

**16th ODA PORTFOLIO REVIEW**  
**Implementation Issues/Problems**  
**As of 31 December 2007**

Nature of Problem	Project Title	Implementing Agency	Key Implementation Issues	Measures Taken/Remarks
<b>Budget/ Financing Issues</b>	Agrarian Reform Communities Dev't. Project II (ARCDP II)	DAR	Budget shortfall of about US \$10 million due to peso appreciation.	DAR to request additional financing and additional financing additional GOP allocation. DAR is preparing the justification and supporting documents for submission to NEDA.
	Support for Agrarian Reform in Central Mindanao (STARCM)	DAR	No GOP counterpart fund for VAT, and other operating cost.	DAR is trying to source funds under regular funds.
	Agrarian Reform Communities Project (ARCP)	DAR	Cash deficit of PhP190 million (LP) due to current differential resulting from currency movement.	DAR realigned the PhP 190 million from its other foreign-assisted project (ARISP III) which was awaiting loan effectivity. However, only PhP150 M (SARO) was released by DBM and only PhP139.22 M was released on 21 Nov. 2007. This resulted in non-completion of 8 sub-projects on loan closing date. DAR to complete the sub-projects using regular GOP funds.
	Rural Micro Enterprise Promotion Project (RuMEPP)	SBGFC	The loan became effective on 31 Oct. 2006 but IFAD funds were credited to the program account only in September 2007.	SBGCF can begin disbursing funds in 2008.
	Development of Centers of Excellence in Modern Manufacturing Technology Project (CEMMTO)	TESDA	Insufficient fund release delayed implementation. Return of investment for huge investment in CEMMTP.	Beneficiary institutions are challenged to raise PhP1.3 M to PhP9 M for training cum production jobs.
	Metro Iligan Regional Infrastructure Development Project (MRIDP)	PGLDN	Due to inadequate counterpart funds, the PGLDN has requested the adoption of 80%-20% NG-LGU cost sharing ratio for Alternative Fuel Investment Program	
	ARMM Social Fund for Peace and Development Project (ASFP)	ASF-PMO	Limited releases of GOP counterpart which affects the payment of salaries of Project Staff hired under program contract.	

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	Bohol Irrigation Project Stage II (BIP II)	NIA	The 2007 budget was not fully supported pending ICC approval of the request for extension and cost increase.	Cabinet Group approved cost increase on 9 October 2007.
	Rural Road Network Development Project III (RRNDP III)	DPWH	Due to the appreciation of the peso, the loan is no longer sufficient to finance the nine (9) contract packages in accordance with the original loan terms and condition. DPWH request of downsizing the project from nine to five contract packages submitted to NEDA for ICC approval.	
	Mindanao Roads Improvement Project (MRIP)	DPWH	Additional funds needed to complete the original program for three road sections.	
	Metro Manila Urban Transport Integration Project (MMUTIP)	DPWH	Due to increase in cost across DPWH components funded by the WB loan, DPWH decided to streamline components and informed WB that PackageC.3/Pedro Gil/Tayuman/M. dela Fuente/J.Fajardo and PackageC.6/10th Avenue will be implementing the project using local funds instead.	In a meeting in December 2007 among representatives of WB, NEDA, DPWH, and MMDA, it was agreed that DPWH will take the lead in coming up with a consolidated proposal for increase in total project cost, to be submitted to NEDA for ICC re-evaluation.
	Health Sector Development Project (HSDP)	DOH	The validity of appropriation amounting to USD36,346,832.96 Million for civil works and equipment expired because of ABD's requirement for hospital study which is yet to be undertaken through the auspices of WB. The TOR of consultants that will conduct the said study is being prepared by WB.	
	Government of Spain and Government of the Philippines Schoolbuilding Project (GOS-GOP SBP)/Grant	DepEd	Process in the release of Government of Spain's (GOS) Grant In-Cash has contributed to the delay in the implementation of the project. The grant was directly deposited by the GOS to Land Bank of the Philippines, however, DBM instructed that grant/donation should follow the government rules and regulations which meant that the cash had to be deposited to the Bureau of Treasury first.	Consultations with DBM, BTr, DOF and LBP was undertaken to facilitate the transfer of the Euro account to the Treasury of the Philippines resulted in the issuance of Special Allotment Release Order (SARO) and a Notice of Cash Allocation (NCA) by DBM to cover for the project's Working Fund (EURO Grant Proceeds In-Cash).

