

**CY 2011 ODA Portfolio Review**  
**ALERT STATUS OF ONGOING LOAN-ASSISTED PROJECTS**  
**as of December 2011**

Project Title		IA	FI	Indicator Threshold(s) Breached									Remarks	
				Financial			Physical			Cost Overrun		Completing Project		
				1a	1b	1c	2a	2b	2c	3a	3b	4		
ALERT LEVEL II (Critical Stage)														
1	Agrarian Reform Communities Project II	DAR	OPEC	✓	✓	✓	✓		✓				Overall accomplishment is only 20% against target of 70%. Delays mainly due to inability of most LGUs to come up with the required LGU equity (NG-LGU cost-sharing policy issue).	
		DAR	ADB	✓	✓	✓								
2	Credit for Better Health Care Project	DBP	ADB	✓	✓	✓	✓		✓				Project is already exploring possible ways (e.g. Change in scope to include Metro Manila, etc.) to address low disbursements of the facility.	
3	Credit Line for Energy Efficiency and Climate Protection in the Philippines	LBP	GERMANY			✓	✓	✓	✓				Implementation of renewable energy component temporarily deferred due to the delay in the set-up of feed-in-tariff system. LBP is evaluating the possible cancellation of the loan.	
4	Health Sector Reform Project	DOH	GERMANY		✓	✓						✓	Delays in implementation of civil works under the LGU component of the project.	
5	Help for Catubig Agricultural Advancement Project Stage I	NIA	JICA	✓			✓		✓				Major delays in procurement and civil works in irrigation component of the project.	
6	Integrated Coastal Resources Management Project	DENR	ADB	✓	✓	✓	✓		✓				Slippage due to longer period incurred in start-up activities (e.g. Setting up of PMO, engagement of consultants and delays in downloading of funds to implementing units).	
7	Local Government Units Investment Programme II	LBP	GERMANY	✓	✓	✓						✓	Poor financial performance due to delayed submission of LBP of its withdrawal application for the loan proceeds. Loan balance is expected to be fully disbursed by 1st quarter 2012.	
8	Mindanao Rural Development Project-Phase 2	DA	WB		✓	✓	✓		✓			✓	Project is currently catching up on delays (equivalent to 18-months) due to NG-LGU cost sharing issue. DA currently has a pending request to ICC for extension of project loan and additional financing.	
9	Mindanao Roads Improvement Project	DPWH	SFD		✓	✓	✓	✓	✓	✓			The contract packages for all three subprojects will be rebiddd: (a) the two contract packages for the Cotabato City East Diversion Road subproject, after experiencing failure of biddings, will now be rebiddd under one contract package; (b) contract packages for the Lake Lanao Circumferential Road and the Basilan Circumferential Road will be rebiddd following the termination of existing contract packages due to poor contractor performance.	

