10th ODA PORTFOLIO REVIEW PROBLEMS ENCOUNTERED BY PROJECTS as of 31 December 2001

Nature of Problem	Project Title/ Implementing Agency	Remarks
ROW Acquisition	Southern Mindanao Integrated Coastal Zone Management Project/DENR	Delayed confirmation by LGU of site to be utilized for the project Lack of funds for ROW acquisition
	Davao International Airport Development Project/DOTC	Negotiation with property owners did not prosper due to conflict with AO 50
		Delayed resolution of expropriation cases filed in Davao City RTC
	Sixth Road Project/DPWH	Delayed completion of road sections due to delayed relocation of public utilities and disagreement with property owners over the valuation of properties
	MM Interchange Construction Project IV/DPWH	Delayed relocation of public utilities (water, electric, etc.)
		Disagreement with property owners over the valuation of properties
	MM Flood Control Project - West of Mangahan Floodway/DPWH	Suspension of civil works construction due to continuous opposition of LGUs and affected families to the alignment of the dike
	Lower Agusan Development Project I-II (Flood Control Component)/DPWH	Objection of fishpond owners to the widening of cut-off channel of Banza River
	Component, Br VVII	Lack of funds for payment of lots already acquired - owners refused entry of contractors unless they are paid
	Pinatubo Hazard Urgent Mitigation Project II/DPWH	Increase in valuation of properties
	KAMANAVA Area Flood Control and Drainage System Project/ DPWH	Areas cleared of informal settlers but re - clearing had to be done for volunteer informal settlers per instruction of NAPC to DPWH (both returnees and new settlers)
	Lower Agusan Development Project II-I (Irrigation Component)/ NIA	Disagreement with property owners over the valuation of properties; expropriation cases filed with RTC; writ of possession issued although case still pending in court.
	Pampanga Delta Development	Delayed acquisition of ROW due to

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Nature of Problem	Project Title/	Remarks
of Problem	Implementing Agency	
	Project, Irrigation Component/ NIA	documentation problems and late release of funds for payment of ROW already acquired.
	Small Towns Water Supply and Sanitation Project/LWUA	Delayed acquisition of ROW due to increase in valuation of properties to be acquired; LWUA is working out plan to acquire properties as LWUA counterpart of the loan because WDs are not financially capable
	Leyte-Bohol Interconnection Project/NPC	Delayed acquisition of ROW in the portion of the proposed transmission line traversing VISCA-occupied forest reservation in Baybay, Leyte
Peace and Order	Southern Philippines Irrigation Sector Project/NIA	Non-implementation of Malaig NIP in Lanao del Sur (located near MILF camp); Rugnan NIP also in Lanao del Sur will be implemented instead (with support from LGU)
	PJFH Rehabilitation Project II/ DPWH	Slow contractor's performance due to insurgency problems along Calauag-Matnog Road
	Sixth Road Project/DPWH	Delayed completion of San Narciso - Mulanay road section due to insurgency problems (equipment of contractor burned down by suspected rebels)
	Rural Road Network Development Project II/DPWH	Suspension of works for the Rodriguez -Wawa Road due to insurgency problems (contractor requested for termination of contract)
	Upland Development Programme in Southern Mindanao (UDP)/DA	Conflict (MILF, NPA) that erupted in some areas covered by the Programme in Tarragona, Kiamba, Tupi, Maasim, Magsaysay, Cateel and Mabini which resulted in the temporary dislocation of the population in the communities and suspension in the implementation of projects and activities.
Change in Project Scope/Additional works	Casecnan Multipurpose Power and Irrigation Project/NIA	Delayed approval by JBIC of P/Q documents due to revision in project scope; NIA determined the optimal project scope which resulted in a P2 B cost increase (i.e. from P3.496 B to
		P5.832 B); ICC approved the revised project scope and cost.
	Pinatubo Hazard Urgent Mitigation Project II/DPWH	Proposed construction of Mancatian Bridge and access road in scope of project.
	Pampanga Delta Development Project, Irrigation Component/ NIA	Proposed improvement works for inundated areas and additional ROW which will require additional cost

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Nature of Problem	Project Title/ Implementing Agency	Remarks
	Provincial Cities Water Supply	Change in design; changes includes reduction

