADB	Inability of DPWH to utilize part of the loan proceeds allocated to DED preparation for technically feasible and economically viable projects since the feasibility study preparation is not funded by the loan.	<p>Action Taken: DPWH through a letter dated October 28, 2019 requested NEDA endorsement to amend the loan agreement to allow the use of loan proceeds for FS preparation and implementation of civil works subprojects under Output 2 (DED) of the ADB loan. NEDA, in a November 15, 2019 letter, requested DPWH to submit ICC requisite documents.</p> <p>Update: In a meeting with DPWH on January 10, 2020, ADB agreed that an amendment to the Loan Agreement is no longer necessary. Through a letter dated January 21, 2020, DPWH requested ADB for minor change in scope of Output 1 (Road Improvement under Core Subproject and any subprojects that is selected pursuant to paragraph 2 of Schedule 5 of project's loan agreement) to cover the conduct of FS and DED. Subsequently, DPWH withdrew its pending request to NEDA on January 30, 2020.</p> <p>Action to be Taken: DPWH to inform NEDA and DOF on the result of its request to ADB</p>
Panguil Bay Bridge Project/ DPWH/ KEDCF	There is a budget shortfall in the available loan allocation for civil works and DED due to high bid price amounting to USD125.52 million compared to agency estimated cost amounting to USD117.56 million. Hence the need to reallocate loan proceeds from the Contingency portion to Civil Works and DED loan category.	<p>Actions Taken: Through a letter dated November 21, 2019, DPWH requested DOF endorsement for the reallocation of loan proceeds.</p> <p>DOF referred DPWH's request for NEDA's endorsement of said loan reallocation through a letter dated December 4, 2019. Said request is needed to proceed with the issuance of NTP to the winning contractor.</p> <p>NEDA in its letter dated January 14, 2020 endorsed DPWH's request for loan reallocation to DOF. It was confirmed by KEDCF on February 7, 2020.</p>

Project/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Water District Development Sector Project/ LWUA/ ADB	Non-inclusion of the GPH counterpart amount for the project (i.e., taxes and budget for RoWA) in the ICC-approved total project cost.	<p>Actions Taken: The GPH counterpart is now shouldered by LWUA through its internally generated fund.</p> <p>LWUA has identified PHP 187.55 million for payment of taxes and RoWA for financing. GPH also include WD equities in the total amount of PHP296.73 million.</p>
Italian Agrarian Reform Community Development Support Program/ DAR/ Italy	Slow turnover of fund liquidation reports due to auditing procedures and reshuffling of COA auditors at the LGU level. In effect, the Project was unable to reach the PHP120 million-worth of audited report requirement to enable request for release of second tranche of loan proceeds.	<p>Actions Taken: Series of workshops were undertaken and follow up with regions and concerned LGUs.</p> <p>DAR requested all PMUs to fast track the submission of liquidation reports to facilitate the request for second tranche of loan proceeds.</p> <p>Actions to be Taken: External auditor concluded an audit of PHP158.9 million in the first week of March 2020. Currently, DAR is waiting for the final report to support the request for 2nd tranche. DAR's target of request and release of the second tranche is in June 2020.</p>
Maritime Safety Capability Improvement Project Phase II/ DOTr/ JICA	Insufficient appropriations cover in FY 2020 for the required 20 percent advance payment amounting to PHP1,242 million to the winning shipbuilder.	<p>Actions Taken: DBM issued the Special Allotment Release Order (SARO) for the 20 percent advance payment to the shipbuilder on March 24, 2020. The advance payment was disbursed on May 8, 2020.</p>
Current		
Cebu Bus Rapid Transit Project/ DOTr/ WB and AFD	In the absence of an updated Multi-Year Contracting Authority (MYCA) for the project, the procurement for civil works originally targeted to start in April 2020 is unlikely to proceed.	<p>Updates: The National PMO coordinated with DBM in February 2020 on the issuance of the project MYCA, but DBM required DOTr to resubmit the MYCA reflecting the original ICC-approved cost and description. DOTr submitted to DBM its request for MYCA on June 8, 2020.</p> <p>Actions to be Taken: DOTr to request by June 2020 project restructuring of the following:</p> <ul style="list-style-type: none"> - Extension of implementation period - Extension of AFD and WB loans by one and two years, respectively - Increase in total project cost

Project/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Metro Manila Bus Rapid Transit/ DOTr/WB	With the planned co-financing by AFD no longer proceeding, there is a need to find alternative financing source for the project.	<p>Action Taken: Through a letter dated October 14, 2019, DOF requested USD25.84 million additional financing (AF) from the WB to support the project. On November 6, 2019, WB informed DOF that the Bank is ready to start preparations for the requested AF.</p> <p>Action to be Taken: DOTr, DOF, and WB to resume the process for the application for supplemental WB funding. They will also set schedules for WB appraisal, loan negotiations, loan signing, and loan effectivity.</p>
New Cebu International Container Port Project/ DOTr/ KEDCF	Budget for the implementation of the resettlement action plan, and the environmental and social management plans were not included in the ICC-approved total project cost. Further, the current cost estimate for land acquisition is much higher than originally considered in the ICC-approved cost.	<p>Actions Taken: DOTr estimated an additional PHP500 million (5% increase in total project cost) for land acquisition cost inclusive of the implementation of the resettlement action plan and the environmental and social management plans.</p> <p>Actions to be Taken: DOTr to request in 2020 ICC approval of the increase in cost and extension of implementation and loan validity period.</p>
Arterial Road Bypass Project II/ DPWH/ JICA	<p>Delay in the processing of the final billing of the contractor due to (1) delayed finalization of the as-built plan and (2) dispute on the amount for the final billing (DPWH deems that the contractor billed PHP9 million more than the actual cost of work performed, which resulted in the delay of the finalization of the final variation order.</p> <p>The loan closed on July 3, 2019 with remaining payment claims to be charged under the government counterpart.</p>	<p>Actions Taken: The final variation order was already approved by DPWH and signed by the contractor.</p> <p>DPWH informed the contractor to submit its final billing statement reflecting the amount in the approved final variation order to facilitate payment.</p> <p>Actions to be Taken: Contractor to submit by June 30, 2020 the final billing statement to DPWH, and the latter to facilitate timely processing of the final billing.</p>

Project/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Davao City Bypass Construction Project/ DPWH/ JICA	Contract Package 1-1 cannot be awarded pending DBM issuance of an updated MYCA (a DPWH-BAC requirement prior to issuance of a resolution for the award of contract) reflecting the 81 percent-increase in project cost approved by the NEDA Board in January 2020.	<p>Actions Taken: DPWH submitted to DBM the revised annual funding requirement/ strategy for the supplemental JICA loan (PHP 22,192.34 million), and requested for the issuance of the updated MYCA on Feb 21, 2020. On March 4, 2020, DBM issued the Forward Obligational Authority (FOA) to DPWH for the supplemental JICA loan.</p> <p>Actions to be Taken: DPWH to closely coordinate with DBM to secure an updated MYCA once the supplemental loan is signed in June 2020.</p>
Improving Growth Corridors in Mindanao Road Sector Project/ DPWH/ ADB	Allocations for loan proceeds and government counterpart (PHP85 million and PHP15 million, respectively) were inadvertently interchanged in the CY 2020 General Appropriations Act (GAA). Hence, project implementation is delayed.	<p>Actions to be Taken: DPWH-RMC2 to coordinate with DBM on possible remedial measures.</p>
Metro Manila Priority Bridges Seismic Improvement Project/ DPWH/ JICA	Need for DPWH to secure DBM's approval of the revised funding strategy, FOA, and the updated MYCA for the project, following the ICC-approval in July 2019 for an 85 percent increase in total project cost, to be financed by a supplemental JICA loan.	<p>Actions Taken: DPWH requested approval of the funding strategy and issuance of FOA for the additional funding amounting to PHP3,642.62 million.</p> <p>DPWH requested DBM's approval of an updated MYCA for the project in November 2019.</p> <p>The FOA for the supplemental loan was issued by DBM in December 2019.</p> <p>Actions to be Taken: DPWH to closely coordinate with DBM in securing an updated MYCA, and with DOF and JICA to facilitate signing of the loan agreement for the supplemental JICA loan.</p>
Disaster Risk Management-Institutional Strengthening Project/ DILG/ EU	Sliding of timelines for project activities due to delayed issuance of SARO for the release of the second tranche of the project fund.	<p>Actions Taken: Activities that were targeted in 2019 will be conducted simultaneously with planned 2020 activities to catch up on project delays.</p>

Project/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Scaling-Up of the Second Cordillera Highland Agricultural Resource Management Project/ DA/ IFAD	There is a shortfall of about PHP69 million GPH required counterpart for the project.	<p>Actions Taken: DA through its letter to DBM dated June 29, 2019 submitted a request to DBM for the release of the PHP 69.278 million GPH counterpart to be sourced from savings generated INREMP loan proceeds (PHP47.704 million) for the DA component and balance of PHP21.574 million from the unprogrammed appropriations (UA)-Support to Foreign Assisted Projects.</p> <p>In response, DBM in its letter to DA dated September 5, 2019, clarified that the realignment of INREMP loan proceeds to the Scaling-Up of CHAMP2 GPH counterpart is not allowed and suggested to identify other savings available to support the GPH counterpart.</p> <p>On November 6, 2019, DA requested DBM for the President's approval on sourcing the shortfall from savings under CY 2018 budget from the Office of the Secretary (PHP30.123 million) and Bureau of Fisheries and Aquatic Resources (PHP39.155 million).</p> <p>On November 18, 2019, DBM informed DA that with the complexity of their request, as the budget will be sourced from two offices (i.e., Office of the Secretary and BFAR-Central Office), DBM's action in said request will be acted upon by November 29, 2019. In December 2019, DA's request to DBM was not forwarded to the Office of the President because accordingly, it is late and cannot be processed by end of the year.</p> <p>Update: DA is awaiting DBM action on its resubmission in May 2020 of the Special Budget Request (SBR) for the project.</p>
Integrated Natural Resources and Environmental Management Project/ DENR/ ADB	Due to fluctuations in the exchange rate, the net amount of the restructured IFAD Loan amount of USD8.49 million decreased to USD7.91 million, implying a foreign exchange loss of USD0.58 million. There will be a shortage of funds for subprojects and other expenditure items committed under the IFAD loan proceeds.	<p>Actions Taken: DENR set up a meeting with NEDA and DOF to seek guidance on how to maintain the current restructured amount at its original level of USD8.49 million.</p> <p>Actions to be Taken: DENR will officially inform NEDA and DOF of its intended action to mitigate the loss due foreign exchange fluctuation.</p>

Project/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
KALAH-CIDSS National Community-Driven Development Project/ DSWD/ WB	Delays in the needed capacity building activities in the regions due to delayed release of sub-allotment advice (SAA).	<p>Actions Taken: The NPMO simultaneously implemented the capacity building activities in different municipalities and congregated small sessions into larger clusters to ensure that all target capacity building activities were conducted and completed.</p> <p>The NPMO closely coordinated with DSWD's Finance Staff for downloading of funds to the regions.</p>

Design/Scope/Technical Issues

Design/scope/technical issues refer to changes in project scope and specifications outside the agreed range, or inadequate design resulting in facilities which are substandard or incapable of delivering services at anticipated cost and specified level.

Under this typology, two of the eight issues that affected eight projects were already resolved.



