

## Japanese ODA Loan Signed with the Philippines

### — Supporting National Trunk Road Infrastructure along with Road Maintenance Management Organizational Improvements —

1. On March 31, the Japan International Cooperation Agency (JICA) signed a Japanese ODA loan agreement with the Government of the Republic of the Philippines to provide up to a total of 40.847 billion yen for the Road Upgrading and Preservation Project.

2. The objectives of this project are to improve transportation capacity and efficiency, and to ensure sustainability of roads. These objectives are to be met through pavement improvements involving a total of 1,400 kilometers of arterial national highway throughout the Philippines along with strengthening the road operation and maintenance system. The funds for the project will be allocated to the civil works for pavement improvements and repairs of national roads, and the procurement of equipment for disaster recovery and countermeasures against overloading. Funds will also be allocated for consulting service for detailed design work, tendering assistance, construction supervision and capacity building of the Department of Public Works and Highways for road operation and maintenance.

3. Roads are the most important means of transportation in the Philippines, handling about 90 percent of passenger transportation and 50 percent of cargo. To support this vital means of transportation, the Government of the Philippines has focused on developing the road network. However, while stress has been placed on expanding the road network, many roads remain unpaved, not adequately functioning as trunk roads to provide efficient transportation. With road operation and maintenance, there are issues both in institution and equipment. To ensure sustainability of roads, further operation and maintenance capacity is required. For example, preventative maintenance, a maintenance measure to enhance existing pavement before it suffers serious damage, is necessary for the effective use of existing road assets.

4. Road infrastructure is the most important means of transportation in the Philippines, however, its weakness is an impediment to business activities. This project will contribute to further development of the Philippines economy by improving road infrastructure, increasing transportation capacity and efficiency of main trunk roads.

5. This project will also contribute to the improvement of lives and road access during disasters in poor regions through pavement of unpaved national roads.

## Reference

### 1. Terms and Amounts of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement terms
		Project	Consulting services			
Road Upgrading and Preservation Project	40,847	1.4	0.01	25	7	Untied

### 2. Project Summaries

#### Road Upgrading and Preservation Project

##### Executing Agency

Department of Public Works and Highways  
 Address: Bonifacio Drive, Port Area, Manila, Philippines  
 Phone: +63 (2) 304-3000, fax: +63 (2) 304-3532

##### Planned Implementation Schedule

(i) Completion time of project: December 2020, with completion of the Long-Term Performance Based Maintenance Contract

(ii) Mailing of letters of invitation for consulting services (including detailed design): January 2011

(iii) Tender announcement for initial procurement package for international competitive bidding on project work:

Procurement package title: UI-1:Bongabon-Rizal/Pantabnaga-Baler, UI-2: Lipa-Alaminos, UI-4: Catanduanes Circumferential Road

Release date: April 2012