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			The grant in-cash amount was reduced to PhP65.2M due to conversion rates of Euro to US Dollar to Philippine Peso against the amount of PhP67.7M at the time of concession agreement, a reduction amounting to PhP2.5 M which has an effect on the proposed construction/rehabilitation cost of classrooms.	The PMO had to do some re-engineering to reduce the construction cost so as not to reduce the number of classrooms previously proposed and made revisions on the plan/drawings which resulted in the re-scheduling in the issuance of invitations to quote for construction/rehabilitation works.
	Social Reform Related Feeder Ports Dev't. Project (SRRFPDP)	DOTC	Increase in cost/additional budget to cover contractor's claim for price adjustment/escalation.	NEDA awaiting submission of supporting documents from DOTC for the review of the proposed project cost increase.
	Laguindingan Airport Dev't. Project (LADP)	DOTC	Inadequate financing to complete the project.	Negotiation for a supplemental loan with Nordic Investment Bank (NIB).
	New CNS/ATM Systems Dev't. Project (New CNS/ATM)	DOTC	Inadequate provision of budget.	Ensure inclusion of budget requirement in DOTC MTPIP since availability of budget and need for detailed design of some components will determine if phased implementation is necessary.
	NorthRail Project Phase I Section 1 (NorthRail PIS1)	NLRC	Non-availability of funds for the financing of administrative expenses and other project costs, e.g., hiring of consultant to review design to be submitted by CNMEG, ROWA, and utilities diversion (same as 15th ODA Review's problem).	NLRC is negotiating for a US\$90 million loan with Barclays Bank PLC and being arranged by DBP to cover the local counterpart requirements and other miscellaneous cost of the project for both Sections 1 and 2. (Update: The loan was finally signed on 14 February 2008 and became effective on 26 March 2008. Initial drawdown on said loan was made on 28 March 2008.); NLRC secured approval in principle from DOF to guarantee its local counterpart funding requirements; and Consultants have agreed to start work at their own risk.
<b>Procurement</b>	Land Administration and Management Project 2 (LAMP 2)	DENR	Slow progress in procurement of goods and services because BAC operations were halted due to changed in leadership and resignation of BAC members.	

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	Laguna de Bay Institutional Strengthening and Community Participation Project (LISCOP)	LLDA	Delayed procurement and processing of contracts due to the 2007 national elections.	BAC has fast-tracked the procurement and awarding of contract for the engagement of consulting services for the preparation of DAED.
	Pasig River Environmental Management and Rehabilitation Sector Development Project (PAREMAR)	PRRC	Non-completion of the following sub-projects by loan closing date: a) Buting linear park; b) Ft. Santiago linear park cum catwalk; and c) construction of foundation works and 4-storey school building in Punta, Sta. Ana due to procurement issues.	PRRC requested for a one-year loan validity extension to complete the sub-projects.
	Rural Micro Enterprises Promotion Project (RuMEPP)	SBGFC	Delay in the procurement of baseline and needs assessment survey consultants because of late submission to the DTI BAC of consultant's terms of reference. This delay affected planning and programming at the national, regional, and provincial levels.	The activity has been prioritized for implementation within the first semester of 2008.
			Procurement of goods to be used in developing the outreach capacity of SME Centers was delayed because of non-inclusion in the FOA of a capital outlay category.	Realignment in the FOA is needed. Said procurement of goods has been targetted within 2008.
	Technical Education and Skills Development Project (TESDP)	TESDA	Delays in the completion of civil works projects for TESDA remaining institutions and CENTEXES. Delays in the delivery of equipment funded by ADB, NDF and GOP.	
	Southern Philippines Irrigation Sector Project (SPISP)	NIA	Slow review of procurement document delays procurement of civil works contracts, goods and services	
	Help for Catubig Agricultural Advancement Project, Stage I (HCAAP)	NIA	Slow review of procurement document delays procurement of civil works contracts, goods and services	
	Rural Power Project (RPP)	DBP	Compliance with WB Procurement Process. Purchase of sub-transmission assets by distribution utilities has been pending with the Energy Regulatory Commission for almost two years.	DBP requested exception from WB procurement process. DBP requested Transco's assistance on the matter.

