

## Projects Likely to be Restructured in 2021

## Increase in cost

No.	Project/ IA/ DP	Nature of Request and Reason(s) for Restructuring	Status/ Remarks
1.	Binondo-Intramuros and Estrella-Pantaleon Bridges Project/ DPWH/ China	Change in cost 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).	DPWH targets to submit request for restructuring by second quarter of 2021.

## Change in scope

No.	Project/ IA/ DP	Nature of Request and Reason(s) for Restructuring	Status/ Remarks
1.	Education Pathways to Peace in Mindanao (Pathways)/ DepEd and MBHTE/ DFAT	Explore the possibility of broadening Australia's education assistance to include support for direct services delivery given the impact of the current pandemic	DFAT to discuss with Philippines and BARMM Government counterparts the strategic direction of their support to education.  DepEd and MBHTE will finalize the request subject to the results of the said tripartite discussion.
2.	Capacity Building to Foster Competition Project/ PCC/ ADB	Change in project scope (i.e., change in expected beneficiaries) with the inclusion of the DTI-Consumer Protection Group, as one of the beneficiary agencies of Component 2: Government Staff Development Program on Competition Law and Policy (GSDPC) of the project.	The PCC, in its letter to NEDA dated 17 February 2021, requested for the inclusion of the DTI-Consumer Protection Group as one of the project's beneficiaries.  The ICC-TB endorsed the request for ICC-CC approval <i>ad referendum</i> on 15 April 2021.

## Implementation period extension

No.	Project/ IA/ DP	Nature of Request and Reason(s) for Restructuring	Status/ Remarks
1.	Integrated Natural Resources and Environmental Management Project - Bangon Marawi Comprehensive Rehabilitation and Recovery Programme / NIA/ IFAD	Six-month implementation duration extension from 30 June 2021 to 31 December 2021 in order to catch-up with backlogs in activities severely affected by the nationwide community quarantine, and by the delayed approval of the amended Financing Agreement.	NEDA endorsed the extension of implementation period to the DOF through letter dated 10 May 2021.  On 14 May 2021, DOF endorsed to IFAD the request for extension.  IFAD, in its letter dated 27 May 2021 approved the implementation period extension until December 31, 2021.

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No.	Project/ IA/ DP	Nature of Request and Reason(s) for Restructuring	Status/ Remarks
2.	Arterial Road Bypass Project III/ DPWH/ JICA	Implementation period extension of three years and three months from 1 February 2022 to 30 June 2023 (inclusive of one-year defects liability period) due to: <ul style="list-style-type: none"> <li>a. prolonged acquisition of RROW from Balagtas to San Rafael, Bulacan caused by difficulty or inability of landowners to submit complete documentary requirements;</li> <li>b. delays in the conduct of the DED; and</li> <li>c. suspension of some procurement activities because of the imposition of community quarantine in view of the COVID-19 pandemic.</li> </ul>	DPWH targets to submit request for restructuring by second quarter of 2021.
3.	Central Luzon Link Expressway Project/ DPWH/ JICA	Implementation period extension from 16 April 2021 to 2 July 2022 due to: <ul style="list-style-type: none"> <li>a. delays in RROWA (through expropriation) in Aliaga and Cabanatuan, Nueva Ecija; and</li> <li>b. delays due to the imposition of community quarantine in view of the COVID-19 pandemic.</li> </ul>	DPWH targets to submit request for restructuring by second quarter of 2021.
4.	Davao City Bypass Construction Project/ DPWH/ JICA	Twelve-month and four-day implementation period extension from 1 January 2023 to 4 January 2024 (exclusive of one-year defects liability period) due to: <ul style="list-style-type: none"> <li>a. delays in securing supplemental funding for cost increases as approved by the ICC in 2018 and 2019; and</li> <li>b. impacts of the imposition of enhanced community quarantine in view of the COVID-19 pandemic.</li> </ul>	DPWH targets to submit request for restructuring by second quarter of 2021.