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Nature of Problem	Project Title/ Implementing Agency	Remarks
01110210111	Project IV/LWUA	of the case depth and the addition of stainless steel screen in the wells to be drilled.
Contractors' Poor Performance	Malitubog-Maridagao Irrigation Project/NIA	Poor performance of contractors resulting in the mutual termination of contracts
	Kabulnan Irrigation Project/NIA	Poor performance of contractors resulting in the mutual termination of contracts
	Casecnan Multipurpose Power and Irrigation Project/NIA	Poor performance of contractors resulting in the termination of contracts; PMO implementing works under Force Account
	Rural Road Network Development Project II/DPWH	Delayed completion of CP VII due to poor performance of contractor
	Pampanga Delta Development Project -Flood Control Component/DPWH	CP III will be completed beyond loan closing date (December 2001) due to contractor's liquidity problems.
	Provincial Cities Water Supply Project III/LWUA	Poor performance of contractors due to liquidity problems (insufficient materials, equipment and manpower onsite)
	Philippine-Japan Friendship Highway Mindanao Section Rehabilitation Project, Phase I/ DPWH	Poor performance of contractors due to lack of manpower equipment and materials requirement; final warning issued to contractor; DPWH will award the contract to existing contractor and award it to other contractors (adjacent to contract packages 7 and 8).
Procurement Related	Subic Freeport II/SBMA	Cumbersome procurement process resulting in the delayed award of contracts
	Davao International Airport Development Project/DOTC	Delayed award of contract for the procurement of equipment resulting in the delayed completion of civil works
	Arterial road Link Development Project III/DPWH	Delayed award of contracts for civil works due to high bid offers from prospective bidders
	MM Air Quality Improvement Sector Development Project/DENR	Delayed employment of consultants; only two firms submitted their proposals
	Pinatubo Hazard Urgent Mitigation Project II/DPWH	Delayed award of contracts for civil works due to funding shortfall; awaiting DBM approval of DPWH request for realignment of CY2001 funds from completed projects
	Tarlac Groundwater Irrigation System Reactivation Project/ NIA	Late start-up of well drilling operations due to NIA-CO disapproval of PMO request for bidding to be conducted at project/field level because cost exceeds the amount authorized to be bid at project level
	Bohol Irrigation Project Stage II/	Delayed procurement of civil works contracts

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Nature of Problem	Project Title/ Implementing Agency	Remarks
	NIA	due to insufficient cash support; realignment of

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Nature	Project Title/	Remarks
of Problem	Implementing Agency	
		funds from other projects undertaken by NIA
	Southern Philippines Irrigation Sector Project/NIA	Delayed contract award for the procurement of vehicle support and equipment due to the delayed conduct of engineering survey
	Agrarian Reform Infrastructure Support Project II/DAR	Delayed procurement of vehicles due to delayed release by DBM of authority to procure
	Power Transmission Reinforcement Project/NPC	Delayed award of contract for the Leyte -Cebu Interconnection Uprating Project; ADB rejected GOP request to rebid the turn-key contract; GOP to request for cancellation of this project and look for other sources of financing
	Caraballo and Southern Cordillera Agricultural Development Programme (CASCADE)/DA	Preparation and approval of various local TA contracts has been delayed due to procedural problems; a revision of EU procurement guideline was requested for the supply of local service contracts; implementation of TA contracts was rescheduled to accommodate the new guidelines.
	Mindanao Rural Development Program (MRDP)/DA	Weak contract administration/supervision of sub-projects
Extension in Loan Closing Date/ Implementation Period	Baguio City Water Supply Project/ LWUA/Baguio Water District	Loan was closed in May 2001; ICC approved extension in closing date and implementation period up to December 2003 to complete the remaining activities based on the original works; revised works did not proceed due to
	Small Towns Water Supply and Sanitation Project/LWUA	funding constraints Loan is closing in June 2002; LWUA request for extension up to February 2004 subject to ICC approval; implementation was delayed due to funding constraints, delayed issuance of ECC clearances, ROW acquisition problems, delivery of materials
ECC Issuance	Social Reform Related Feeder Ports Development Project/DOTC	Delayed issuance of ECC resulting in the delayed procurement of contract for Pitogo Port
	Philippine Regional Municipal Development Project/DILG	Delayed implementation of Gen. Santos City Sanitary landfill due to the delayed issuance of ECC
	Help for Catubig Agricultural Advancement Project /NIA	Delayed loan effectivity due to delayed issuance of ECC for the road and bridge components
Budget-Related	Study of Mapping of Land Cover Assessment of Mangrove Areas in the Philippines/DENR	Preliminary project activities (aerial photography, photo interpretation and mangrove inventory) could not be undertaken due to delayed release of CY2001 budget