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	Rural Road Network Development Project III (RRNDP III)	DPWH	Delayed procurement of civil works contracts for the remaining three contract packages.	DPWH requested JBIC's concurrence of the approved PQ resolution in order to continue with the tendering activities while the issue on downsizing is with NEDA for re-evaluation.
	Second Women's Health and Safe Motherhood (WHSM II)	DOH	There was continued failure to complete awarding of the project-financed infrastructure development of the Adela Serra Ty and the LOGOFIND-financed infrastructure development of the EmOCs in Sorsogon due to failed bids. Failure of bids was due to insufficient number of qualified bidder.	
	National Program Support for Basic Education (NPSBE)	DepEd	Non-compliance with agreed procurement procedures.	
	National Sector Support for Social Welfare and Development Reform Project (NSS-SWDRP)/Grant	DSWD	Difficulty in the selection of consultant for some of the packages - Project Team Leader, Training, Social Marketing.	Contractor has mobilized additional manpower to expedite preparation of parcellary survey.
<b>Institutional/Operational</b>	Laguna de Bay Carbon Finance (Carbonshed) Project	LLDA	DENR's qualifying criteria for a reforestation project, particularly to forest inventory, differs with the validator's preference/criteria.	Requested DENR to provide formal documents on the Philippine forest inventory process.
			Non-submission of land documents by the proponents of the possible sites/projects.	Proponents who were unable to satisfy land documentary requirements were deleted from the first bundle and were placed in the second batch of projects.
	Metro Manila Air Quality Improvement Sector Development Project (MMAQISDP)	DENR	Delayed implementation of the Motor Vehicle Inspection System which is a condition under the program loan.	DOTC already submitted detailed action plan to ADB in August 2007 and has discussed the plan with the Implementation Review Mission in September - November 2007.

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			Need to strengthen the Anti-Smoke Belching Program.	DOTC, DENR and DTI agreed to develop an effective anti-smoke belching program. A joint administrative order on PETC monitoring was issued in December 2007 although the guidelines for the program were not yet prepared.
	Pasig River Environmental Management and Rehabilitation Sector Development Project (PAREMAR)	PRRC	Suspension of civil works for the design and build of septage treatment plant (STP).	MWSS already requested for the cancellation of this subproject since renegotiation with the contractor failed.
			Non-approval of Marikina LGU to place proposed Sta. Elena ferry station along the Pasig River bank.	Negotiation with Marikina local gov't. is ongoing. PRRC has included Sta. Elena as one of the sub-projects to be implemented in the proposed one-year extension.
	Southern Mindanao Integrated Coastal Zone Management Project (SMICZMP)	DENR	Non-completion of testing and commissioning of Maasim STF site.	Commissioning of the STFs were completed in December 2007 except for the Maasim STF due to inadequate water in the site. DENR is closely supervising progress of works to ensure completion by March 2008.
	Subic Bay Freeport Environment Management Project (SBFEMP II)	SBMA	Continued non-implementation of the project due to SBMA indecision on whether to proceed with implementation utilizing JBIC funding.	
	Electricity Market and Transmission Development Project (EMTDP)	Transco	The exceptionally lengthy processing time TransCo spent in the procurement of goods and services arise from the practice of using the Two-Stage Two Envelope bidding procedure, with no contract provision for price adjustment. In a number of instances, technical evaluation of contracts (1 <sup>st</sup> envelope) could not be completed within the specified bid validity period of 150 days. During that period, prices of goods fluctuate. As such, in the evaluation of the price proposals (2 <sup>nd</sup> envelope), the bidder is not agreeable to extend the bid validity period.	