Table 5.6 Projects with Design, Scope, and Technical Issues

Project/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Resolved		
Philippine Ports and Coast Guard Capability Development Project/ DOTr/ BNP Paribas	Manufacturer's difficulty in complying with additional technical requirements which prolonged acceptance of the offshore patrol vessel by two months.	<p>Actions Taken: DOTr's provisional acceptance of the final vessel was issued on October 21, 2019. The vessel is currently in use on a repatriation mission in Malta, Libya (since January 5, 2020).</p>

Project/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
<i>Pantawid Pamilyang Pilipino Program</i> (4Ps)/ DSWD/ WB	Underutilization of the program due to: (a) fixed list of monitored beneficiaries per household; and (b) natural attrition ²³ of these eligible beneficiaries.	<p>Actions Taken: Implementing guidelines on the replacement of delisted/ graduated 4Ps beneficiaries was issued on June 11, 2019 after Secretary Bautista approved the Memorandum Circular No. 12, series of 2019, which aims to reach annual household coverage of 4.4 million beneficiaries.</p> <p>The <i>Pantawid</i> National Program Management Office (NPMO), in compliance with said issuance, conducted nationwide validation and registration of new beneficiaries/households (except for BARMM due to data clean-up activity of the region). Henceforth, the program was able to register 71,444 new households in 2019.</p>
Current		
Cebu Bus Rapid Transit Project/ DOTr/ WB and AFD	With the DOTr's decision to include the project in the Cebu Integrated Transport Project/ Metro Cebu Integrated and Intermodal Transport System (CITP/MCIITS), the conduct of additional DED and hiring of additional key personnel and consultant to finalize the project design and timelines became necessary.	<p>Action Taken: Variation Order 4 for the hiring of key personnel and additional DED was approved on October 26, 2019.</p> <p>Action to be Taken: DOTr to finalize the Project Implementation Plan (PIP) by June 2020 to firm up the project's timelines, scope, and cost.</p>
New Cebu International Container Port Project/ DOTr/ KEDCF	Delays in the procurement of consulting services for the DED due to KEDCF's requirement for DOTr to conduct the safeguard studies which is not considered in the ICC-approved total project cost.	<p>Action Taken: DOTr-PMO submitted a proposal to KEDCF to engage services of a sub-consultant to ensure that the safeguard studies are carried out during the construction.</p> <p>Action to be Taken: DOTr to coordinate with KEDCF on the final decision on the conduct of safeguard studies.</p>

²³ The natural attrition/delisting/exiting of monitored beneficiaries are commonly due to graduation from the program (i.e., beneficiaries reaching the age threshold of 19 years old).

Project/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Metro Manila Interchange Construction Project, Phase VI/ DPWH/ JICA	Delayed implementation of the EDSA/ Roosevelt-Congressional Avenue Interchange and EDSA/North Avenue-West Avenue Interchange due to prolonged resolution of the MRT/LRT Common Station issue.	<p>Action Taken: DPWH deferred the implementation of the two interchanges and will revisit/update their respective feasibility studies (FS) to ascertain the effect of the current development in the areas.</p> <p>DPWH Planning Service started FS updating in October 2019 and traffic survey is ongoing.</p> <p>Action to be Taken: DPWH to complete the updating of the project's feasibility study by May 31, 2020. If found feasible, project will undergo restructuring.</p>
Italian Agrarian Reform Community Development Support Program/ DAR/ Italy	Delay in the implementation of the microfinance component because of difficulties in collecting, validating, and consolidating the data, unavailability of some key experts, and security reasons.	<p>Action Taken: With the finalization of the 35 business plans subject to approval of the Undersecretary of Foreign Assisted and Special Projects Office (FASPO), with project cost amounting to PHP195 million, procurement is tentatively scheduled in August 2020.</p> <p>Action to be Taken: DAR to firm up the eligibility criteria to implement the microfinance component.</p>
Senior High School Support Program/ DepEd/ ADB	Using the past two exit assessments among Grade 12 students as baseline, DepEd determined that it will be unrealistic to achieve the target mean percentage scores (MPS) for the Disbursement Link Indicator (DLI) i.e. 50 percent for Mathematics and 45 percent for Science.	<p>Action Taken: DepEd and ADB met on May 29, 2020 to discuss on the possibility of doing major restructuring of the DLI on the Math and Science National Achievement Test MPS to revise the baseline and target, at this late stage of the project.</p> <p>Action to be Taken: DepEd to submit a restructuring proposal on DLI modification and extension of achievement period.</p>
WHO 2018-2019 Biennium Work Plan (WHO2018)/ DOH/ WHO	Some activities of the project are no longer aligned with DOH's updated strategic framework.	<p>Actions Taken: WHO recalibrated the work plan and strategies including project schedule.</p> <p>DOH issued a Department Memorandum, ensuring strategic prioritization through a more stringent set of criteria and a specific use of the project budget.</p> <p>DOH and WHO organized a series of consultation meetings to identify big ticket assistance.</p>

Performance of Contractors/Consultants

This typology refers to poor performance of contractor/consultant, i.e., failure to provide contracted service to required specifications, or failure of contractor's financial and technical capacity to meet the project's financial demands and technical specifications.

Under this typology, five issues that affected four projects were yet to be resolved.

Table 5.7 Projects with Issues on Performance of Contractors/Consultants

Project Title/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Current		
Road Upgrading and Preservation Project/ DPWH /JICA	Delays in contractor's work activities in Mamburao Road Section were due to the following: construction materials are being transported from Batangas Pier to the project site via barge and some equipment are being rented by the contractor from private owners.	<p>Action Taken: DPWH instructed the contractor to ensure availability of necessary resources (construction materials and equipment) to cope with the delays</p> <p>Action to be Taken: DPWH to advise the contractor to stockpile materials in the project site and to closely monitor the contractor to fast-track civil works.</p>
Metro Manila Flood Management Project/ DPWH/ WB and AIIB	<p>The designs and bidding documents for the Batch 2 pumping stations for rehabilitation are undertaken by the Individual Consultants (water infrastructure engineer or WIE, professional mechanical engineer, and professional electrical engineer) hired by DPWH in accordance with the WB guidelines.</p> <p>However, due to the non-completion of the WIE of its contract service, only the mechanical and electrical concepts of the design are available, and the overall design report which could not be finalized hence, delayed the procurement of the second batch of pumping stations.</p>	<p>Actions Taken: Issues on the WIE's non-completion of contract service was already referred to the DPWH Legal Service. DPWH also planned to procure additional consulting services to complete the design and bidding documents for the Batch 2 pumping station, as discussed with the WB.</p> <p>Action to be Taken: DPWH targets to start procuring the Batch 2 pumps by September 2020.</p>

Project Title/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Philippine Rural Development Project (PRDP) Original Loan and PRDP-Additional Financing/ DA/ WB	Delay in implementation of some rural infrastructure subprojects because some contractors have multiple contracts with PRDP subprojects and experience inadequacy in manpower resources and equipment to perform simultaneous contract works.	<p>Action Taken: The contractors were reminded / warned that contracts will be terminated in the event that the physical progress incurs negative 15 percent and above (adhering with the Operations Manual of the I-BUILD Component). Moreover, it has been reiterated that liquidated damage (LD) will be imposed corresponding to the number of days of delay in the completion of subproject (vis-a-vis contract duration).</p> <p>Action to be Taken: DA to identify subprojects that incurred 15 percent and above negative slippage and contracts experiencing delays that may be imposed LDs.</p>
National Irrigation Sector Rehabilitation and Improvement Project/ NIA/ JICA	Delays in submission of complete progress billings and monthly reports by contractors resulted in project's low loan disbursement.	<p>Actions Taken: The contractors provided advance copy of the progress billings to NISRI-PMO for processing.</p> <p>NIA initiated a seminar/training attended for concerned NIA staff and contractor representatives, on the preparation of all necessary documentary requirements (e.g., request for payment, monthly report).</p> <p>Action to be Taken: NIA to assist contractors in the preparation of progress billings to ensure completeness and timely submission of documentary requirements.</p>
National Irrigation Sector Rehabilitation and Improvement Project/ NIA/ JICA	Delay in implementation of 11 out of the 12 ongoing packages due to inadequacy in manpower resources and equipment.	<p>Actions Taken: NIA terminated non-performing contracts, and repackaged/ rebid the remaining works into smaller contracts that could be simultaneously implemented.</p> <p>Dumacaa RIS was repackaged into three contracts with ongoing construction. In addition, Muleta RIS was repackaged into three contracts, where two are awaiting NTP issuance.</p> <p>Actions to be Taken: Continuous monitoring of contractor's progress per approved catch-up plan.</p> <p>Regional Office to proceed procurement of remaining activities from terminated contracts</p>

Capacity of PMO and Other Implementing Partners

This typology includes difficulty of PMO and/or other implementing partners in recruitment and turnover of staff affecting project implementation, and low technical capacity to manage and/or implement a project.

Under this typology, two of the six issues that affected six projects were already resolved.

Table 5.8 Projects with Issues on Capacity of PMO and/or Other Implementing Partners

Project/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Resolved		
Education Pathways to Peace in Mindanao (PATHWAYS)/ DepEd/ Australia	Difficulty in recruitment and retention of suitably skilled individuals to key positions for assignment in Cotabato City.	Action Taken: Expanded mechanisms to attract potential candidates such as referrals, publishing in national broadsheets, using online platforms such as DevNet, ACFID, and Impactpool.
Better Life for Out-of-School Girls to Fight Against Poverty and Injustice in the Philippines/ DepEd/ KOICA	Difficulty in recruiting the project's civil engineer.	<p>Action Taken: In the absence of the civil engineer, UNESCO has partnered with the Philippine Institute of Civil Engineers to ensure that the technical requirements for the design and construction of Girls Education Centre are met.</p> <p>Action to be Taken: The recruitment process for the project's civil engineer is expected to commence in July 2020 and be hired within the last quarter of 2020.</p>
Current		
Development for Renewable Energy Applications Mainstreaming and Market Sustainability/ DOE/ UNDP-GEF	Hiring of some PMO project staff took eight months due to limited qualified applicants.	Actions Taken: In the interim, tasks were delegated to regular staff. Hiring of project staff is still ongoing.
Convergence on Value Chain Enhancement for Rural Growth and Empowerment/ DAR/ IFAD	Delay in the recruitment of a replacement with the resignation of the Project Manager in August 2019.	Actions to be Taken: Ongoing hiring of Project Manager with deliberation of applicants scheduled in March 2020.

Project/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Forestland Management Project (FMP)/ DENR/ JICA	DENR foresees a shortfall in GOP counterpart of about PHP137 million due to the need to hire additional personnel to augment the current manpower for implementation of site development activities.	<p>Actions Taken: DENR conducted a stocktaking of expenditure items that resulted in the deficit such as taxes, wages, and project management expenses. DENR also redeployed field staffs from one project site to another in order to augment manpower shortage in particular areas.</p> <p>DENR included the projected deficit in FMP's forward estimates and budget proposal starting 2021.</p>
Metro Manila Bus Rapid Transit/ DOTr/ WB	Delayed establishment of the PMO, particularly in hiring the selection and hiring of the National PMO project manager, procurement specialist, legal specialist, and technical support consultant.	<p>Actions Taken: The NPMO Project Manager and the legal specialist were hired in October 2019. TOR for the technical support consultant finalized on June 3, 2020.</p> <p>Actions to be Taken: DOTr to fast track the selection and hiring of the procurement specialist and the technical support consultant in 2020.</p>

Institutional Support

This typology refers to issues related to inadequate support or coordination with stakeholders or implementing partners particularly when project implementation relies on complementary support from government agencies, LGUs, NGOs, or others.

Under this typology, three of the five issues that affected five projects were already resolved.