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Nature of Problem	Project Title/ Implementing Agency	Remarks
	Partnership in Environmental	Inadequate logistical support and limited

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Nature	Project Title/	Remarks
of Problem	Implementing Agency	
	Management for the Seas of East Asia/DENR	provision of equipment due to delayed release of funds.
	Pinatubo hazard Urgent Mitigation Project II/DPWH	Delayed payment of contractor's progress billings due to funding shortfall; awaiting DBM approval of DPWH request for realignment of CY 2001 funds from completed projects; insufficient funds for ROW acquisition due to increase in property valuation and addt'l ROW
	Lower Agusan Development Project I-II (Flood Control Component)/DPWH	Lack of funds for payment of lots already acquired - owners refused entry of contractors unless they are paid; awaiting release of CY 2002 budget
	Pampanga Delta Development Project, Irrigation Component/ NIA	Delayed acquisition of ROW due to documentation problems and late release of funds for payment of ROW already acquired.
	Central Cordillera Agricultural Programme Phase 2 (CECAP II)/ DA	Delayed implementation of road projects due to (i) heavy damages caused by typhoon Feria which needed re-planning to consider additional works (repairs), (ii) other stakeholders (LGUs
		and community residents) find difficulty to satisfactorily comply with counterpart commitments and (iii) lack of skilled personnel in the area. DA reallocated non-road funds to accommodate additional costs; sourcing of funds continuing possibly from Congressman's funds; other stakeholders (LGUs and community residents)
		On Rural Finance, ownership of credit funds after CECAP phases out still has to be resolved by NEDA, EU and DA.
	Catanduanes Agricultural Support Programme (CatAg)/DA	Lack of funds which resulted in the reduction of Techno Transfer/Techno Demo and PMO staff from 32 to 17; funds for the counterpart of DA to ARDCI has not yet been given
LGU-Related	Clark Area Municipal Development Project/DILG Subic Bay Area Municipal	Change in priority of LGUs resulting in the cancellation of sub-projects
Development Project/SBMA/ LWUA/DILG	Development Project/SBMA/	Indecision on the part of the LGUs on which sub-projects to implement
	Development Project/DILG	Delayed approval of sub-project and sub-loan agreements due to limited borrowing capacity of LGUs
		Inability of LGUs to put up local equity contribution
	LOGOFIND/DDOF	Lack of capability of LGUs to prepare

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Nature of Problem	Project Title/ Implementing Agency	Remarks
01110010111	implementing Agency	feasibility studies
	Rural Water Supply and Sanitation Project Phase V/DILG	Non-submission by Palawan of MOA which resulted in its exclusion in the first batch of sub-projects for bidding
		Incomplete validation/documentation of sites by LGUs which resulted in the reduction of targets for CY 2002 1st batch of construction targets
		Modification in design of standard toilet by Nueva Vizcaya was approved but resulted in cost increase (to be shouldered by LGU)
	Rural Water Supply and Sanitation Sector Project/DPWH/DILG/DOH	Limited counterpart funds of LGUs to implement the project
		Limited capacity of LGUs to implement the project
		Slow liquidation/reimbursement by LGUs of cash advances to avail of succeeding cash advances
	Social Reform Related Feeder Ports Development Project/DOTC	Delayed signing of MOA with concerned LGUs for the O & M of the project after completion
	Early Childhood Development Project/DSWD/DECS/DOH	Lack of funds (cash advance) for the conduct of trainings by GOP/LGUS
	LGU Water Supply and Sanitation Project (APL 1 and 2)/DBP/DILG	Deferment/suspension of sub-projects due to change in priorities of LGUs
	Upland Development Programme in Southern Mindanao (UDP)/DA	Difficulty of LGUs especially 4th and 5th class municipalities in providing their counterpart funds for projects to be implemented; approved projects not implemented in CY 2001 were carried over to CY 2002 Annual Work Plan and Budget, with full commitment from the LGUs by way of providing the counterpart funds; May and ARMM elections in CY 2001 resulted in the delayed implementation of infrastructure and other major projects due to the election ban; after election, LGU staff assigned to UDP areas were either replaced or recalled by most of the newly elected officials; newly elected officials had to be oriented to fully understand the Programme to get their full support.
		Difficulty of LGUs especially 3rd, 4th and 5th class municipalities in providing their counterpart funds resulting in the delayed or non-implementation of approved Projects and