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10	New Communications, Navigation and Surveillance/Air Traffic Management Systems Dev't	DOTC	JICA		✓	✓			✓				As of 31 December 2011, total physical accomplishment is 29.2%. Slow down in physical progress due to unpaid contractor billings.
11	NorthRail Project Phase 1 Section 1	NLRC	CHINA	✓		✓	✓		✓			✓	As of reporting period, overall accomplishment remains at 22.94%, behind schedule by 62.66%. The implementation of the Northrail Project is suspended indefinitely.
12	Second Cordillera Highland Agricultural Resource Management Project	DA	IFAD		✓	✓							Major delays in rural infrastructure component due to NG-LGU cost sharing issue. DA to request for ICC approval on: extension of OFID loan, adjustment in cost sharing, reallocation of funds and change in project scope.
			OPEC			✓	✓		✓				
13	Support for Strategic Local Development and Investment Project	LBP	WB				✓		✓			✓	Implementation delays due to: (a) problems encountered by participating LGUs on the project's prescribed procurement procedure; (b) stringent requirement on the construction of dam projects which is not consistent with the policies of the National Government; (c) insufficient manpower and lack of capacity by LGUs to comply with the social safeguards/ requirements of the project. The project (with loan closing in June 2012) currently has a pending request for two-year loan extension.
14	Tulay ng Pangulo Para sa Magsasaka Project	DPWH	UK		✓	✓	✓	✓	✓			✓	Contract was terminated in 2008. The remaining works under Settlement Agreement are not yet implemented due to lack of budget cover.
<b>ALERT LEVEL I (Early Warning Stage)</b>													
1	Bacolod-Silay Airport Access Road Project	DPWH	KOREA		✓	✓		✓					Based on NEDA assessment in the absence of regular progress report from IA.
2	Bridge Construction/Replacement Project	DPWH	Spain					✓		✓			DPWH has pending request for cost increase by 56%, a supplemental loan of EURO 21.25 million, and modification of implementation arrangement. Delays in implementation caused by revisions made on cost estimates after completion of detailed design (e.g. some items were not included in the original design).
3	Greater Maritime Access (GMA) Ports	DOTC	France		✓	✓		✓					The Project is currently suspended. DOTC is recommending the cancelation of the project on the following grounds: (a) costly technology; (b) suitability/feasibility issues; (c) superfluity of investment.

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4	National Road Improvement Management Project Phase II	DPWH	WB	✓	✓	✓		✓	✓				Implementation delays encountered due to WB's instruction to revisit the project's Feasibility Study and design. Project loan became effective in CY 2009, but procurement only commenced in 2011. The ICC-Cabinet Committee in its meeting on 28 October 2011 meeting, approved DPWH's request for 7.1% cost increase for the project.
5	Participatory Irrigation Development Project	NIA	WB	✓					✓				Delayed procurement of civil works and equipment.
6	Tulay ng Pangulo Para sa Kaunlarang Pang-agraryo Project	DAR	FRANCE					✓					Physical implementation has been delayed for two years. Delays were due to unsuitability of project design to local sites resulting in inadequate supply of some materials, delays in design preparation of specific sites and delays in finalization/selection of sites. The project has breached only 1 indicator, thus making it a potential problem project. However, with minimal accomplishment (only 4 of the target 123 bridges) and commitment fees paid have already amounted to PhP 300 million as of December 2011, the project is deemed an actual problem project.
<b>POTENTIAL PROBLEM PROJECTS</b>													
1	Arterial Road Bypass Project I (Plaridel and Cabanatuan)	DPWH	JICA		✓	✓							Implementation delays due to right of way and procurement (pre-qualification of consultants) issues. Project also underwent change in scope (Cabanatuan bypass was deleted) due to increase in cost caused by high bids, and issues raised on the subproject's effectiveness. DPWH's request of 21.41% cost increase approved by the ICC on 8 February 2011.
2	Gapan-San Fernando-Olongapo Road Project Phase II	DPWH	KOREA		✓	✓							Procurement of civil works still ongoing, hence the delays in disbursements.
3	KALAHI-CIDSS Project (Additional Financing)	DSWD	WB		✓								Subproject project proposals from some of the pre-identified beneficiaries/communities did not qualify to the subproject grant.
4	Laguna De Bay Institutional Strengthening and Community Development Project	LLDA	WB		✓								Delays in disbursement of funds due to delay in the issuance of pre-audit certificate.
5	Laguindingan Airport Development Project	DOTC	KOREA									✓	Project's actual accomplishment now at 87.47%, currently behind schedule by 5.03%.
6	Manila Third Sewerage Project	LBP	WB				✓		✓				Delays in the implementation of Taguig Sewerage Treatment Plant (STP) due to LGU's refusal to issue a construction permit for the project. In addition, the Baybreeze Subdivision Homeowners' Association (where the proposed STP is to be located) reneged on the Memorandum of Agreement (MOA) and its Board Resolution on the project implementation.