Table 5.9 Projects with Issues on Institutional Support

Project/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Resolved		
North-South Commuter Railway Project, Phase 1 (Malolos-Tutuban)/ DOTr/ JICA	DBP could not begin appraisal of structures affected by the project since DOTr-BAC/ DOTr Legal has yet to issue the legal opinion related to the signing of MOA between DOTr and Development Bank of the Philippines (DBP), which would allow DBP to proceed with the appraisal of affected structures and properties.	<p>Actions Taken: DOTr-BAC issued its legal opinion on December 27, 2018, allowing DBP to undertake MOA with DOTr.</p> <p>DBP and DOTr signed the MOA on March 28, 2019.</p>



NSCR: Project Balagtas Station of the North-South Commuter Railway Project, Phase 1 (Malolos-Tutuban)

Project/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Access to Sustainable Energy Programme/ DOE/ EU	Delay in procurement and installation of 30,500 solar home systems in Component 2 (Investment Support) because the implementing partner, LGU-Guarantee Corporation (GC), ceased its operations in December 2018.	Action Taken: National Power Corporation-Small Power Utilities Group replaced LGU-GC as implementing partner.
Sexual Health and Empowerment (SHE)/ DOH/ Canada	Several local government officials were changed.	Actions Taken/ to be Taken: Reorientation for the newly elected government officials in the areas covered.
Current		
Italian Agrarian Reform Community Development Support Program (IARCDSP) / DAR/ Italy	<p>With the creation of BARMM, new institutional arrangement for the implementation of the project in Maguindanao and Lanao del Sur was forged between DAR and BARMM's Ministry of Agriculture, Fisheries, and Agrarian Reform (MAFAR). Pending finalization of the funds flow arrangement, downloading of funds to the autonomous region beneficiaries stopped since September 2019.</p> <p>Since September 2019, no funds have been downloaded in the region.</p>	<p>Actions Taken: A joint DAR-MAFAR coordination committee was set up to examine the best options for continuity of previous DAR operations. The management of the IARCDSP held a series of meetings with MAFAR Minister to discuss the implications of the new structure on the Program.</p> <p>Draft MOA between DAR and BARMM will maintain status quo for all procedures related to the IARCDSP and no major changes in the existing organizational structure.</p> <p>Actions to be Taken: The CPMU to closely coordinate with BARMM to finalize the institutional/implementation arrangements in BARMM areas.</p>

Project/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Cebu Bus Rapid Transit/ DOTr/ WB and AFD	<p>Prolonged drafting and approval of MOAs between DOTr and the following agencies:</p> <p>DPWH – for RoW acquisition; NHA – for resettlement; Cebu City Government (CCG) – for use of the South Road Properties; LGUs – for identification/use of terminals</p>	<p>Update: DOTr completed its legal pass review for the MOA with DPWH. Said MOA is pending review/signature by DPWH.</p> <p>Action to be Taken: DOTr to facilitate completion and approval of the MOAs with NHA, CCG, and concerned LGUs.</p>

Issues on Project Uptake

This typology refers to issues on creating demand and processing the approvals for subprojects.

Under this typology, two issues that affected two projects were yet to be resolved.

Table 5.10 Projects with Issues on Project Uptake

Project Title / IA / Fund Source	Issue Details	Actions Taken / To be Taken / Updates
Current		
Water District Development Sector Project/ LWUA/ADB	Difficulty in implementing the initial list of water district (WD) beneficiaries due to higher interest rate compared to other financing sources and volume of documentary requirements.	<p>Actions Taken: LWUA identified a new list of project beneficiaries.</p> <p>Of the 12 identified WD beneficiaries, 10 have signed financial assistance contracts with LWUA which indicate the WDs' commitment to the project.</p> <p>Action to be Taken: LWUA to officially request ICC approval for change in scope and possible time extension.</p>

Project Title / IA / Fund Source	Issue Details	Actions Taken / To be Taken / Updates
Harnessing Agribusiness Opportunities through Robust and Vibrant Entrepreneurship Supportive of Peaceful Transformation (HARVEST) Project /LANDBANK/ JICA	The project continuously experiences low competitiveness of HARVEST funds against social credit programs (e.g., Agricultural Competitiveness Enhancement Fund (ACEF), Expanded Rice Credit Assistance under the Rice Competitiveness Enhancement Fund (ERCA-RCEF), and Socialized Credit Program under the Sugarcane Industry Development Act (SCP-SIDA, which LANDBANK is mandated by law to implement. ACEF, ERCA-RCEF, and SCP-SIDA serve the same eligible projects and borrowers for lower interest rates and simpler requirements compared with the HARVEST.	<p>Action Taken: LANDBANK conducted seven roadshows in 2019 and disseminated different IEC materials in key target areas.</p> <p>Action to be Taken: LANDBANK to continuously conduct marketing efforts (e.g., road shows) to encourage sub-borrowers to avail the HARVEST funds.</p>

Inputs and Costs

This typology refers to unavailability of required quantities, inadequacy in the quality of inputs/ materials, or higher cost of inputs against anticipated cost at project design.

Under this typology, seven issues that affected six projects were yet to be resolved.

Table 5.11 Projects with Issues on Inputs and Cost

Project/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Current		
Improving Growth Corridors in Mindanao Road Sector Project/ DPWH/ ADB	Huge amount of unsuitable construction materials delayed ongoing construction activities	Action Taken: Per DPWH's request, the contractor to submit by June 30, 2020 the As-Staked Plan incorporating the quantities affected by the unsuitable materials.
Metro Manila Flood Management Project (MMFMP)/ DPWH/ WB and AIB	There was a delay in the delivery of the Horizontal Submersible Axial Flow Pump for the Rehabilitation of Balut Pumping Station because the contractor initially has not complied with the specifications set for the mechanical component of the project.	<p>Action Taken: DPWH ensured that the contractor complied with the specifications of the submersible pump.</p> <p>Action to be Taken: The pump component is expected to be delivered in April 2020 and installed by July 2020.</p>

Project/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Convergence on Value Chain Enhancement for Rural Growth and Empowerment/ DAR/ IFAD	Issues on value chain equipment: <ul style="list-style-type: none"> • non-functioning or of poor quality; • incomplete or not calibrated and therefore cannot be used; and • warehouse not yet constructed to secure the equipment. 	<p>Actions Taken: Supplier replaced the non-functioning/poor quality equipment; equipment are secured in temporary storage facilities to prevent deterioration.</p> <p>Actions to be Taken: Regular monitoring and reporting of status of value chain equipment and timely actions to address related issues raised by the ARBOs.</p>
Mindanao Sustainable Agrarian and Agriculture Development Project/ DAR/ JICA	<p>Remaining physical targets for rural infrastructure cannot be completed due to insufficient loan allocation for civil works brought about by increase in cost per kilometer of roads in compliance with DPWH Department Order II series of 2014 (Design Standards for Tourism and Farm to Market Roads).</p> <p>The allocation for civil works became insufficient due to increase in unit cost per kilometer from an average cost of PHP3.8 million to PHP4.4 million per kilometer during project design/approval compared with the current average cost of PHP7 million to PHP12 million per kilometer.</p>	<p>Actions to be Taken: DAR to request ICC approval for reduction of targets in farm-to-market road subprojects within the third quarter of 2020.</p>
Convergence on Value Chain Enhancement for Rural Growth and Empowerment/ DAR/ IFAD		
Italian Agrarian Reform Community Development Support Program/ DAR/ Italy		
Samar Pacific Coastal Road Project/ DPWH/ KEDCF	Delay in the construction activities encountered due to scarcity of aggregate materials in Samar Island.	<p>Actions Taken: Given the unavailability of nearby sources for construction materials and supplies, the Contractor undertook the following:</p> <ul style="list-style-type: none"> • Blended at the site gravel and sand materials Taken from different sources and mixed with common soil to meet the grading requirements for aggregate subbase course; • Imported aggregates from Ormoc City (approximately 380 kilometers from the project site); and • Purchased from Manila materials such as reinforcing steel bars, steel sheet piles, steel materials for temporary works, and other materials needed to construct the bridges. <p>Action to be Taken: DPWH to assist the contractor in securing the required permits for the importation of materials from Leyte.</p>

Other Implementation Issues

This typology covers issues refers to legal issues and inability to implement project activities or meet service delivery by reason of force majeure events (e.g., major typhoons, flooding or earthquakes).

Under this typology, three of the five issues that affected five projects were already resolved.



RUPP: Mindoro West Coast road improvement project

Table 5.12 Projects with Other Implementation Issues

Project/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Resolved		
Central Luzon Link Expressway Project/ DPWH/ JICA	Delays in construction activities in Lapaz, Tarlac and Aliaga, Nueva Ecija due to flooding caused by Typhoons Karding and Ompong.	<p>Action Taken: DPWH prioritized construction activities located on flood plain areas during the dry season.</p> <p>Updates: Foundation of Rio Chico Viaduct located along the flood prone areas and temporary drains along crane ways/ access roads were completed.</p>
Road Upgrading and Preservation Project/ DPWH/ JICA	Delayed construction/ installation of weigh-in-motion under Institutional Capacity Development (ICD)	<p>Action Taken: Weigh-in-motion under ICD 1 already constructed/installed in the two target sites: Sta. Fe in Nueva Vizcaya and Gapan in Nueva Ecija. Testing was conducted during the last week of February 2020.</p>

Project/ IA/ Fund Source	Issue Details	Actions Taken/ To be Taken/ Updates
Samar Pacific Coastal Road Project/ DPWH/ KEDCF	Several typhoons (Osman, Amang, Falcon, Ineng, and Jenny) entered the country in 2019 that caused work suspensions causing delays in project implementation.	Action Taken: The contractor's requests for time extensions nos. 1, 2, and 4 (total of 211 calendar days extension) were approved by DPWH in January 2019, April 2019, and February 2020, respectively.
Current		
New Communications, Navigation, Surveillance, and Air Traffic Management Systems Development Project/ DOTr/ JICA	Delayed determination and payment of contractor's outstanding claims, pending hiring of claims specialist required per FIDIC rules.	Update: In March 2020, CAAP submitted to DOTr a request for variation order to hire a claims specialist, which is still pending approval. Action to be Taken: DOTr/CAAP to facilitate the timely approval of the variation order.
Panguil Bay Bridge Project/ DPWH/ KEDCF	Due to the COVID-19 pandemic, visa issuance, and visa-free privileges of foreign experts entering the Philippines were cancelled. Thus, the Korean operators and technical experts/ engineers of the project cannot enter the country to conduct on-site geotechnical investigation works.	Action Taken: In May 2020, DPWH requested the assistance of the Department of Foreign Affairs, Department of Justice, and Bureau of Investigation for the issuance of Philippine visas to the Korean experts. Action to be Taken: DPWH to continue coordinating with the Department of Foreign Affairs, Department of Justice, and National Bureau of Investigation to facilitate issuance of visa to the Korean experts and engineers.

Alert Mechanism

NEDA's internal Enhanced Alert Mechanism (AM) identifies and flags projects which require priority monitoring and facilitation using 10 leading indicators on financial, physical, cost overrun, and stage of project implementation.

Box 5.1 The NEDA Enhanced Alert Mechanism

The AM classifies ongoing ODA loan-assisted projects 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 – Early Warning Stage (if the project is flagged as an Actual Problem Project for the first time), and Level II – Critical Stage (if the project is flagged as an Actual Problem Project for the last six months or two consecutive reporting quarters). An Enhanced AM was adopted during the 68th Project Implementation Officers' (PIO) Meeting held on April 8, 2019. Said version introduced new leading indicators that apply to priority programs and projects regardless of the source/s of financing.