## Loan validity extension

No.	Project/ IA/ DP	Nature of Request and Reason(s) for Restructuring	Status/ Remarks
1.	National Irrigation Sector Rehabilitation and Improvement Project/ NIA/ JICA	Six-month loan validity extension from 3 July 2021 to 31 December 2021  The request for extension is due to the: <ul style="list-style-type: none"> <li>a. delay in construction activities during community quarantine in Mindanao; and</li> <li>b. insufficient time for post completion activities (for civil works).</li> </ul> The extension will enable NIA to: <ul style="list-style-type: none"> <li>a. process all billings and inventories, and prepare final report and other documentations which will serve as references for the project's O&amp;M phase; and</li> <li>b. complete vital documentations and prepare for O&amp;M phase under the new normal.</li> </ul>	The ICC-TB, during the 5 May 2021 meeting, endorsed the request for ICC-CC <i>ad referendum</i> approval.

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## Loan reallocation

No.	Project/ IA/ DP	Nature of Request and Reason(s) for Restructuring	Status/ Remarks
1.	Flood Management Project – Cagayan de Oro River/ DPWH/ JICA	Risk Reallocation of JPY 255.00 million from the Contingencies to the Civil Works loan category.  The loan reallocation was requested to cover the following: (a) increase in total project cost partly caused by the exchange rates differential (June 2014 vs August 2018 exchange rates), (b) increase in civil works cost, (c) increase in consulting services cost, and (d) increase in project management cost.	NEDA endorsed the request to DOF through letter dated 26 February 2021.  The proposed reallocation involves change in scope which has to be approved by the ICC.

## Increase in cost and loan reallocation

No.	Project/ IA/ DP	Nature of Request and Reason(s) for Restructuring	Status/ Remarks
1.	Capacity Enhancement of Mass Transit Systems in Metro Manila – LRT Line 1 South Extension Project and LRT Line 2 East Extension Project/ DOTr/JICA	Increase in cost resulting from the extension of the consulting services contract in view of the delays during procurement.  Re-allocation of JPY 2,059.00 million loan proceeds in contingencies to civil works (JPY 1,071.64 million) and consulting services (JPY 987.36 million), following the approved civil works contract amounts and the increase in cost of consulting services due to contract extension.	DOTr submitted the request for loan reallocation through a letter dated 2 February 2021.  DOTr targets to submit the request for increase in cost by second quarter of 2021.  DOTr has yet to respond to NEDA-MES letter dated 24 February 2021 following up on DOTr's submission of pending ICC documents and requesting clarifications and additional information.
2.	Jalaur River Multi-purpose Project Stage II/ NIA/ KEDCF	Increase in cost of PHP2.15 billion (or 19.18%) from PHP11.21 billion to PHP13.36 billion and reallocation of loan proceeds.  The increase in cost resulted from: <ul style="list-style-type: none"> <li>a. increase in dollar exchange rate for the loan proceeds of the civil works and taxes;</li> <li>b. payment for the duties and levies of equipment materials;</li> <li>c. additional budgetary requirements for the security framework implementation;</li> <li>d. budget requirements for the Land Acquisition and Resettlement Action Plan, Institutional Development Program, and the Environmental and Watershed Management Measures; and</li> </ul>	On 3 December 2020, OP-OCS endorsed NIA's submission of additional documents based on the ICC-TB's instructions. NEDA-MES, through a letter to NIA dated 7 January 2021, communicated its observations in the documents submitted by NIA.  The NIA Board deferred the approval of the updated request for increase in cost and