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	Second Women's Health and Safe Motherhood (WHSM II)	DOH	Conduct of the Incidence of Poverty Survey in Surigao del Sur by RIMCU Firm has no system of prioritizing the areas according to observed incidence of poverty or income classification of municipalities. Even as the survey is 81% complete, the probability of high exclusion or low inclusion of extremely poor is highly possible, particularly given that some of the remaining areas for survey completion are those in the uplands where poverty incidence is higher.	
	National Program Support for Tax Administration Reform (NPSTAR)	BIR	(a) Delay in the release of Revenue Service Order to jumpstart activities for Stop Filer Control could further increase incidences of stop filer cases and could potentially involve losses of potential tax revenues. (Stop Filers involve erroneous or invalid registration of tax returns. Release of the RSO is perceived to be a necessary starting point if the Tax Reforms Administrative Group (TRAG) is to achieve its goal of eliminating 80% of its stop filers cases by 2010.)	
			(b) Delays in rationalization and updating of regulations for Taxpayer Services, could potentially delay the accomplishment of the project deliverables that could further erode public perception of timeliness and quality of taxpayer services. The Project aims to generate a 5% annual gain in taxpayer perceptions over its duration.	
			(c) Non – availability of task force members to revise pertinent provisions, chapters of the 1997 Collection Manual for Tax Credit Certificate (TCC), Tax Remittance Advice (TRA) and Payments.	
<b>Right-of-way/Land Acquisition/Relocation</b>	Laguna de Bay Institutional Strengthening and Community Participation Project (LISCOP)	LLDA	Delays in sub-project preparation due to unresolved issues on land ownership.	Three sub-projects with unresolved land ownership issues were dropped: Alaminos, Angono, and Cardona.

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	Rural Power Project (RPP)	DBP	Delay on ROWA due to owner's resistance to sell or lease the land.	DBP required court decision on finality on expropriation.
	Development of Poor Urban Communities Sector Project (DPUCCSP)	DBP	Land-related problems- acquisition and proclamation.	Conduct of land acquisition workshops for development of a land acquisition facility under DBP financing to complement DPUCCSP.
	Iloilo Flood Control Project (IFCP)	DPWH	Delayed ROWA.	With the target completion date of June 2008, additional funds should be requested since the allocation for ROWA is not sufficient to cover the payment for the project-affected families.
	KAMANAVA Area Flood Control Project (KAMANAVA)	DPWH	About 600 returnees/ new batch of informal settlers re-occupied the already cleared areas.	Continuous clearing is being done in coordination with OP-PMS, MMDA, concerned LGUs, and DPWH-IROW Task Force. Furthermore, around 25 more remaining properties are to be acquired under expropriation.
	Agno River Flood Control Project, Phase II-A & II-B (ARFCP II-A & II-B)	DPWH	Acquisition of ROW for contract package 2.	Of the 183 lots, 161 lots secured Permit to Enter, however, only 106 lots were paid. Ongoing negotiations with remaining lots.
	Measures Ensuring Reliable and Sustainable Drinking Water Supply for Metro Manila (Rehabilitation of the Umiray-Angat 1.5 Mini-Hydro Power Plant).	MWSS	Delay in site acquisition is due to the change of design of the WTP (i.e., from two-stage filtration instead of the chemical coagulation/sedimentation process with continuous self-clearing filters and change of pump conveyance to conveyance of raw water by gravity flow).	To avoid further delay, MWCI suggested that geotechnical study be conducted from the proposed site of the intake structure up to the MWSS perimeter fence and allow the consultant to assume geotechnical values outside the fence. These values will be confirmed by MWCI prior to the actual implementation of the WTP.
	Laguindingan Airport Development Project (LADP)	DOTC	Delayed judicial action on the titling of acquired properties by the Office of the Solicitor-General, OSG (as in 15 <sup>th</sup> ODA Review).	Judicial titling is ongoing. As of December 31, 2007, 13 out of 29 petitions have already been filed by SolGen with the Regional Trial Court of Initao, Misamis Oriental. Solicitors from OSG are regularly attending the hearing of cases in Initao.