Table 5.13 Enhanced AM Indicators

Indicator 1: Financial	
1a	Ratio of (a) actual loan proceeds disbursements to (b) target loan proceeds disbursements is less than 70 percent
1b	Ratio of (a) actual grant proceeds disbursements to (b) target grant proceeds disbursements is less than 70 percent
1c	Ratio of (a) actual disbursements from the GPH Counterpart Fund to (b) target disbursements from the GPH Counterpart Fund is less than 70 percent
1d	Difference between the (a) time elapsed and the (b) ratio of cumulative actual disbursements to the ICC- approved project cost is more than 30 percent
1e	Difference between the (a) ratio of cumulative actual disbursements to total ICC-approved project cost and the (b) actual overall weighted physical accomplishment is more than 30 percent
Indicator 2: Physical	
2a	Negative physical slippage of at least 10 percent
2b	Project with (a) delays of more than six months being experienced in its major ongoing activities in the critical path or in any ongoing component/ deliverable, or (b) with some activities due for completion after the ICC-approval of the extension of implementation period/loan or grant 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 (excluding cost overrun with NEDA Board confirmation of ICC approval)
Indicator 4: Stage of project implementation	
4a	Project is completing within a year (supplemental indicator only)

Source: NEDA-MES

Actual Problem Projects in 2019

The Enhanced AM covered a total of 63 ongoing ICC-approved ODA projects (61 loan-assisted and two grant-assisted).

Thirty-two ODA loan- and grant-assisted projects were flagged as actual problem projects for priority monitoring as of December 2019. Of these, 19 projects remain to be actual problem projects for the last six months (or two consecutive reporting quarters), thus, were elevated to the Critical Stage (Alert Level II). Refer to Annex 5-A for the list of actual problem projects.

Table 5.14 Summary of Alert Status of Ongoing Projects (CY 2019)

Alert Status	Loan-assisted	Grant-assisted	Total
Actual Problem Projects	31	1	32
Level II	19	-	19
Level I	12	1	13
Potential Problem Projects	8	-	8
Neither Actual nor Potential Problem Projects (NP)	5	1	6
No Assessment	1	-	1
Ongoing Subtotal	45	2	47
Completed	10	-	10
Newly-effective	3	-	3
Newly-signed	3	-	3
TOTAL	61	2	63

Projects with Incomplete Outputs at Loan Closing in 2019

Only one loan project closed in 2019 with incomplete outputs. Details are shown in Table 5.15.

Table 5.15 Projects with Incomplete Outputs at Loan Closing

Project/ IA/ Fund Source	Description of Incomplete Outputs	Measures Taken/ To be Taken / Updates
KALAHAI CIDSS-NCDDP/ DSWD/ ADB and WB	<p>Under the ADB loan, about 652 ADB-funded subprojects were not completed by original loan closing date in June 2018.</p> <p>A total of 524 subprojects were carried over to the ongoing WB loan with validity period until December 31, 2020. These were completed as of December 2019.</p>	<p>Actions to be Taken: The PMO will continue to monitor the progress of said remaining works.</p> <p>The remaining 128 subprojects are being negotiated for possible LGU implementation.</p>

Ongoing Projects with Damaged Outputs in 2019

Four projects were reported with damaged outputs in 2019. Outputs under the DPWH-implemented Central Luzon Link Expressway (CLLEX) were affected by adverse weather conditions. The DENR-implemented Forestland Management Project (FMP) was affected by fire incidents in two project sites. Meanwhile, the DSWD-implemented KC-NCDDP subprojects were destroyed by community members. Lastly, the DAR-implemented Mindanao Sustainable Agrarian and Agriculture Development (MinSAAD) was heavily affected by natural disasters such as earthquake and typhoon in 2019, and peace and order situation in Mindanao.

Table 5.16 Projects with Damaged Outputs in CY 2019

Project/ IA/ Fund Source	Description of Damaged Outputs	Actions Taken/ to be Taken /Updates
Central Luzon Link Expressway (CLLEX) Project/ DPWH/ JICA	Occurrence of flooding brought by Typhoons Karding and Ompong, as well as heavy rains, which damaged the temporary access road at Sta. 4+500 to Sta. 7+500.	<p>Actions Taken: DPWH prioritized construction activities located on flood plain areas during the dry season.</p> <p>Further, DPWH constructed temporary drains along the craneway/ access road. Additional drainage structures will likewise be constructed in areas with severe flooding, if any.</p>
Forestland Management Project (FMP)/ DENR/ JICA	<p>Plantations in the Cordillera Administrative Region (CAR) and Central Luzon (778.05 ha) were burned during the first quarter of 2019 due to severe dry season.</p> <p>Specifically, 334.78 ha (333.74 ha of reforestation and 1.44 ha of agroforestry) were damaged in CAR with a corresponding cost of PHP2,745,812.46 and 443.27 ha (236.3 ha of reforestation, 189.97 ha of agroforestry, and 17 ha of fuelwood) were burned amounting to PHP6,970,662.88.</p>	<p>Actions Taken: The concerned POs replanted the burned areas during the rainy season and sustained the proper maintenance and protection activities which includes fire suppression components.</p> <p>Creation of Fire Prevention and Suppression Teams through issuance of a Special Order in FMP CAR.</p> <p>FMP Central Luzon initiated their Forest Fire Management Plan that will be adapted as well other FMP regions with the assistance of the Project Implementing Units.</p> <p>Actions to be Taken: FMP will further implement the following measures:</p> <ul style="list-style-type: none"> • Monitoring of the implementation of the crafted/developed fire protection plans; • Provide additional firefighting equipment to POs; • Mobilization of forest protection team and intensify patrol works; and • Creation of Forest Fire Management Plan in other FMP regions.

Project/ IA/ Fund Source	Description of Damaged Outputs	Actions Taken/ to be Taken /Updates
KALAHI CIDSS-NCDDP/ DSWD/ WB	The Improvement of Lingoy Level II Village Water Supply System, a subproject of the KC-NCDDP, was destroyed by community members of Talubin, Bondoc on February 8, 2019. In particular, the newly constructed intake and filtration tanks, as well as the impounding dam were demolished while two pipes were hauled as a result of the two municipalities' dispute over boundary, which involves the water source of the water supply subproject.	Updates: The PMO and the RDC, facilitated dialogues between the opposing community member representatives. Since the two parties were not able to settle any agreement as regards financing, design, and implementation, the KC-NCDDP CAR Field Office prepared to file a case against the community members of Talubin, Bondoc, who destroyed the water supply subproject.
Mindanao Sustainable Agrarian and Agriculture Development (MinSAAD)/ DAR/ JICA	A total of 11 sub-projects (one bridge, five post-harvest facilities, three farm-to-market roads, and two water supply systems) were heavily damaged due to October-November 2019 earthquakes in Davao del Sur and North Cotabato and typhoon in Lanao Norte.	<p>Actions Taken: DAR conducted the damage assessment in coordination with DPWH and LGUs.</p> <p>Actions to be Taken:</p> <ul style="list-style-type: none"> • Seek assistance from LGU and agencies for SPs that were turned over consistent with their sustainability and O&M Plan; • Bridge recommended for mutual termination; • One post-harvest facility (PHF) for demolition; four PHFs for LGU repair; and • One farm-to-market road for mutual termination; two ongoing and LGU to support repair; and two water supply systems for LGU repair.

06

ASSESSMENT OF CONTINUED VIABILITY OF ODA PROGRAMS/ PROJECTS

Projects Restructured in CY 2019

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 will be reviewed, approved, and confirmed by the ICC and/or the NEDA Board. Fifteen agency requests for project re-evaluation were processed by the ICC/NEDA Board in CY 2019 (see *Table 6.1*).

Table 6.1 Projects Re-evaluated by the ICC in CY 2019

Nature of Re-evaluation	Project Count	Distribution by IA
Change in Cost		
Increase in cost with extension	2	DPWH
Increase in cost with change in scope and extension	2	MWSS (1); DPWH (1)
Reduction in cost with change in scope, extension, and loan reallocation	1	NIA
Change in Scope		
Change in scope with change in implementation arrangement	1	DepEd
Change in scope with extension and utilization of savings	1	DSWD
Change in scope with extension	1	LANDBANK
Extension		
Extension of implementation and loan validity period	3	DPWH (1); DA (1); DOH (1)

Nature of Re-evaluation	Project Count	Distribution by IA
Extension of loan validity period with utilization of loan savings	2	DA
Extension of loan validity period with loan reallocation	1	DOTr
Others		
Loan reallocation	1	DPWH
TOTAL	15	

Details on the agency requests for project re-evaluation and corresponding actions by the ICC Secretariat in assessing continued viability²⁴, including NEDA Board/ICC decision and updates, are discussed in succeeding sub-sections.

Change in Cost

Table 6.1.1 Projects with Change in Cost and Extension

Project/ IA/ DP	Reason/s for Restructuring	Assessment on Continued Viability/ Updates
Samar Pacific Coastal Road Project/ DPWH/ KEDCF	<p>Increase in total project cost by PHP93.33 million (9%) from PHP1,032.71 to PHP1,126.04 million with a 24-month extension of KEDCF loan validity period from January 18, 2020 to January 17, 2022; and 18-month extension of implementation period from January 1, 2020 to June 30, 2021 due to the following:</p> <ul style="list-style-type: none"> • Delays in transition from procurement to actual start of civil works; • Adverse weather conditions mainly caused by Typhoons Ompong, Samuel, Usman, and Amang in the months of September 2018 to February 2019; • Security threats received by the contractor which affected project implementation; and, • Unavailability of nearby source of construction materials and supplies. 	<p>Assessment on Continued Viability:</p> <p>Economic Internal Rate of Return (EIRR): 31 percent</p> <p>Net Present Value (NPV): PHP1.89 billion (2015)</p> <p>The request was approved by the ICC-CC on December 21, 2019 and confirmed by the NEDA Board on January 29, 2020. KEDCF concurred with the request on January 15, 2020.</p>

²⁴ The ICC Secretariat assumed a social discount rate of 10 percent in re-computing economic viability indicators pursuant to ICC Memorandum dated September 30, 2016.



KEDCF: newly-paved Samar Pacific Coastal Road

Project/ IA/ DP	Reason/s for Restructuring	Assessment on Continued Viability/ Updates
Metro Manila Priority Bridges Seismic Improvement Project/ DPWH/ JICA	<p>Increase in cost by PHP3,642.62 million (85%) from PHP4,290.42 million to PHP7,933.04 million due to the following:</p> <ul style="list-style-type: none"> Change in steel pipe sheet pile construction method from press in method to gyro press method for the substructure works at Guadalupe Bridge to avoid traffic disruption over Guadalupe Bridge; Construction of temporary detour bridges at both sides of Guadalupe Bridge to cater to traffic during the construction of the superstructure of the outer bridge; Use of a 360-ton crawler crane for the installation of steel girder at Guadalupe Bridge; Reinforcement work on the current abutment of Guadalupe Bridge; and Ground improvement and foundation construction under the retaining wall of Lambingan Bridge. <p>Extension of implementation period until August 30, 2023 (inclusive of one-year defects liability period) due to the late start of the procurement of civil works as changes in project scope resulting from the DED need prior ICC approval.</p>	<p>Assessment on Continued Viability:</p> <p>EIRR: 16.4 percent NPV: PHP3.08 billion (2018)</p> <p>The request was approved by the ICC-CC on July 10, 2019 and confirmed by the NEDA Board on July 31, 2019.</p> <p>Update: Ongoing negotiations between DOF and JICA for the supplemental financing to cover the increase.</p>