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7	Mega Bridges for Urban and Rural Development	DPWH	FRANCE					✓					The project management office (PMO) fails to report overall slippage for the project.
8	National Program Support for Environment and Natural Resources Management Project	DENR	WB			✓							Slow liquidation of funds and delays in procurement experienced by the project.
9	National Sector Support for Health Reform	DOH	WB			✓							Slow progress in cross matching of Philhealth's Indigent List with the DSWD's National Household Targeting System for Poverty Reduction (NHTS-PR).
10	National Program Support for Tax Administration	BIR	WB		✓	✓							Project was granted 18-months extension (31 December 2011 to 30 June 2013) by the DBCC on 23 November 2011.
11	Philippine Energy Efficiency Project	DOE	ADB		✓	✓							Implementation of activities were put on hold while project was being evaluated by ICC for reconfiguration. The ICC-CC, in its 28 October 2011 meeting, approved the proposed change in scope and extension of implementation and loan validity periods for the Project.
12	Post Ondoy and Pepeng Short-Term Infrastructure Rehabilitation Project	DPWH	JICA					✓					DPWH requested to utilize loan savings of PhP 1.5 million from the project loan to finance 155 additional subprojects and to relocate portions of the loan proceeds to effect the implementation of the additional subprojects. This was approved by the ICC on 28 October 2011.
13	Provincial Towns Water Supply Programme III	LWUA	GERMANY		✓								Project is still in start-up stage.
14	Road Upgrading and Preservation Project	DPWH	JICA		✓								Project is still in the procurement stage.
15	Rural Power Project	DBP	WB-AF		✓	✓							Problems related to the project's relending terms. Borrowing for the facility is more expensive from borrowing from the market.
<b>PROJECTS ON SCHEDULE</b>													
1	Social Protection Support Project	DSWD	ADB										
2	Agno River Integrated Irrigation Project	NIA	China										
3	Agriculture Credit Support Project	LBP	JICA										
4	Agrarian Reform Infrastructure Support Project III	DAR	JICA										
5	Angat Water Utilization and Aqueduct Improvement Project Phase II	MWSS	CHINA										
6	ARMM Social Fund for Peace and Development	ASFPD-FMO	JICA										
			WB-AF										
7	Banaoang Pump Irrigation Project	NIA	CHINA									✓	Project loan was closed in December 2011. All remaining words to be completed using NIA's budget.

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8	Central Mindanao Road Project	DPWH	JICA									✓	
9	Community Based Forest and Mangrove Management Project	DENR	Germany										
10	DPWH Bridge Construction Acceleration Project for Calamity-Stricken Areas	DPWH	AUSTRIA										
11	Development of Sub-specialty Capabilities for Heart-Lung-Kidney Diseases in Selected Regional	DOH	NETHER										
12	Environmental Development Project	DBP	JICA										
13	Health Sector Development Project	DOH	ADB										
14	Judicial Reform Support Project	SC	WB									✓	
15	Land Administration & Management Project Phase II	DENR	WB										
16	Logistics Infrastructure Development Project II	DBP	JICA										
17	National Support for Basic Education	DEPED	WB									✓	
18	Pasig Marikina River Channel Improvement Project (Phase II)	DPWH	JICA										
19	Pinatubo Hazard Urgent Mitigation Project III	DPWH	JICA										
20	Rural Micro-Enterprise Promotion Programme	DTI	IFAD										
21	Rural Road Network Development Project III	DPWH	JICA										
22	Second Women's Health and Safe Motherhood Project	DOH	WB										
23	Social Welfare Development Reform Project	DSWD	WB										

#### Indicators

1a - Average disbursement rate is below 50% for one year or in the last four quarterly reporting periods

1b - Availment rate is below 50% during the reporting period

1c - Difference between time elapsed and utilization rate is more than 30%

2a - At least 15% physical slippage

2b - Failure to report overall weighted physical accomplishment or slippage on two consecutive quarters

2c - Delays in any major activity in the critical path for at least 6 months

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 overruns with NEDA Board confirmation of ICC approval)

4 - Project is on its final year of implementation