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		<p>e. supplemental contract for the consulting services</p> <p>Said increase in cost for the consulting services will also require reallocation of loan proceeds.</p> <p>The request for increase in cost was originally included in NIA's request for restructuring in 2020 (together with 17-month loan validity and implementation duration extension). However, the ICC-TB, during its 19 August 2020 meeting, deferred the approval of this particular request upon NIA's submission of the following:</p> <ol style="list-style-type: none"> <li>copy of the NIA Board approval of the proposed Memoranda of Agreement between NIA and the Armed Forces of the Philippines and the Philippine National Police;</li> <li>clarification on the firmed-up service area of the target number of irrigated agricultural land that will be covered by the project; and</li> <li>additional details on the tax component of the project.</li> </ol>	<p>reallocation following the expiration of the contract for Consulting Services. In a 24 February 2021 letter, KEXIMBANK approved the continuation of the contract.</p> <p>The NIA Board approved the updated request for increase in cost during its April 2021 meeting. Target submission of request to the ICC is in May 2021.</p>

**Increase in cost, loan reallocation, implementation period extension and loan validity extension**

No.	Project/ IA/ DP	Nature of Request and Reason(s) for Restructuring	Status/ Remarks
1.	Samar Pacific Coastal Road Project/ DPWH/ KEDCF	<p>Increase in cost of PHP115.42 million (10.25%) from PHP 1,126.04 million to PHP 1,241.46 million. The request for increase in cost is due to:</p> <ol style="list-style-type: none"> <li>extension of the construction supervision consultant based on the approved contract time extension for the project;</li> <li>variation orders due to the as-staked plans and new items of work; and</li> <li>contractor's claim for price escalation.</li> </ol> <p>Twelve-month implementation period extension from 1 July 2021 to 30 June 2022, and 11-month loan validity extension from 18 January 2022 to 17 December 2022. The proposal for the extension of implementation and loan validity period are due to:</p> <ol style="list-style-type: none"> <li>unworkable site conditions caused by tropical storms/typhoons;</li> <li>unavailability of construction workers and difficulty in the delivery of construction materials as a result of the imposition of community quarantine in view of the COVID-19 pandemic; and,</li> </ol>	<p>DPWH, through letter to NEDA dated 13 January 2021 (received by NEDA on 15 January 2021) requested for cost increase, implementation period extension, and loan validity extension. Said letter initially reflected a six-month implementation period extension from 1 July 2021 to 31 December 2021; and five-month loan validity extension from 18 January 2022 to 17 June 2022.</p> <p>Further, in a letter dated 11 January 2021 (received by NEDA on 15 January 2021), DPWH requested for the reallocation of loan proceeds from the</p>

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		<p>c. closure of approved source of aggregate materials in Ormoc City.</p> <p>Loan reallocation of US\$ 514,515.00 from the Contingencies category to the Consulting Services category, to extend the contract of the construction supervision consultant.</p>	<p>Contingencies category to the Consulting Services category.</p> <p>DPWH, through letter dated 15 March 2021 (received by NEDA on 18 March 2021) submitted other requisite documents per ICC checklist and clarification). In said letter, DPWH revised its requests for implementation period extension from six months to 12 months (or until 30 June 2022), and for validity extension from five months to 11 months (or until 17 December 2022).</p>

## Change in scope and implementation period extension

No.	Project/ IA/ DP	Nature of Request and Reason(s) for Restructuring	Status/ Remarks
1.	Metro Manila Interchange Construction Project, Phase VI/ DPWH/ JICA	<p>Change in scope and implementation period extension.</p> <p>The proposal for change in project scope is due to:</p> <ol style="list-style-type: none"> <li>possible dropping of the North/Mindanao Interchange and the C5/Green Meadows/Acropolis/Calle Industria Interchange, and constructing instead the (i) Congressional-Mindanao Avenue Interchange, (ii) C-5 - Kalayaan Interchange; and (iii) the Congressional-Visayas Avenue Interchange; and</li> <li>possible changes in location/design as a result of the updating of the feasibility studies of the EDSA/Roosevelt-Congressional Avenue Interchange and the EDSA/North Avenue-West Avenue Interchange.</li> </ol> <p>Implementation period extension will be requested due to delays in:</p> <ol style="list-style-type: none"> <li>the procurement of civil works for the construction of the North/Mindanao Interchange and the C5/Green Meadows/Acropolis/Calle Industria Interchange; and</li> </ol>	DPWH has yet to finalize the request.