Table 6.1.2 Projects with Increase in Cost, Change in Scope, and Extension

Project/ IA/ DP	Reason/s for Restructuring	Assessment on Continued Viability/ Updates
Angat Water Transmission Improvement Project (AWTIP)/ MWSS / ADB	<ul style="list-style-type: none"> Change in scope to include Aqueduct 7 (AQ-7); Increase in cost by PHP5,545.94 million (68.19%) from PHP5,777.54 million to PHP11,323.48 million, with additional loan amounting to PHP6,553.04 million (USD16.6 million); and Extension of implementation period from September 2020 to July 2023. <p>The construction of AQ-7 is expected to improve the reliability and security of Angat Raw Water Transmission system by replacing the AQ-1 and AQ-2. The AQ-7 shall also allow operational flexibility to the system by providing additional raw water transmission capacity.</p>	<p>Assessment on Continued Viability: EIRR: 18.79 percent NPV: PHP9.54 billion (2016)</p> <p>The request was approved by the ICC-CC on September 27, 2019 and confirmed by the NEDA Board on October 9, 2019.</p> <p>Update: ADB is currently processing a new loan for AQ-7.</p>
Davao City Bypass Construction Project/ DPWH/ JICA	<p>Increase in cost by PHP20,955.53 million (81%) from PHP25,849.01 million to PHP46,804.54 million and change in scope of additional road length of 300 meters, changes in length of the embankments and board piles, and change in design of intersection with the Davao-Bukidnon Road flyover crossing to an at-grade road and underpass as a result of revised DED and be able to meet the 30 percent Japanese cost requirement for JICA STEP loan financing.</p> <p>Extension of implementation period until December 31, 2022 due to delays in procurement of civil works, securing loan financing for the cost increases approved by the ICC in 2018 and 2019, and revision of project design.</p>	<p>Assessment on Continued Viability: EIRR: 16.84 percent NPV: PHP27.93 billion (2019)</p> <p>The request was approved by the ICC-CC on December 20, 2019 and subsequently confirmed by the NEDA Board on January 28, 2020.</p> <p>Update: Ongoing negotiations between DOF and JICA for the supplemental financing to cover the increase in cost.</p>

Table 6.1.3 Projects with Reduction in Cost, Change in Scope, Extension, and Loan Reallocation

Project/ IA/ DP	Reason/s for Restructuring	Assessment on Continued Viability/ Updates
National Irrigation Sector Rehabilitation and Improvement/ NIA/ JICA	<ul style="list-style-type: none"> Reduction in scope of the total firm-up service area of 35,670 ha to 34, 216 ha due to conversion to industrial area of some agricultural area covered by the project; Reduction in total project cost by PHP872.69 million (21.78%) from PHP4,007.14 million to PHP3,134.45 million due to the weakening of Japanese Yen against the Philippine Peso (JPY1 = PHP0.552 during appraisal stage versus the average exchange rate in the last three years of JPY1 = PHP 0.445) Loan reallocation from Civil Works to Unavailable Balance category amounting to JPY586.50 million; and Two-year extension of JICA loan validity from July 3, 2019 to July 3, 2021 and two-year extension of implementation period from July 1, 2019 to June 30, 2021 to cover completion of civil works contracts and other activities. 	<p>Assessment on Continued Viability: EIRR: 17.9 percent NPV: PHP3,356.13 million (2018)</p> <p>The request was approved by the ICC-CC on May 17, 2019 and confirmed by the NEDA Board on July 1, 2019.</p> <p>Updates: Per JICA-NIA Portfolio Review Meeting held on February 20, 2020, JICA's concurrence is subject to NIA's response on ensuring project completion within schedule.</p> <p>JICA to target reallocation by June 16, 2020 subject DOF's confirmation.</p>

Change in Scope

Table 6.1.4 Projects with Change in Scope and Implementation Arrangement

Project/ IA/ DP	Reason/s for Restructuring	Assessment on Continued Viability/ Updates
Education Pathways to Peace in Mindanao (PATHWAYS)/ DepEd/ Australian DFAT	Change in scope and implementation arrangements to reflect the expanded geographical scope to cover schools in Cotabato City and barangays of North Cotabato and new governance structure due to the establishment of the new Bangsamoro Autonomous Region in Muslim Mindanao (BARMM).	In its June 25, 2019 letter to the Australian Embassy, DepEd concurred with the proposed amendments to the Subsidiary Agreement (S/A). Said DepEd letter, together with the May 16 and 17, 2019 letters from the Australian Embassy, constitutes as exchange of letters to effectively amend the S/A.

Table 6.1.5 Projects with Change in Scope with Extension and Utilization of Savings

Project/ IA/ DP	Reason/s for Restructuring	Assessment on Continued Viability/ Updates
<i>Kapit-Bisig Laban sa Kahirapan</i> - Comprehensive and Integrated Delivery of Social Services - National Community-Driven Development Program (KC-NCDDP)/ DSWD/ WB	One-year extension of WB loan validity period from December 31, 2019 to December 31, 2020 to accommodate the implementation of proposed additional activities (i.e., additional cycles and community grants of selected municipalities that are part of the original project coverage) to be funded by foreign exchange gains/savings from the WB loan amounting to USD40 million (PHP2.57 billion).	<p>In its September 27, 2019 meeting, the ICC-CC, approved the extension of the WB loan from December 31, 2019 to December 31, 2020, but disapproved the request to utilize foreign exchange gains/savings from the WB loan and the proposed additional activities.</p> <p>Through letter dated September 30, 2019, NEDA informed DSWD of said ICC decision.</p> <p>The KC-NCDDP PMO revised its work plan and targets to undertake remaining activities and finish implementation before December 2020 using the remaining project funds.</p>

Table 6.1.6 Projects with Change in Scope and Extension

Project/ IA/ DP	Reason/s for Restructuring	Assessment on Continued Viability/ Updates
Metro Manila Wastewater Management Project/ LANDBANK/ WB	<p>Change in scope to replace slow and non-moving subcontract packages with subprojects nearing completion or that were already completed.</p> <p>One-year extension of WB loan validity from June 30, 2019 to June 30, 2020.</p>	<p>The request was approved by the ICC-CC on May 17, 2019 and confirmed by NEDA Board through ad referendum on June 18, 2019.</p> <p>Update: WB approved the request on June 30, 2019.</p>

Extension

Table 6.1.7 Projects with Extension Only

Project/ IA/ DP	Reason/s for Restructuring	Assessment on Continued Viability/ Updates
Central Luzon Link Expressway Project / DPWH/ JICA	<p>Three-year loan extension from July 4, 2019 to July 3, 2022, and three years and 9.5 months extension of implementation period from June 1, 2017 to April 15, 2021 due to the following:</p> <ul style="list-style-type: none"> • Delays in procurement for DED and civil works consultants/ contractors. • Delays in RoWA activities and delays in complying with the provisions of the Right-of-Way Act. • The Provincial Government of Nueva Ecija required quarry operators to secure an ECC, which affected the quarry operations in Nueva Ecija since March 12, 2018. • LGUs in Nueva Ecija imposed limitations on the use of provincial/barangay roads as haulage routes for the importation of borrow material for embankment construction; and • Unfavorable work conditions due to flooding caused by Typhoons Henry and Inday, which resulted in contract time extensions. 	<p>Assessment on Continued Viability: EIRR: 20 percent NPV: PHP10.22 billion (2011)</p> <p>The request was approved by the ICC-CC on March 29, 2019 and confirmed by the NEDA Board on July 1, 2019.</p> <p>Update: JICA approved the request on June 28, 2019.</p>
Scaling-Up of CHARMP2/ DA/ IFAD	<p>One-year extension of loan validity period from June 30, 2020 to June 30, 2021 with and one-year extension of implementation period from December 31, 2019 to December 31, 2020 to complete the remaining 34 infrastructure subprojects.</p>	<p>The request was endorsed by the ICC Secretariat to the DOF on December 6, 2019 and was subsequently endorsed to IFAD on December 12, 2019.</p> <p>Update: IFAD approved the request on January 13, 2020.</p>
Development Objective Agreement on "Family Health Improved"/ DOH/ USAID	<p>One-year grant validity extension from October 1, 2019 to September 30, 2020 to utilize the remaining project funds amounting to USD14.06 million.</p>	<p>Approval of the request was covered by the GPH-USAID bilateral agreements, approved by the ICC-TB and ICC-CC in September 2019.</p>

Table 6.1.8 Projects with Extension and Utilization of Savings

Project/ IA/ DP	Reason/s for Restructuring	Assessment on Continued Viability/ Updates
Philippine Rural Development Project – Original Loan (PRDP-OL)/ DA/ WB	Two-year extension of the World Bank Original Loan and GEF grant validity period from May 31, 2021 to May 31, 2023 to complete the 26 rural infrastructure subprojects, to continuously provide capacity building assistance to GEF-covered LGUs and proponent groups, and to utilize USD88.92 million forex differential to finance additional 48 rural infrastructure subprojects and 21 agri-fishery productivity subprojects.	<p>Assessment on Continued Viability: EIRR: 19.7 percent NPV: PHP16,157 million (2019)</p> <p>The requests for a two-year extension of the WB original loan and GEF grant validity period and additional loan financing were approved by the ICC-CC on September 27, 2019.</p> <p>The ICC also instructed that the forex gains of USD 88.92 million (original loan) and USD12.51 million (additional financing I) will be cancelled from the WB loan.</p> <p>The ICC-CC deferred approval of the second additional financing, which will be considered after DA exhibits an improved implementation performance to catch up on project delays in the next six months.</p> <p>Update: WB approved the two-year loan validity extension and partial cancellation of USD88.92 million and USD12.51 million on April 16, 2020.</p>
Philippine Rural Development Project – Additional Financing (PRDP-AF)/ DA/ WB	Two-year extension of WB loan validity period from May 31, 2021 to May 31, 2023 to complete the 49 subprojects, and utilize the USD12.51 million forex differential to finance additional 16 rural infrastructure subprojects and release of second Additional Financing amounting to USD280 million to finance 189 rural infrastructure subprojects	

Table 6.1.9 Projects with Extension of Loan Validity Period and Loan Reallocation

Project/ IA/ DP	Reason/s for Restructuring	Assessment on Continued Viability/ Updates
New Communications, Navigation, Surveillance and Air Traffic Management Systems Development Project / DOTr/ JICA	<p>Two-year extension of JICA loan validity period from November 21, 2019 to November 21, 2021 to allow sufficient time for financial closure to cover the following: (a) two-year warranty period ending on October 15, 2020 to rectify defects; (b) final determination and processing of outstanding claims of the contractor; and (c) processing and release of retention money and final payment to the contractor.</p> <p>Loan reallocation of JPY55.89 million (PHP27.02 million) loan proceeds from Contingencies to Consulting Services to extend the services of the Engineer for the assessment of outstanding claims of the contractor and for issuance of final payment certificate (per the contract agreement based on FIDIC rules).</p>	<p>The request for loan extension was approved by the ICC-CC (ad referendum) on November 20, 2019.</p> <p>The request for loan reallocation was endorsed by the ICC Secretariat to the DOF on December 5, 2019 and was endorsed to JICA on January 17, 2020.</p> <p>Update: JICA approved the request on January 29, 2020.</p>

Others

Table 6.1.10 Projects with Loan Reallocation Only

Project/ IA/ DP	Reason/s for Restructuring	Assessment on Continued Viability/ Updates
Panguil Bay Bridge Project / DPWH/ KEDCF	Reallocation of USD9.09 million loan proceeds from Contingencies to Civil Works and DED category as the original loan allocations for Civil Works and DED were no longer sufficient to cover the actual bid price of the winning civil works contractor.	<p>The request was endorsed by the ICC Secretariat to the DOF on January 14, 2020 and was subsequently endorsed by DOF to KEDCF on January 30, 2020.</p> <p>Update: KEDCF approved the request on February 7, 2020.</p>

Cost Overrun Stock as of CY 2019

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 undergo the ICC review process, mainly to determine whether the project continues to be economically viable. In CY 2019, the ICC received six requests for change in cost amounting to PHP32.97 billion higher than the seven requests received in CY 2018 amounting to PHP24.79billion.

