

National Economic and Development Authority

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COST OVERRUN REACHES PHP28.5-B AS OF Q3 OF 2009

The National Economic and Development Authority (NEDA) reported that nineteen projects incurred cost overruns amounting to PhP28.53 billion in end-September 2009. This amount was lower than the P33.34-billion worth of overruns incurred involving 21 projects in end-2008.

The NEDA, in its Update on the Incidence of Cost Overruns in the ODA (Official Development Assistance) portfolio, also said that there were 20 cost overrun requests from the 19 projects and 17 requests were already approved by the Investment Coordination Committee-Cabinet Committee (ICC-CC).

Cost overruns are defined as additional costs over and above the NEDA-Investment Coordination Committee (NEDA-ICC) approved budget.

Moreover, loans for three Japan International Cooperation Agency (JICA)-assisted projects that incurred cost overruns closed or were completed during the period January to September 2009. These projects are: the Casacnan Multipurpose Irrigation and Power Project, Bohol Irrigation Project II and Laoag River Basin Flood Control and Sabo Project.

The following projects have pending requests for cost overruns subject for review of the ICC Secretariat: (1) Metro Manila Urban Transport Integration Project, (2) KAMANAVA Area Flood Control and Drainage System Improvement Project and, (3) Southern Philippines Irrigation Sector Project (2nd request).

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