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	NorthRail Phase I, Section 1 (NorthRail PIS1)	NLRC	Delay in the acquisition of ROW due to the absence of parcellary survey from the Contractor.	The contractor has mobilized additional manpower to expedite preparation of parcellary survey.
<b>LGU Participation</b>	ARMM Social Fund for Peace and Development Project (ASFP)	ASF-PMO	Minimal support received from LGUs for the implementation of CBI. Cancellation of some sub-projects due to political intervention in <u>Maguindanao and Lanao del Sur B.</u>	
	Development of Poor Urban Communities Sector Project (DPUCSP)	DBP	Lack of capacity of LGUs to undertake socialized housing.	Improve forms, templates, guidelines to facilitate faster submission of requirements.
	Credit Line for Solid Waste Management (CLSWM)	DBP	(a) LGUs have limited technical capability to prepare and develop SWM projects/programs, and (b) Environmental investment particularly on SWM is not among the top priority projects of LGUS.	Provide technical assistance to LGUs in the development of SWM projects/programs. Continuously conducted briefings for LGUs and possible private partners nationwide.
	Kapitbisig Laban sa Kahirapan-Comprehensive and Integrated Delivery of Social Services Project (KALAHI-CIDSS)	DSWD	Delays in sub-project implementation due to late delivery/non-delivery of Municipal/Barangay Local Gov't. Unit (M/BLGU) counterpart as committed. There were LGUs/Local Chief Executive (LCE) who were unable to deliver as committed because of their incapacity to come-up with the required amount	DSWD has exhausted all means possible at the congressional level to address the shortfall in equity generation for the poorest barangays. While a number of congressmen have provided the needed equity, there still are a handful barangays unable to deliver its equity requirement.
<b>Change in Cost</b>	Construction of the Sipangpang Falls Mini-Hydro Power Plant (Sipangpang)	DOE	The LGU of Cantillan cannot proceed with the implementation of the mini-hydro project due to the sudden +200% increase in price offer of the contractor for the turbine. The contractor alludes to the recent escalation of prices of materials in the world market as the primary reason for the increase in price, despite the fact that the turbine has been manufactured way back in 2006 (DOE).	
	Northern Luzon Wind Power, Phase I (NLWP I)	PNOC-EDC	The 34.2% increase in cost PhP996.66 million mainly came from the increase in unit cost for the wind farm and cost of consultancy services.	

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	LRT Line 1 Capacity Expansion Project, Phase II (CAPEX II)	LRTA	Cost increase for Capex II Project.	Secretariat awaiting official request/additional documents from LRTA for ICC processing.
	New Iloilo Airport Dev't. Project (NIADP)	DOTC	Increase in project cost.	Follow-up letters requesting reconsideration of revised project cost submitted by DOTC to NEDA and OP/PGMA on December 20 and 21, 2007, respectively. However, PGMA discussed in the Dec. 2007 NEDA Board meeting the change in scope and cost increase for the New Iloilo Airport Dev't Project.
<b>Sustainability</b>	The Project to Build – Up the Operation of the Fingerprint Information System (AFIS)	PNP	Lengthy time of filling out the database's full capacity with Tenprint cards which per AFIS Crime Laboratory estimates to take a minimum of 8 years and 2 months to reach its 1 million capacity.	
	Lower Agusan Development Project Phase II (LADP II)	DPWH	Maintenance of completed facilities.	DPWH must continuously undertake maintenance work with the LGU until the latter can demonstrate satisfactory result in maintaining facilities especially the drainage component.
<b>Poor Performance of Contractor</b>	Metro Manila Air Quality Improvement Sector Development Project (MMAQISDP)	DENR	Suspension of payment to the Contractor for the operation of ambient air quality monitoring due to violation of contract provisions.	Letter of Understanding between DENR and ETI-MACH was withdrawn and the contract to operate air stations terminated. DENR is currently working on a settlement with respect to the payment being requested by ETI-MACH.
	Second Women's Health and Safe Motherhood (WHSM II)	DOH	The cost and financing of RIMCU for the conduct of ID of Poor Survey was not well prepared to cope with the contingencies and other factors that cause delays. The contractor (RIMCU) relied heavily on the DoH payment so when DoH payment is delayed, conduct of survey is also delayed.	