Table 6.1.II Cost Overruns in CY 2019

Project Title/ IA/ Fund Source	ICC- Approved Cost (PHP million)	Revised Project Cost (PHP million)	Change in Cost (PHP million)	Change in Cost (%)	Reason for Cost Overrun
Jalaur River Multipurpose Project Stage II/ NIA/KEDCF	11,212.14	14,818.75	3,606.61	32.17	<ul style="list-style-type: none"> • Increase in dollar exchange rate for civil works under loan proceeds; • Increase in dollar exchange rate for the taxes; • Payment for duties and levies for equipment and materials; • Budgetary requirements for security framework; and • Increase of budget for Land Acquisition and Resettlement Action Plan, Institutional Development Program, and Environmental and Watershed Management Issues.
Samar Pacific Coastal Road Project/DPWH/ KEDCF	1,032.71	1,126.04	93.33	9.04	<ul style="list-style-type: none"> • Loan validity extension; and • Increase in cost due to exchange rate fluctuations affecting the civil works and consulting services contracts which are USD denominated.
Angat Water Transmission Improvement Project/MWSS/ ADB	5,777.55	11,323.48	5,545.93	95.99	<p>AQ-7 project is being included as an additional scope to the AWTIP, which will be funded by:</p> <ul style="list-style-type: none"> • New additional loan amounting to PHP6,553.04 (USD126.02 million, USD1=PHP52) to the existing AWTIP Loan; and • An additional GPH counterpart of PHP867.18 million (USD16.68 million, USD1 = PHP52).

Project Title/ IA/ Fund Source	ICC- Approved Cost (PHP million)	Revised Project Cost (PHP million)	Change in Cost (PHP million)	Change in Cost (%)	Reason for Cost Overrun
National Irrigation Sector Rehabilitation and Improvement Project/NIA/JICA	4,007.14	3,134.45	-872.69	-21.78	<ul style="list-style-type: none"> • Loan validity extension from July 3, 2019 to July 3, 2021; • Project implementation period extension for civil work contracts and other activities from June 30, 2019 to June 30, 2021; • Reduction in scope of the total firmed-up service area of 35,670 ha to 34, 216 ha and non-pursuit of the proposed additional scope of civil works; and • Change in total project cost from PHP4,007.14 million to PHP3,134.45 million, with reallocation of funds to Unavailable Balance category amounting to JPY586.50 million.
Davao City Bypass Construction Project/ DPWH/ JICA	25,849.01	46,804.54	20,955.53	81.07	<ul style="list-style-type: none"> • Change in scope involving an additional total length of 300 m, as well as changes in length of the embankments and bored piles, and change in design of the intersection with Davao-Bukidnon Road from a flyover crossing to an at-grade road and underpass; and • Change in cost from PHP25,849.01 million to PHP46,804.54 million.
Metro Manila Priority Bridges Seismic Improvement Project/DPWH/ JICA	4,290.42	7,933.04	3,642.62	84.90	<ul style="list-style-type: none"> • Change in steel pipe sheet pile construction method from press in method to gyro press method for the substructure works at Guadalupe Bridge; • Construction of temporary detour bridges at the downstream and upstream sides of Guadalupe Bridge to cater traffic during construction of superstructure of the outer bridge; • Use of a 360-ton "crawler crane" for the installation of steel girder at Guadalupe Bridge; • Ground improvement and foundation construction under the retaining wall of Lambingan Bridge; and • Reinforcement work on the current abutment at Guadalupe Bridge. Per DPWH representation, the gyro press method shall be used under limited headroom/vertical clearance for steel pipe sheet pile construction to avoid traffic disruption over Guadalupe Bridge.
TOTAL	52,168.97	85,140.30	32,971.33	63.20	

Projects Likely to be Restructured in 2020

Thirty-two (32) projects implemented by eight agencies are expected to be restructured in CY 2020, covering extension of loan validity and/or implementation period, changes in scope, cost, implementation arrangements, and loan reallocation. Agency requests for restructuring will require ICC review, approval, and/or NEDA Board confirmation.

Table 6.2 Projects for Restructuring in CY 2020

Nature of Re-evaluation	Project Count	Distribution by IA
Change in Cost		
Change in Cost only	1	DPWH
Change in Cost and Extension	7	DENR (2); DOTr (1); DPWH (3); NIA (1)
Change in Cost, Extension and Loan Reallocation	2	DOTr
Change in Scope		
Change in Scope only	1	DTI
Change in Scope and Extension	3	DA (1); DOTr (1); DPWH (1)
Change in Scope and Loan Reallocation	1	DAR
Change in Scope and Cost	3	DPWH (1); LWUA (1); NIA (1)
Change in Scope and Cost, and Extension	3	DAR (1); DOTr (2)
Change in Scope, Extension, Utilization of Loan Savings, and Loan Reallocation	1	DOTr
Extension		
Extension of Implementation Period only	7	DAR (1); DOTr (2); DPWH (4)
Extension of Implementation and Loan Validity Periods	1	DPWH
Extension and Change in Cost Sharing	1	DA
Others		
Loan Reallocation only	1	DOTr
TOTAL	32	

Change in Cost

Table 6.2.1 Projects with Change in Cost only

Project/ IA/ DP	Nature and Reasons for Restructuring	Status/ Remarks
Flood Risk Management Project – Cagayan de Oro River/ DPWH/ JICA	Additional cost for civil works resulting from actual detailed engineering design, and the increase in current price level. The additional cost is proposed to be sourced from local funds.	DPWH targets to submit request for restructuring by September 30, 2020.

Table 6.2.2 Projects with Change in Cost and Extension

Project/ IA/ DP	Nature and Reasons for Restructuring	Status/ Remarks
Forestland Management Project/ DENR/ JICA	One-year loan validity extension from July 2, 2022 to July 3, 2023 and additional GPH counterpart of PHP136.107 million. The one-year extension will enable DENR to continue plantation-site maintenance activities to ensure higher survival rate of seedlings planted in designated sites, while the estimated increase in GPH counterpart will support site maintenance efforts and will cover expected expenses during the implementation period.	DENR targets to submit request for restructuring by July 31, 2020.
Integrated Natural Resources and Environment Management Project/ DENR/ IFAD and ADB	<p>One-year implementation and loan validity extension from December 31, 2020 to December 31, 2021 to complete the remaining natural resource management activities rural infrastructure, and enterprise subprojects, and continue maintenance and protection of developed sites under the NRM subcomponent. Implementation of the project was also affected by the COVID-19 pandemic.</p> <p>Increase in GPH counterpart of PHP91.04 million for staffing expenses and other activities, e.g., preparation of project completion and terminal evaluation reports, and other measures that would further enhance sustainability of gains under INREMP.</p>	<p>DENR submitted its initial request for one-year loan validity extension on January 24, 2020, ICC documentary requirements received by NEDA on March 26, 2020.</p> <p>DENR submitted additional request for one-year implementation extension on May 23, 2020.</p> <p>ICC Secretariat review is ongoing.</p>
New Cebu International Container Port Project/ DOTr/ KEDCF	<p>Four-year and three-month extension of implementation period from July 2020 to September 2024 with loan validity extension due to delays in the procurement of consulting services.</p> <p>Increase in cost to cover the additional funding requirement for RoW acquisition for the access road and for the implementation of the Resettlement Action Plan and the Environmental and Social Management Plan.</p>	DOTr targets to submit request for restructuring by June 30, 2020.

Project/ IA/ DP	Nature and Reasons for Restructuring	Status/ Remarks
Central Luzon Link Expressway Project/ DPWH/ JICA	<p>Increase in cost to comply with the RoWA Act which prescribes the use of market value of affected properties for land acquisition and compensation.</p> <p>Implementation period extension due to delays in RRoWA (through expropriation) in Aliaga and Cabanatuan, Nueva Ecija.</p>	DPWH targets to submit the request for restructuring by September 30, 2020.
Flood Risk Management Project – Cagayan, Tagaloan and Imus River/ DPWH/ JICA	Cost increase to cover price escalation and supplemental agreement for additional consulting services for the Imus River component; loan validity extension from July 2020 to November 2020 to facilitate completion of civil works under Imus River Basin Component (under JICA loan); and extension of implementation period to November 2021 (additional works to be sourced from local funds).	DENR targets to submit request for restructuring by July 31, 2020.
Binondo-Intramuros and Estrella-Pantaleon Bridges Project/ DPWH/ China	Change in cost and extension of implementation period due to changes in the design of the Binondo-Intramuros Bridge as the project encroaches the buffer zone for the San Fernando Bridge (a heritage site), as well as due to delays caused by the imposition of COVID-19 community quarantine protocols which delayed implementation of the project.	DPWH targets to submit request for restructuring by October 2020.
Jalaur River Multipurpose Project, Stage II/ NIA/ KEDCF	<p>Cost increase of PHP 3.61 billion (32.2%) from PHP 11.21 billion to PHP 14.82 billion resulting from: (a) increase in dollar exchange rate for the loan proceeds of the civil works and taxes; (b) payment for the duties and levies of equipment materials; (c) additional budgetary requirements for the security framework implementation; and (d) budget requirements for the Land Acquisition and Resettlement Action Plan, Institutional Development Program, and the Environmental and Watershed Management Measures.</p> <p>17-month loan validity and implementation period extension from September 28, 2021 to February 9, 2023.</p>	<p>NIA through a letter dated October 10, 2019, requested ICC approval for its request for increase in cost and extension.</p> <p>NEDA MES submitted a Preliminary Report dated February 20, 2020 to the ICC-TB for consideration pending NIA submission of remaining ICC requisite documents for ICC-TB presentation in July 2020.</p>

Table 6.2.3 Projects with Change in Cost, Extension, and Loan Reallocation

Project/ IA/ DP	Nature and Reasons for Restructuring	Status/ Remarks
LRT Line 1 South Extension Project/ DOTr/ JICA (under the Capacity Enhancement of Mass Transit Systems in Metro Manila JICA Loan)	<p>Increase in cost of PHP3,621.67 (5.6%) from PHP64,915.43 million to PHP68,537.10 million due to: (a) increase in man-months for consulting services resulting from delayed civil works implementation, and (b) updated RoWA cost estimates pursuant to the RoWA Act and additional lots for acquisition</p> <p>Four-year implementation period extension from January 1, 2019 to July 31, 2024 (inclusive of two-year Defects Liability Period) and loan validity extension from November 23, 2020 to December 31, 2024 due to delays encountered in the procurement of civil works and to cover a two-year defects liability period.</p> <p>Reallocation of loan proceeds from LRT Line 1 South Extension Project to LRT Line 2 East Extension Project to meet the 30 percent Japanese content requirement as stipulated in the loan agreement.</p>	DOTr targets to submit request for restructuring by June 30, 2020.
LRT Line 2 East Extension Project/ DOTr/ JICA (under the Capacity Enhancement of Mass Transit Systems in Metro Manila Project JICA Loan)	<p>Reduction in cost due to conservative ABC estimate for civil works.</p> <p>Three-and-a-half-year implementation period extension from January 1, 2020 to June 30, 2023 and loan validity extension from November 23, 2020 to December 31, 2024 due to prolonged procurement of the electro-mechanical system contractor and to cover a two-year defects liability period.</p> <p>Reallocation of loan proceeds from LRT Line 1 South Extension Project to LRT Line 2 East Extension Project to meet the 30 percent Japanese content requirement as stipulated in the loan agreement.</p>	DOTr targets to submit request for restructuring by June 30, 2020.

Change in Scope

Table 6.2.4 Change in Scope only

Project/ IA/ DP	Nature and Reasons for Restructuring	Status/ Remarks
Rural Agro-Enterprise Partnership and Inclusive Development/ DTI/ IFAD	Repurposing of innovation fund component from venture capital financing in support of enterprises to loan financing in support of SBC CARES Program under the Bayanihan to Heal as One Act for CY 2020.	DTI targets to submit the request for restructuring within June 2020.

Table 6.2.5 Projects with Change in Scope and Extension

Project/ IA/ DP	Nature and Reasons for Restructuring	Status/ Remarks
North-South Commuter Railway Project, Phase 1 (Malolos-Tutuban)/ DOTr/ JICA	<p>Change in scope due to change in the signaling system from Communications-based Train Control (CBTC) to European Train Control System (ETCS) Level 2, as the latter is a proven system capable of reaching operating speed of more than 120 km/h to achieve one-hour travel time from Makati to Clark International Airport and to ensure interoperability with the North-South Commuter Railway Extension Project.</p> <p>DOTr will likewise request for the project implementation period extension due to the delays encountered in the procurement of the contractor for the electro-mechanical systems and tracks.</p>	DOTr targets to submit request for restructuring by September 30, 2020.
Metro Manila Interchange Construction Project, Phase VI/ JICA	<p>Implementation period extension due to delays encountered in procurement caused by the issue of overlapping alignment of the project with DOTr projects (i.e., MRT-LRT Common Station, and Metro Manila Subway Projects).</p> <p>Further, if the two intersection currently under feasibility updating (i.e., EDSA/Roosevelt-Congressional Avenue and EDSA/North Avenue-West Avenue interchanges) are found to be infeasible, the project will be reduced in scope.</p>	DPWH targets to submit request for restructuring by September 30, 2020.
Fisheries, Coastal Resources and Livelihood Project/ DA/ IFAD	<p>Reduction in scope for the Coastal Resources Management (CRM) component due to the phasing down of mangrove and seagrass rehabilitation and scaling down of the target seaweed solar dryers because of constraints such as problems on site, lack of interest in seaweed farming, project not feasible due to low production, etc.</p> <p>Change in project cost for the CRM and livelihood projects due to current price adjustments in the livelihood materials and supplies per approved budget for the contract (ABC). The cost of the livelihood projects exceeds the PHP100,000 limit per project set at appraisal, thus, there was a decrease in the number of livelihood projects that can be established.</p> <p>One-year extension of loan and implementation duration from June 30, 2021 to June 30, 2022, and December 31, 2020 to December 31, 2021, respectively, to allow the partial completion of the target project activities. Included in the extension is DA-BFAR's request to utilize the lapsed/ unobligated allotment to support the government priorities in response to COVID-19 pandemic.</p>	DA targets to submit request for restructuring by July 30, 2020.

Table 6.2.6 Projects with Change in Scope and Reallocation

Project/ IA/ DP	Nature and Reasons for Restructuring	Status/ Remarks
Convergence for Value Chain Enhancement and Rural Growth Empowerment/ DAR/ IFAD	<p>Due to increase in unit cost of farm-to-market roads (FMR), targets for the value chain-related infrastructure component (e.g., FMRs, bridges, irrigation systems, and potable water supply) were reduced. Additional subprojects (e.g., solar dryers and warehouses) were included as proposed by the beneficiaries.</p> <p>Portion of the loan proceeds across expenditure categories (Equipment and Materials for Farms and Enterprise Development and Consultancies) will be likely reallocated to training and workshops.</p>	DAR targets to submit request for restructuring by July 31, 2020.

Table 6.2.7 Project with Change in Scope and Cost

Project/ IA/ DP	Nature and Reasons for Restructuring	Status/ Remarks
Integrated Disaster Risk Reduction – Climate Change Adaption in Low-Lying Areas in Pampanga Bay/ DPWH/ KEDCF	<p>Change in the original design of the flood control components (e.g., dike embankment at the Third River) to suit the current site condition and the type of embankment materials needed.</p> <p>Increase in cost by PHP1,421.13 million (23.1%) from PHP6,150.78 million to PHP7,571.91 million due to change in scope, additional cost for consulting services, and RoWA.</p>	DPWH through a letter dated March 2, 2020, requested for NEDA's evaluation of its request for change in scope and increase in cost.
Water District Development Sector Project/ LWUA/ ADB	Change in scope (target beneficiaries) due to project non-take up of the initial list of beneficiaries; increase in cost to include the cost of GPH counterpart in the total project cost; and possible additional financing to cover additional Water District subprojects.	LWUA targets to submit the request for restructuring in October 2020.
Chico River Pump Irrigation Project/ NIA/ China	Increase in cost by PHP1,040.00 million (38.6%) from PHP2,696.17 million to PHP3,736.17 million to cover the following additional project scope: (a) on-farm facilities; (b) improvement of canal lining; (c) construction of drainage facilities; and (d) construction of protection works.	NIA targets to submit request for restructuring within 2nd Semester CY 2020.

Table 6.2.8 Change in Scope and Cost, and Extension

Project/ IA/ DP	Nature and Reasons for Restructuring	Status/ Remarks
Italian Assistance to Agrarian Reform Community Development Support Program / DAR/ Italy	<p>Reduction in scope for the rural infrastructure component due to insufficient loan allocation for civil works resulting from increase in cost per kilometer of roads.</p> <p>Increase in GOP counterpart amounting to PHP140 million will be needed complete all subprojects as the loan allocation is no longer sufficient due to exchange fluctuations (strengthening of the Philippine peso against the Euro).</p> <p>One-year extension of loan and implementation duration from April 2021 to April 2022, and December 2020 to December 2021, respectively, due to procurement delays subprojects (i.e., bidding failures and delays in the issuance of No Objection Declaration by the Italian Government) and delays in LGU submission of liquidation reports required for the release of succeeding loan tranches. Said extension also considers the institutional changes brought about by the changes in the BARMM Administration.</p>	DAR targets to submit request for restructuring by June 30, 2020.
Cebu Bus Rapid Transit/ DOTr/ WB & AFD	Change in scope and cost, and implementation and loan validity period extensions due to: (a) change in phasing strategy as a result of RoW assessment; (b) integration of the project with the Metro Cebu Intermodal Integrated Transport System (MCIITS); and (c) delay in the procurement of Technical Support Consultant; and (d) delayed approval of the Detailed Engineering Design Variation Order No. 4 needed for the integration of the project with the MCIITS.	DOTr targets to submit request for restructuring by September 30, 2020.
Metro Manila Subway Project/ DOTr/ JICA	Increase in cost and extension of implementation period due to additional scope for: (a) extension of alignment to NAIA Terminal 3 and go-through operations with the North-South Commuter Railway Extension Project; (b) change in alignment to avoid a fault line; and (c) other changes resulting from the detailed engineering design.	DOTr targets to submit request for restructuring by August 31, 2020.

Table 6.2.9 Change in Scope, Extension, Utilization of Loan Savings, and Loan Reallocation

Project/ IA/ DP	Nature and Reasons for Restructuring	Status/ Remarks
Maritime Safety Capability Improvement Project, Phase I/ DOTr/ JICA	Change in scope and extension of implementation period until February 28, 2022 for the (a) supply and delivery of additional 30 units of Fast Response Boats and (b) supply and delivery of Secure Shore-based Communications System of the delivered Multi-Role Response Vessels (MRRVs) in order to utilize JPY4,720 million (or PHP2.084 billion) in loan savings resulting from the low bid for the original MRRVs and the non-utilization of the loan allocation for contingencies.	NEDA received DOTr letter request for restructuring on May 18, 2020.

Extension

Table 6.2.10 Projects with Extension of Implementation Period only

Project/ IA/ DP	Nature and Reasons for Restructuring	Status/ Remarks
Mindanao Sustainable Agrarian and Agriculture Development/ DAR/ JICA	Implementation period extension from January 1, 2020 to December 31, 2020 to complete the remaining 25 agriculture, agribusiness, and agro-forestry subprojects and 29 infrastructure subprojects due to delays in the procurement of subproject contractors; delays caused by typhoon Falcon and earthquake in October to November 2019, and peace and order situation in Mindanao.	NEDA received DAR letter request for restructuring on May 11, 2020.
Maritime Safety Capability Improvement Project Phase II/ DOTr/ JICA	One-year implementation period extension from April 1, 2022 to March 31, 2023 due to delays encountered in the procurement of the General Consultant arising from clarifications on the technical proposal of the bidders, which delayed the procurement of the shipbuilder.	DOTr targets to submit request for restructuring by June 30, 2020.
MRT 3 Rehabilitation Project/ DOTr/ JICA	Implementation period extension of less than one year from April 1, 2022 to November 31, 2022 due to late effectivity of the ODA loan, and delayed commencement of the rehabilitation and maintenance contract on May 1, 2019.	DOTr targets to submit request for restructuring by September 30, 2020.
Arterial Road Bypass Project, Phase III/ DPWH/ JICA	Implementation period extension from February 1, 2022 to March 31, 2024 (inclusive of one-year defects liability period) due to prolonged acquisition of RRoW from Balagtas to San Rafael, Bulacan caused by difficulty or inability of land owners to submit complete documentary requirements.	DPWH targets to submit request for restructuring by September 30, 2020.



MRT-3 Rehabilitation Project: Turnout Replacement at North Avenue Station

Project/ IA/ DP	Nature and Reasons for Restructuring	Status/ Remarks
Davao City Bypass Construction Project/ DPWH/ JICA	Implementation period extension due to delays encountered in securing supplemental funding for cost increases as approved by the ICC in 2018 and 2019.	DPWH targets to submit request for restructuring by September 30, 2020.
Metro Manila Priority Bridges Seismic Improvement Project/ DPWH/ JICA	Implementation period extension due to bidding failure for civil works caused by lack of participating bidders. The latest ICC-approved construction period for the project is only until August 2022. This is based on the assumption that the 28-month civil works contract will commence in May 2020, which is no longer realistic since DPWH targets to start procurement in June 2020.	DPWH targets to submit request for restructuring by September 30, 2020.
Road Upgrading and Preservation Project/ DPWH/ JICA	Implementation period extension due to: (a) delayed implementation of the Taberna Bridge in Mindoro and Clarin Bridge in Bohol; and (b) realignment of some road maintenance subprojects in Central Luzon under the long-term performance-based maintenance-cum-enhancement (LTPME) component of the project.	DPWH targets to submit request for restructuring by September 30, 2020.

Table 6.2.11 Projects with Extension of Implementation and Loan Validity Periods

Project/ IA/ DP	Nature and Reasons for Restructuring	Status/ Remarks
Panguil Bay Bridge Project/ DPWH/ KEDCF	Two-year loan validity extension from August 4, 2021 to August 3, 2023, and 19-month implementation period extension from August 1, 2021 to February 28, 2023 due to delays encountered in the procurement of the design-and-build contractor.	NEDA received DPWH letter request for restructuring on March 10, 2020. A Preliminary Report dated April 30, 2020 was submitted to the ICC-TB for consideration, pending DPWH submission of remaining ICC requisite documents.

Table 6.2.12 Projects with Extension of Implementation and Loan Validity Periods, and Change in Cost Sharing

Project/ IA/ DP	Nature and Reasons for Restructuring	Status/ Remarks
Scaling-Up of the Second Cordillera Highland Agriculture Resource Management Project/ DA/ IFAD	Implementation period extension from December 31, 2020 to June 30, 2021 to complete the 33 infrastructure subprojects and loan closing date from June 30, 2021 to December 31, 2021. Amendment to the cost-sharing (loan proceeds) of the civil works from 72 percent to 90 percent to ease the burden of further depleting government funds and fully utilize the remaining loan proceeds.	DA targets to submit request for restructuring by July 2020.