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Nature of Problem	Project Title/ Implementing Agency	Remarks
2		activities for implementation.
Resettlement of Project-affected People	Batangas Port Development Project II/PPA	Delayed relocation of families to be affected by the construction of the project
Γευμε	Sixth Road Project/DPWH	ADB imposition of resettlement policy even if project is in mid-implementation already; conflict with new law on ROW acquisition
Others	Southern Mindanao Integrated Coastal Zone Management Project/DENR	Delayed processing of contractors and consultants' progress billings
		Delayed endorsement to JBIC of additional positions for the project
	Conservation of Priority Protected Areas Project/DENR	Political intervention; some of the appointed members of the Protected Area Management Board (PAMB) were replaced after election
	Water Resources Development Project-DENR component/DENR	Delayed submission of disbursement reports from field offices to the PMO
		Delayed processing of billing documents as well as replenishment of Special Account
	LOGOFIND/DOF	Delayed approval of plantilla positions of PMO
	Agrarian Reform Communities Project/DAR	Delayed submission of financial statements by LGUs
		Delayed implementation of land survey and titling component particularly in the distribution of individual land titles due to procedural problems (i.e., signing of individual patents by DENR Secretary)
	Domestic Shipping and Modernization Project II/DBP	Unfavorable economic situation resulting in the slow or non-availment of shipping operators of project funds
		Reduced loan values of collaterals, lack of infrastructure support
	Environmental Infrastructure Support Credit Program II/DBP	Unfavorable economic situation resulting in the slow or non-availment of project funds
		Long and tedious process involved in securing the necessary permits from DENR
	Industrial Pollution Control Project/ DBP	Unfavorable economic situation resulting in the slow or non-availment of project funds
	Credit Line for Small and Medium Enterprises/DBP/LBP	Unfavorable economic situation resulting in the slow or non-availment of project funds by SMEs

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Nature of Problem	Project Title/ Implementing Agency	Remarks
	Northern Negros Geothermal	Delayed computation of the wheeling charges

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Nature	Project Title/	Remarks
of Problem	Implementing Agency	
	Project/PNOC	necessary for PNOC-EDC to offer a firm electricity price to CENECO and other cooperatives in Negros Island; such computation is dependent on the approval by the Energy Regulatory Commission (ERC) of the proposed NPC rate structure under the Open Access Transmission Services (OATS); final draft of the rate structure is still with ERC for review.
	Provincial Cities Water Supply Project III/LWUA	Financial problems of some water districts resulting in the cancellation of sub-projects
	Upland Development Programme in Southern Mindanao (UDP)/DA	As a result of AO #5, the 12 positions vacated due to resignations or deaths were not filled up making it a bit difficult to support LGUs and other partner institutions; this slowed down implementation of most of the Projects and activities.
	Caraballo and Southern Cordillera Agricultural Development Programme (CASCADE)/DA	Delayed implementation of infrastructure projects due to counterpart mobilization (lack of eqpt.), adverse weather condition, delayed cash liquidation and questions raised by MTR in the road design in terms of maintenance cost.
		Slow implementation of Agricultural Production activities due lower absorption capacity on the side of LGU agricultural offices than scheduled;
		Less credit funds demand than expected; cash flow projections have been reviewed and saved funds were re-directed to capacity building activities.
		Need to elevate Project MIS to impact level of the logframe; PCO to establish detailed implementation plans for each sub-project per municipality per province.
	Mindanao Rural Development Program (MRDP)/DA	For Rural Infrastructure, long overall processing of infra sub-projects hamper performance of the Program; PCO to establish detailed implementation plans for each sub-project per municipality per province
		Flow of funds continues to be a major constraint.

c:pm-ella/pms matters/10th oda/report/annexes/annex o

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