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<b>Compliance to loan covenant</b>	ARMM Social Fund for Peace and Development Project (ASFP)	ASF-PMO	(a) Proposed amendment of Loan Agreement between GOP and JBIC in line with EO 518 and (b) Traditional family feud & armed conflict in some municipalities delayed project implementation.	
<b>PMO-related</b>	Metro Iligan Regional Infrastructure Development Project (MIRIDP)	PGLDN	Inadequate management and implementation capacity of the PMO.	PGLDN and the Consultants will discuss and prepare an expanded TOR for the project.
	Development of Poor Urban Communities Sector Project (DPUCSP)	DBP	Constant change of DBP PMO administration.	Shift target market focus from LGUs to HOAs and private developers.
	New CNS/ATM Systems Dev't. Project (New CNS/ATM)	DOTC	Inability to fill-up/hire PMO personnel. DBM disapproved request of PMO to fill-up/hire PMO personnel under contract of service basis due to lack of unified PMO at DOTC.	Organic ATO personnel were assigned to the projects. Likewise, DOTC personnel from completed projects shall be assigned to the project. This concern is being considered in the ongoing review of the ATO wherein the Civic Aviation and Aeronautic Board IRR is being rushed. The formulated IRR will incorporate concern for unified PMO.
<b>Policy</b>	Mindanao Rural Dev't. Project 2 (MRDP II)	DA	NG-LGU Cost Sharing Scheme.	DOF and World Bank to discuss and solve the issue.
<b>Others</b>	Metro Iligan Regional Infrastructure Development Project (MIRIDP)	PGLDN	Lack of site development activities in Metro Iligan Regional Agro-Industrial Center (MIRAIC) threatens the achievement of MIRIDP objectives.	A bio-fuel program was included in MIRIDP scope, as initial investment towards developing MIRAIC.
	ARMM Social Fund for Peace and Development Project (ASFP)	ASF-PMO	Delayed approval of the Project Operation Manual (POM) by the Board of Director (BOD). The harmonization of POM was already completed in 2006 and was agreed to be submitted to the BOD for approval, but as of date, the POM has yet to be approved.	The PMO committed to get the POM approval by the next BOD meeting in February 2008.
	Bago River Irrigation System Rehab. and Improvement Project	NIA	Lack of borrow and embankment materials	

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	Rural Power Project (RPP)	DBP	Cost overrun brought about by typhoon and technical design problem.	DBP provided additional loan and procured a consultant for project technical evaluation.
	Development of Poor Urban Communities Sector Project (DPUCSP)	DBP	Long gestation period of socialized housing.	Prioritization of projects in order to maximize time and efforts of Project Development and Technical Assistance team.
	LGU Urban Water and Sanitation Project APL II (LGUWSP-APL II)	DBP	Long gestation period causing diminishing LGU officials' enthusiasm.	Closer and more intensive supervision of the project in order to monitor DBP's compliance with the agreed indicators.
	Development of Poor Urban Communities Sector Project (DPUCSP)	DBP	Difficulty of marketing the facility.	Shift marketing strategy to highlight unique DPUCSP features to counteract the attractiveness of the subsidized HDMF rate of 6%.
	Credit Facility for Environmental Management Project (CFEMP)	DBP	Low utilization of funds due to fragmented regulations on solid waste management and difficulty of LGUs/private enterprises in locating and acquiring RA 9003-compliant project site.	Vigorously pursue close coordination with DENR-National Solid Waste Management Commission to promote facility and assist LGUs and clients with necessary environmental permits and address environmental issues/problems.
	LGU Urban Water and Sanitation Project APL II (LGUWSP-APL II)	DBP	Majority of the projects encountered minimal water discharge as against projection and a number of service connection was not attained.	There will be a joint quarterly supervision mission by WB, DBP and NEDA to ensure the timely completion of the sub-projects
	LGU Urban Water and Sanitation Project APL II (LGUWSP-APL II)	DBP	Operator is backing out.	More active role of the Contract Administration Unit will be required.
	Land Administration and Management Project 2 (LAMP 2)	DENR	(a) Changes in leadership and resignation of the Executive Director in September 2007.	Sec. Atienza placed LAMP II under the supervision of the Asst. Secretary of FASPO while suitable replacement is being sought.

