

Supporting Environmental Conservation in the Philippines

–JBIC Signs an ODA Loan Agreement for Subic Bay Freeport Environment Management Project–

1. Japan Bank for International Cooperation (JBIC; Governor: Kyosuke Shinozawa) signed an ODA loan agreement totaling 991 million yen for the Subic Bay Freeport Environment Management Project (Phase II) with the Subic Bay Metropolitan Authority on March 28. The loan is a part of the 26th ODA loan package.
2. The Subic Bay Freeport Environment Management Project (Phase II) consists of developing sanitary landfills for the appropriate disposal of solid waste generated in the Subic Bay Freeport Zone, located in the center of Luzon. This project will contribute to improving living and sanitation conditions in this zone. The proceeds of the loan will be applied to the civil works, procurement of equipment, and consulting services for constructing new sanitary landfills and closing an existing landfill.
3. The projects in the 26th ODA loan package give priority to (a) development of economic infrastructure, which has been a bottleneck for growth, (b) environmental conservation, including disaster prevention and control, (c) reducing poverty and regional disparities, and (d) human resource development. These priorities are based on the Basic Strategy of Japan's ODA Loan (April 2002).

(See Appendix for details.)

1. Loan Amount and Conditions

Project Name	SAmount (Mil. Yen)	Interest Rate (% per annum)	Payment Period/ Grace Period (Years)	Tying Status
Subic Bay Freeport Environment Management Project (Phase II)	991	0.75*	40/10	General Untied

*Preferential Term

2. Project Description

(1) Subic Bay Freeport Environment Management Project (Phase II)

The former US military base at Subic Bay, which reverted to the Philippines from the US in 1992, was designated, together with surrounding Local Government Units, as the Subic Bay Freeport Zone by the Bases Conversion and Development Act of 1992 (Republic Act No.7227, enacted in 1992). Within this zone, the Subic Bay Metropolitan Authority works together with surrounding Local Government Units to promote the zone's development as an international center for industry, commerce, finance and tourism. The establishment of a major industrial city in this zone will require the development of social infrastructure (waste disposal, water supply and sewerage system) to accommodate expanding investment and growing population in the future. JBIC rehabilitated an existing sanitary landfill under Phase I of this project, but it will reach its capacity in 2006. New sanitary landfills will have to be constructed, based on the detailed engineering design prepared in Phase I.

This project will construct new sanitary landfills and close an existing landfill safely within the Subic Bay Freeport Zone. This will enable proper disposal of solid waste in the area and improve its living and sanitary conditions. The development of these social infrastructures will also contribute to broad investment in the zone. JBIC has provided 1.034 billion yen on 1997 as Phase I of the project, and this loan is for the following phase.

The executing agency for the project is Subic Bay Metropolitan Authority (SBMA) (Address: Bldg.229, Waterfront Road, Subic Bay Freeport Zone, Philippines, TEL:63-47-252-4573, FAX:63-47-252-4574).