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		<ul style="list-style-type: none"> <li>b. updating the FS of the EDSA/Roosevelt-Congressional Avenue Interchange and the EDSA/North Avenue-West Avenue Interchange. FS updating was pursued in to avoid possible conflict in alignment with ongoing DOTr projects (i.e., MRT-LRT Common Station, and Metro Manila Subway Project).</li> </ul>	
2.	North-South Commuter Railway Project/ 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 1-hr travel time from Makati to Clark International Airport and to ensure interoperability with the North-South Commuter Railway Extension Project.</p> <p>Extension of implementation period due to the delays encountered in the procurement of the contractor for the Electro-Mechanical System and delays due to the COVID-19 pandemic.</p>	DOTr targets to submit request for restructuring by second quarter of 2021.
3.	Water District Development Sector Project/ LWUA/ ADB	<p>Change in project scope and extension of implementation period.</p> <p>The proposed change in scope will revise the ICC-approved intended project beneficiaries to include additional beneficiaries considered for the Water District sub-projects. The WDDSP was offered to these additional beneficiaries due to project non-take-up of the initial list of beneficiaries;</p> <p>An extension of implementation period from October 2022 to December 2024 will be requested due to:</p> <ul style="list-style-type: none"> <li>a. delayed procurement arising from late finalization of sub-project list and work restrictions under the COVID-19 pandemic;</li> <li>b. delay in Zamboanga City WD sub-project caused by local officials' strong opposition to the proposed tariff rate adjustment; and,</li> <li>c. delay in Valencia City WD sub-project caused by deferred signing of Financial Assistance Contract with LWUA.</li> </ul>	LWUA targets to submit request for restructuring by second quarter of 2021.

**Change in scope, implementation period extension and increase in cost**

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No.	Project/ IA/ DP	Nature of Request and Reason(s) for Restructuring	Status/ Remarks
1.	Metro Manila Subway Project/ DOTr/JIC A	<p>Increase in cost and extension of implementation period due to additional scope for:</p> <ul style="list-style-type: none"> <li>a. extension of alignment to NAIA Terminal 3 and go-through operations with the North-South Commuter Railway Extension Project;</li> <li>b. change in alignment to avoid a fault line; and</li> <li>c. other changes resulting from the detailed engineering design.</li> </ul>	<p>DOTr submitted the request for restructuring on 19 February 2021.</p> <p>Subject request was discussed during the 17 March 2021 ICC-TB meeting.</p>

## Change in scope, implementation period extension, increase in cost, and realignment of GPH funds

No.	Project/ IA/ DP	Nature of Request and Reason(s) for Restructuring	Status/ Remarks
1.	Chico River Pump Irrigation Project/ NIA/ China	<p>Change in scope to account for:</p> <ul style="list-style-type: none"> <li>a. construction of canalization work, farm ditches and structures, drainage system and improvement of access roads; and</li> <li>b. service road improvement, construction of protection works, slope erosion control and additional steel gates.</li> </ul> <p>Increase in cost to account for the cost of ROW done for the project sourced from NIA regular budget, and to fund additional works under the following cost items:</p> <ul style="list-style-type: none"> <li>a. civil works,</li> <li>b. pre-construction activities,</li> <li>c. construction survey,</li> <li>d. procurement of equipment and institutional development.</li> </ul> <p>One-year extension of implementation period due to delays caused by COVID-19 pandemic and unfavorable weather condition, and implementation of additional minor contracts.</p> <p>Realignment of GPH funds to accommodate variation orders on updating quantities and introduction of new items per actual field condition, and additional activities under Local Minor Contracts.</p>	<p>The OP-OCS endorsed NIA's request for restructuring for ICC review, through their 19 April 2021 letter.</p> <p>As of April 2021, the request is being evaluated by the ICC Secretariat.</p> <p>Request for implementation duration extension for possible next batch of ICC-CC omnibus approval (within April 2021).</p>