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			(b) Fast-track hiring of contractual staff of LAMP 2 to catch-up on activities especially at the field level.	DBM approved budget for hiring of staff to support project operations, full staffing achieved in 2007.
			(c) Weak coordination between DENR and LRA.	E.O. 690 issued 28 Dec. 2007 places LRA under the supervision of DENR to promote a well-coordinated effort in project implementation.
	Development of Centers of Excellence in Modern Manufacturing Technology Project (CEMMTP)	TESDA	Comparative study mission to Austria being stalled although part of the agreement.	The cost of the mission is being reviewed to minimize cost and would either be shortened or have a reduced number of participants.
	Rural Electrification in Northern Luzon (RENLP)	DOE	Delay in the implementation of the RENLP due to an issue on the procurement of consultants, specifically with the provision in the main agreement stating that the consultant shall have no liability whatsoever for any part of the project neither designed nor supervised by him. The DOE would not adhere to such provision.	
	Non-intrusive Container Inspection System Project Phase I and Phase II	BOC	Twenty (20) mobile x-ray machines that NUCTECH delivered for the NCIS Project 's Phase 2 have different specifications compared with the ten (10) mobile x-ray machines earlier delivered for Phase 1 contrary to the supply contract stipulations that the machines should have the same specifications (except that the Phase II machines have a Neutron Radiation Sensor add-on).	
	Basic Education Assistance in Mindanao Stage II (BEAM II)	DepEd	Inability of DepED to provide teachers in Community Learning Centers (CLC) to handle the Grade 1 class.	
	Strengthening the Implementation of Basic Education in the Visayas (STRIVE)	DepEd	Lack of incentives and/or issue on "de-loading" of individuals involved with project implementation.	

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	National Program Support for Basic Education (NPSBE)	DepEd	Delayed issuance of policy instruments/guidelines in the implementation of key components of Basic Education Sector Reform Agenda (BESRA) to enable roll-out under NPSBE.	
	Judicial Reform Support Project (JRSP)	SC	Environment-related issue. Based on the Environmental Examination and sample analysis, it was discovered that the GSIS Building (programmed to be the Manila Hall of Justice under the JRSP) contains chrysotile asbestos, a highly toxic substance.	Regular coordination with the P/MLGUs in gathering support for these two components
	National Sector Support for Social Welfare and Development Reform Project (NSS-SWDRP)	DSWD	(a) Coordination-related issue. Delays in package deliverables due to numerous activities and difficulty in synchronizing schedules of the various Focal Teams and Consultants. Project set-up requires involvement of DSWD counterparts and (b) Change of Consultants in Mid-Project.	
	Emergency Operation Philippines - Assistance to Conflict Affected Mindanao (EMOP-ACAM) Project/Grant	DSWD	Due to the funding problems of UN-WFP, the total commodity shortfall reached 54%.	UN-WFP was able to gather enough sources and donations in the latter part of 2007, which enabled the scale up of all components.
	Emergency Operation Philippines - Assistance to Conflict Affected Mindanao (EMOP-ACAM)	DSWD	(a) Coordination-related issue. Low turnout of Food for Work and Food for Training project proposals.	Regular coordination with the P/MLGUs in gathering support for these two components.
			(b) Coordination-related issue. Delays in delivery and distribution.	Addressed this issue by regularly coordinating with the Provincial and Municipal LGUs to provide trucks for commodity delivery. UN-WFP hired private transport services, if the schedule of the trucks of the P/MLGU are not available to avoid further delay in delivery schedule.

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	Diversified Farm Income and Market Dev't. Project (DFIMDP)	DA	Low utilization and disbursement rate.	To facilitate increase in utilization/disbursement rate set by World Bank, the following activities were undertaken: (1) single Program Contact; (2) appointment of technical focal person; (3) provision of additional SARO from DBM; (4) maintenance of one Special Account; (5) inclusion of other regions; and (6) RFUs can enroll target all other market-oriented and not confined only to public investment sub-projects.
	Infrastructure for Rural Enhancement Sector Project (InfRES)	DA	Delayed completion of subprojects due to adverse weather condition.	
	Arterial Road Bypass Project Ph. I (Plaridel and Cabanatuan)	DPWH	Disagreement between DPWH and JBIC on how to proceed with implementation. Considering the latest development in Region III especially with the anticipated operation of the Subic-Clark-Tarlac Expressway, JBIC is proposing the utilization of the existing loan funds for the full completion of the Plaridel bypass to come up with an effective and functional project at the earliest time possible. On the other hand, DPWH wants to stick to the original scheme of implementation agreed at the time of the project appraisal which was for the simultaneous construction of certain portions of the Plaridel and Cabanatuan bypass. While the DPWH maintains that the projects are vital thoroughfares in the areas to foster efficient mobility and development and that repackaging will lead to further delays in implementation, JBIC believes that the original scheme even if completed would not produce any significant impact.	