Others

Table 6.2.13 Projects with Loan Reallocation only

Project/ IA/ DP	Nature and Reasons for Restructuring	Status/ Remarks
New Bohol Airport Construction and Sustainable Environment Protection Project/ DOTr/ JICA	Reallocation of JPY62 million from the contingency allocation category of the JICA supplemental loan to consulting services to cover: (a) the increase in cost of consulting engineering services due to the extension in the completion of remaining works under the defects liability period; and (b) the contractor's claim for price escalation.	DOTr targets to submit request for restructuring by June 30, 2020

07

LESSONS LEARNED

This section presents lessons shared by implementing agencies based on implementation experiences from their respective projects. These project-specific lessons are classified in the following contexts: (a) site condition and RoWA acquisition; (b) implementation arrangements; (c) communications; (d) cost; (e) procurement; and (f) others (e.g., adoption of technology, site acquisition, among others). General lessons learned in CY 2019 are enumerated in Table 7.1.

Table 7.1 Selected Lessons Learned in CY 2019

Situation/Context	Lessons Learned
Site Condition and Availability/Right-of-Way Acquisition	
For the New Bohol Airport Construction and Sustainable Environment Protection Project, the unavailability of necessary documents regarding the ownership of project-affected real properties caused delays to DOTr in the completion of the RoW acquisition.	Assistance to landowners should be provided by the agencies in coordination with LGUs in order to secure the necessary documents regarding the ownership of project-affected real properties prior to start of civil works, and thus ensure timely completion of RoW acquisition.
Delay in bidding of project (Water District Development Sector Project of LWUA) due to issues on site and right of way acquisition.	During project feasibility studies preparation, consideration should be given to the identification of alternate sites. Early settlement of site and right of way acquisition should be advocated to Water Districts.
The Metro Manila Wastewater Management Project (MWMP) of LANDBANK reported delays in subproject implementation due to tight restrictions of LGUs on excavations along major roads.	To mitigate and prevent occurrence of this issue in the future, the implementing agency (IA) should be able to present project design drawings/plans/blueprints as early as possible to secure LGU's clearance. Hence, close coordination and collaboration with LGUs is necessary to fast track construction activities.

Situation/Context	Lessons Learned
Implementation Arrangements	
The formulation of the new strategic thrusts of the health sector and passage of the Universal Health Care Law and the Bangsamoro Law posed some challenges to all DOH ODA projects and programs as they need to adapt to said laws and the new DOH thrusts.	The comparative advantages of each development partner (DP) should be mapped out/ profiled and should inform future framework of DP assistance that is responsive to new laws affecting implementation of ODA projects, as well as to policy shifts and changes in agency thrusts.
In the Participatory Irrigation Development Project (PIDP), irrigator associations were given the opportunity to decide the type of irrigation management transfer model contract.	The set-up enabled the irrigator associations to select the suitable model contract based on their capacities and readiness to assume operation and maintenance responsibilities.
In the past, access to financing by farmers and agrarian reform beneficiaries had been neglected. Hence, the Convergence on Value Chain Enhancement for Rural Growth and Empowerment (CONVERGE) Project facilitated engagement with the private sector for services along the expansion of value chain enterprises, improved access to rural financing to support production, processing, and marketing of commodities.	The engagement with the private sectors was found to be advantageous for the farmers and agrarian reform beneficiaries in creating strong linkages for better credit and market access.
Communications	
Concerns of DOH on sustainability of the implementation of projects/programs	Continually engage policymakers and emphasize the outcomes and benefits of the projects/ programs to stakeholders to effectively increase buy-in for the projects/programs and prevent the projects/programs from being discontinued or deprioritized in the middle of implementation.
Cost	
Projects with actual cost requirement more than the programmed/ICC-approved cost incurred implementation delays due to the need to secure government approvals on supplemental funding.	To avoid implementation delays, IAs should anticipate and appropriately act on requirements to secure approvals on cost increases as this would definitely impact on the Multi-Year Contracting Authority (MYCA) and available budget allocation for the project.
Procurement/Time	
Several projects experienced delays in procurement and contracting	<p>For projects experiencing lack of qualified bidders and high bids, to consider the conduct of market sounding prior to the start of the procurement process.</p> <p>To practice early procurement activities wherein all TORs must be prepared and approved prior to start of procurement activities. Agencies should target to complete their procurement short of award activities during the last quarter of the preceding year, at the latest. This would enable them to immediately award and implement the contract once GAA is approved.</p>

Situation/Context	Lessons Learned
Others (Financial Management)	
<p>Recurring problems in liquidating expenses and addressing the problem with the LGUs.</p>	<p>With the completion of Agrarian Reform Communities Project Phase II, the project had an unliquidated balance of PHP33 million. Though DAR exerted efforts to assist the LGUs, some were not able to submit the required liquidation reports and technical documents for the completed subprojects. Further, the LGUs were then responsible in financing and completing the remaining 56 rural infrastructure subprojects, which could have been charged to the loan proceeds if the LGUs were able to submit the liquidation reports before the loan closing date.</p> <p>IAs should provide project staff and administrative support complement to LGUs to expedite submission of liquidation reports. In particular, for projects with Municipal Development Fund Office (MDFO) as fund conduit, agencies should also work closely with the MDFO to ensure compliance with financial requirements and obligations.</p>
Others (Project Design, Planning)	
<p>Delays in implementation of several projects due to absence of Resettlement Action Plans, and Environmental and Social Safeguards.</p>	<p>IAs should already anticipate during design and planning, the incorporation of the Resettlement Action Plans, and Environmental and Social Safeguards, including the attendant costs, in compliance with the development partners' standard policies and guidelines.</p>

08

RECOMMENDATIONS

For Implementing Agencies

As identified during the agency-level desk reviews and online consultations, summarized in Annex 8-A are the recommendations for CY 2020 and beyond which refer to actions on improving the performance of the ongoing ODA portfolio of projects, including results monitoring to show how these link or contribute to the achievement of the PDP objectives.

Table 8.1 Recommendations for Implementing Agencies for 2020 and Beyond

Recommendations for 2020 and Beyond
On Project Design
IAAs should: <ul style="list-style-type: none">• Strengthen quality at entry of proposals by ensuring that critical elements to project success including, but not limited to, institutional capacity assessment and development, risk analysis, and social and environmental safeguards are incorporated in project preparation and implementation plan. This should be matched with proper implementation and O&M to maximize the achievement of development impacts.• Ensure that any RoWA issues are resolved prior to construction stage of the project to prevent implementation delays and to determine RoWA costs needed for the project during planning and approval.• Ensure that all new projects should have M&E plans submitted to both NEDA and DBM with cost provided.

Recommendations for 2019 and Beyond

On Capacity Development

IAs should:

- Consider assessing their respective evaluation capacities to strengthen their results focus. The ongoing joint implementation of Strategic M&E Project by NEDA and UNDP will conduct evaluability assessments of eight agencies.
- Seriously consider embedding the conduct of ex-post and/or impact evaluations in the design of their projects to assess the achievements of objectives and capture lessons learned and best practices.
- Maximize the support from DPs in terms of capacity building in all aspects of ODA portfolio management and in the various stages of the project cycle.
- Pursue PMO capacity building, particularly on contract management, project management, procurement, financial management, new implementation schemes (such as design-and-build contracts), M&E, and other technical aspects of the projects.
- Pursue capacity building on knowledge and information systems management to effectively manage information and resources within their respective agencies.

On Budget Requirements

IAs should:

- Secure Multi-Year Contracting Authority (MYCA) for specific components of programs and projects to be implemented in multi-year and include annual cash requirements for these projects in their agency budget proposals, as confirmed by NEDA, DOF, and DBM. IAs should closely coordinate with the DBM to ensure predictability of fund releases.
- Update and firm up the annual budgetary requirements in a post-COVID 19 scenario for all ongoing projects from 2020 and beyond taking into account the cumulative disbursement backlogs as of December 2019 and specific plans of action to address these backlogs within the project life cycle. PMOs should ensure full budgetary support from heads of agencies for the implementation of all ongoing projects in the ODA portfolio.
- Ensure the availability of an updated MYCA for each project with cost increases and extension of implementation duration. PMOs should also work internally with the agency's and DBM's budget, finance, and accounting units in view of the adoption of the cash-based budgeting approach.

On Monitoring and Evaluation

- PMOs/IAs should ensure regular submission of complete updates highlighting physical and financial accomplishment consolidated at the project level, critical issues encountered, progress and actions being Taken on approved catch-up plans, mitigating measures for risks, and project outcomes/results.
- IAs/PMOs to continue to participate in the Project Implementation Review (PIR) meetings to discuss and facilitate the resolution of recurring issues of projects. They should also ensure that agreements reached during the PIR meetings are carried out expeditiously to address implementation issues.
- IAs should submit requests for project restructuring with proper consideration of timelines required for evaluation, approval, and other relevant processes of the Philippine Government and the development partners.
- Submit to NEDA Project Completion Reports (PCRs) for all completed projects/closed loans six months after project completion/loan closing (projects that closed in 2019). For projects nearing completion, IAs may start preparing PCRs, preferably six months prior to its actual closing/completion date.
- Concerned agencies should continue to upload project updates in the NEDA Knowledge Management Systems (KMS) for the infrastructure flagship projects (IFPs).
- IAs should ensure completion and continuous monitoring and reporting of projects which remained unfinished upon loan or grant closing.
- IAs should ensure that beneficiaries will be able to sustain the programs and projects financed through ODA, once completed. Establishing beneficiaries' sense of ownership, through participative planning and implementation, would ensure sustainability of the projects.

Recommendations for 2019 and Beyond

On Delays Caused by the COVID-19 Pandemic

Considering the global pandemic brought about by COVID-19, there may be further delays in the implementation of the ODA programs and projects. IAs should prepare catch-up plans in consideration of the “new normal” and take this into account for necessary project modification to mitigate negative impacts.

For Oversight Agencies, Development Partners, and Other Stakeholders

Recommendations for OAs, DPs, and other stakeholders for 2020 and beyond are presented in Table 8.2.

Table 8.2 Recommendations for Oversight Agencies and Development Partners for CY 2020 and Beyond

Recommendations for 2019 and Beyond

For Oversight Agencies

- NEDA, as ICC Secretariat, along with DOF-Corporate Affairs Group (for GOCC/GFI-implemented projects) should apprise or remind the concerned agency of the requisite documents to facilitate respective reviews. This will assist the agency's compliance with the ICC process, to ensure complete and quality submissions, thereby shortening turnaround time between IA and the concerned oversight agency.
- DBM should ensure that budget cover for the implementation of the ongoing projects will be available to the project annually until its completion, including approved cost increases and supplemental additional financing. This requires close coordination between NEDA and DBM to ensure that all ongoing projects are prioritized. NEDA's reports on ongoing ODA projects may also serve as reference for DBM in evaluating the updated project budgets.
- NEDA, DBM, and DOF to have continuous knowledge sharing on their M&E information on the ongoing ODA portfolio. This will ensure that all oversight agencies have timely and same level of project information in order to carry out their mandates more effectively (e.g., prioritization/evaluating budget proposals, evaluating for the continued viability of projects, and other project/financial modifications).
- NEDA to implement the Knowledge Management System, an information-sharing and reporting tool for the IFPs (e.g., dashboard which provides real-time status of priority programs and projects).
- NEDA, in cooperation with UNDP, should orient implementing and oversight agencies of the salient features of the Implementing Guidelines on the National Evaluation Policy Framework and pilot test institutional evaluation capacity development activities for selected agencies through the Strategic M&E Project.

For Development Partners

- As much as possible, DPs should provide TA grants in support of the safeguard requirements to ensure that technical requirements and safeguards of each project have thoroughly met their respective standards.
- DPs to continue to partner with government agencies in conducting supervision/implementation review missions. This is also an opportunity to harmonize M&E systems, interact with the beneficiaries and recommend ways to improve project implementation.

For Other Stakeholders

- Encourage and capacitate beneficiaries in participatory monitoring of the project to instill a sense of ownership and responsibility to sustain project benefits.