## Change in scope, implementation period extension, loan validity extension, and reallocation of loan proceeds

No.	Project/ IA/ DP	Nature of Request and Reason(s) for Restructuring	Status/ Remarks
1.	Convergence on Value Chain Enhancement for	Change in scope, reallocation of loan proceeds, one-year implementation duration extension, and one-year loan	DAR targets to submit request for restructuring on or before 15 May

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	Rural Growth and Empowerment/ DAR/ IFAD	<p>validity extension.</p> <p>The request for change in scope is being sought to:</p> <ol style="list-style-type: none"> <li>a. re-calibrate the targets for the value chain-related infrastructure component (e.g. FMRs, bridges, irrigation systems, and potable water supply), which are currently reduced due to the increase in unit cost of FMRs; and,</li> <li>b. implement additional sub-projects (e.g. solar dryers and warehouses) proposed by the beneficiaries.</li> </ol> <p>The proposed reallocation of loan proceeds from the Equipment and Materials for Farms and Enterprise Development (88.47% loan balance) and Consultancy (81.02% loan balance) categories will address the current loan allocation shortfall of the Training and Workshops category (negative loan balance of 17.09%).</p> <p>The implementation extension from 31 December 2021 to 31 December 2022 and loan validity extension from 30 June 2022 to 30 June 2023 is needed to recoup the delays brought about by the:</p> <ol style="list-style-type: none"> <li>a. late commencement of project activities;</li> <li>b. issues on the delivery of value chain equipment to the project sites; and</li> <li>c. restrictions due to the Covid-19 pandemic.</li> </ol>	2021.
2.	Metro Manila Bus Rapid Transit Project/ DOTr/ WB	<p>Extension of implementation period and loan validity. Per discussions during the February 2021 World Bank implementation support mission, the project is expected to be completed by 2024 (inclusive of one-year defects liability period), extending beyond the ICC-approved implementation period until April 2022. Thus, the implementation period and the validity of the WB loans (scheduled to close in November 2022) need to be extended accordingly.</p> <p>Change in scope. An Interim Bus Service, and the corresponding consulting services needed to support the Interim System Management Office, are planned to be part of the implementation strategy. These are not part of the project's latest ICC-approved design/scope.</p>	DOTr has yet to finalize the request.



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		Reallocation of loan proceeds. The current cost estimate for the Technical Support Consultant amounts to USD 6.18 million, which exceeds the USD 2.02 million estimate considered in the latest ICC-approved project cost. DOTr noted that the deficit shall be addressed through loan reallocation.	

## Implementation period extension and loan validity extension

No.	Project/ IA/ DP	Nature of Request and Reason(s) for Restructuring	Status/ Remarks
1.	Italian Agrarian Reform Community Development Support Program/ DAR/ Italy	<p>DAR is requesting for the following:</p> <ol style="list-style-type: none"> <li>10-month implementation period extension;</li> <li>6-month loan validity extension; and,</li> <li>7-month grant validity extension.</li> </ol> <p>In its 28 January 2021 letter, DAR initially requested for ICC review and approval of a 4-month implementation extension (until April 11, 2021) for the project to:</p> <ol style="list-style-type: none"> <li>complete the implementation of 20 rural infrastructure and 25 microfinance sub-projects; and</li> <li>authorize DAR to pay off obligated funds charged against the 2nd tranche of loan proceeds which was only released in December 2021.</li> </ol> <p>With the requested extension, the ICC Secretariat noted that 190 sub-projects will no longer be implemented given the time constraints. This includes 38 rural infrastructure sub-projects (amounting to PhP254.07 million) which were already issued with No Objections Declarations from the Italian Embassy.</p>	<p><b>Update:</b></p> <p>In its 17 March 2021 meeting, the ICC-TB decided to endorse a much longer implementation period extension, together with a loan and grant validity extension, until October 2021. This is to allow the implementation of the aforementioned 38 sub-projects in response to the clamor of the project's LGU partners which have already initiated preparatory works for the same.</p> <p>The ICC-CC approved the request ad referendum on 17 May 2021.</p>