



MINDANAO DEVELOPMENT AUTHORITY

BRIEFER FORM	Document Classification: <input type="checkbox"/> Confidential <input type="checkbox"/> High Priority <input type="checkbox"/> Moderate Priority <input type="checkbox"/> Low Priority
<div style="border: 1px solid black; padding: 2px; margin-bottom: 5px;">For Records Officer only</div> File Number: 2202 - 00089 Date of Receipt: FEB 16 2022	Subject: NEDA Board Confirmation Ad Referendum: Proposed increase in cost, 12-month implementation period extension, 11-month loan validity extension, and loan reallocation of the Samar Pacific Coastal Road project.

For: SEC. MARIA BELEN ACOSTA Chairperson	From: YVETTE VALDERIA, DMO IV-PDD Noted By: JOAN BARRERA, DMO V - PDD JOEY RECIMILLA, Director IV- PPPDO USEC. JANET M. LOPOZ, CESO I Executive Director	Date: 7 February 2022
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1. The NEDA Board Secretariat is requesting the approval of the NEDA Board on the **proposed increase in cost, 12-month implementation period extension, 11-month loan validity extension, and loan reallocation of the Samar Pacific Coastal Road project.** The following are the details of the changes:

	Description/Details
Financing	Korea Export-Import Bank-Economic Development Cooperation Fund (KEXIM-EDCF)
Cost	From Php1,126.04 Million to Php1,241.46 Million; an increase by Php115.42 Million or 10.25%
Description	<ul style="list-style-type: none"> Construction of 11.3 km of unpaved section Construction of three (3) bridges with a total length of 261 lineal meters
Reallocation	Reallocation of USD 1,228,190.46 from Contingencies to Civil Works (USD 538,817.46) and Consulting Services (USD 689,373)
Extension	Implementation period: 1 July 2021 to 30 June 2022 Loan Validity: 18 January 2022 to 17 December 2022

2. The following are the justifications on the increase in cost:

Component	Increase in cost (in Php million)	Justification
Civil works	66	Variation Order No 1 based on approved plans (Php30M) and additional items of works
Consultancy	31.62	Supplemental agreements 1-3 extending the consulting services contract by about 22 months (13 March 2020 to 30 December 2021)
Construction management	2.24	Additional cost of construction management assumed by DPWH (2%) of total cost
Contingencies	15.57	Contractors proposed price escalation for civil works as a result of the increase in cost of materials/adjustments in remuneration

3. The following are the justifications for the project delays/extensions:

Type of extension	Extension (no of months)	Justification
Implementation Period	12	<ul style="list-style-type: none">• Unavailability of construction services/difficulty in the construction materials delivery due to Covid restrictions• Closure of approved sources of aggregate materials in Ormoc• Unfavorable weather conditions• Six months buffer period due to the anticipated impacts of La Nina and Covid 19 pandemic
Loan Validity	11	<ul style="list-style-type: none">• Covers the proposed revised implementation period with an additional six months window for post - construction works and financial closure

4. NEDA recomputed the economic internal rate of return (EIRR) at 27.94 which is higher than the 20.17 recomputed rate by DPWH. The project is said to be economically viable with a positive economic net present value Php1,819.91M. It also has a higher social discount rate of 10% which served as the basis of the ICC-Technical Board's endorsement of the proposal. The recomputed viability indicators were also mainly due to the adoption by the ICC Secretariat of updated estimates for the operating costs.
5. The ICC-CC approved the proposed changes last 26 January 2022. The ICC-CC is recommending the NEDA Board's confirmation of the proposed changes via ad referendum.

ACTION REQUESTED:

May we seek the approval and signature of the Secretary on the attached letter and signature page.

SECRETARY'S NOTES:



APPROVED



DISAPPROVED

MSE

SECRETARY MARIA BELEN S. ACOSTA
Chairperson

Mindanao Development Authority



MINDA-202200993



Republic of the Philippines
Office of the President



MINDANAO DEVELOPMENT AUTHORITY

7 February 2022

KARL KENDRICK TIU CHUA

Secretary for Socioeconomic Planning and Director-General
National Economic and Development Authority
12 St. J. Escriva Drive, Ortigas Center, Pasig City

Dear **Director General Chua:**

Greetings of Peace!

I am pleased to officially transmit my approval on the NEDA Board Confirmation Ad Referendum: Proposed increase in cost, 12-month implementation period extension, 11-month loan validity extension, and loan reallocation of the Samar Pacific Coastal Road project.

Attached is the signed signature sheet, for your reference.

Thank you and we look forward to our continuing partnership for the development of the country.

Very truly yours,

SECRETARY MARIA BELEN SUNGA ACOSTA
Chairperson


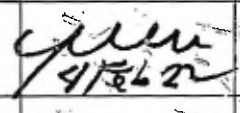



**NEDA Board confirmation *ad referendum*
Signature Sheet**

Samar Pacific Coastal Road Project
Department of Public Works and Highways (DPWH)

NEDA Board confirmation *ad referendum* of the Investment Coordination Committee – Cabinet Committee approval of the following requests of the DPWH on the **Samar Pacific Coastal Road Project**:

1. Increase in cost by PHP 115.42 million (10.25 percent) from PHP 1,126.04 million to PHP 1,241.46 million;
2. Extension of implementation period by 12 months, from 1 July 2021 to 30 June 2022;
3. Extension of loan validity by 11 months, from 18 January 2022 to 17 December 2022; and
4. Reallocation of USD 1,228,190.46 from the *Contingencies* category to the *Civil Works* (USD 538,817.46) and *Consulting Services* categories (USD 689,373.00) of the Korean Export-Import Bank– Economic Development Cooperation Fund loan.

NEDA Board	Signature and Date (Please sign one)		
	Approve	Disapprove	Abstain
President Rodrigo Roa Duterte Chairperson			
Secretary Karl Kendrick T. Chua, NEDA Vice Chair			
Executive Secretary Salvador C. Medialdea, OP-OES Member			
Secretary Karlo Alexei B. Nograles, OP-CabSec Member			
OIC Tina Rose Marie L. Canda, DBM Member			
Secretary Alfonso G. Cusi, DOE Member			

Secretary Carlos G. Dominguez, DOF Member			
Acting Secretary Roger G. Mercado, DPWH Member			
Secretary Ramon M. Lopez, DTI Member			
Secretary Arthur P. Tugade, DOTr Member			
Secretary Eduardo D. Del Rosario, DHSUD Member			
Chairperson Maria Belen S. Acosta, MinDA Member	MAE		
Deputy Governor Francisco G. Dakila, BSP Member			

Remarks:
