

Signing of Japanese ODA Loan Agreement with the Republic of the Philippines

— Contributing to Maritime Safety Capability Improvement of the Philippine Coast Guard (PCG) —

On December 14, the Japan International Cooperation Agency (JICA) signed Japanese ODA loan agreement with the Government of the Republic of the Philippines to provide loans of up to a total of 18.732 billion Japanese Yen for "Maritime Safety Capability Improvement Project for the Philippine Coast Guard (PCG)".

The Republic of the Philippines is an archipelagic state with a world's 5th longest coastline (approximately 36,000 km) and more than 7,000 islands; therefore, maritime transportation is crucial to the economic and social development of the country. On the other hand, the risk of maritime accidents has increased in recent years due to (i) increase in passenger and freight transport movements between islands, (ii) improper operation such as aging and overweight vessels, and (iii) natural disasters. In addition, due to increase in passenger and freight transport movements, the risk of maritime crime has also risen in recent years, making maritime law enforcement activities towards smuggling, illegal fishing, illegal possession of firearms, terrorism, etc increasingly important. The Project aims to improve the capabilities of PCG to quickly and appropriately respond to maritime incidents, such as search and rescue, and maritime law enforcement, by providing finance necessary to procure vessels for PCG, thereby contributing to maritime safety of the country.

The Special Terms for Economic Partnership (STEP)2 will apply to the Project and it is expected that Japanese shipbuilding technologies will be utilized.

JICA will continue to support the development of the Republic of the Philippines by utilizing all modality of ODA—technical cooperation, Japanese ODA loans and grant aid—to support nation-building in a way that all nationals can enjoy the development of economic and social infrastructures.

(Reference)

Terms and Amounts of Loans

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Maritime Safety Capability Improvement Project for the Philippine Coast Guard	18,732	0.10	0.01	40	10	Japan tied

(a) Executing Agency

Department of Transportation and Communications

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Phone: +63-2-725-0204 / Fax: +63-2-726-6221

Philippine Coast Guard

Address: 139 25th street, Port Area, Manila Philippines

TEL:63-2-527-8481 (Loc. 6290/6292) / FAX:63-2-527-8481 (Loc. 6291)

(b) Planned Implementation Schedule

(i) Completion of Project: January 2018 – when the facilities are put into service

(ii) Issuing of letters of invitation for consulting services (including bidding assistance and construction supervision): December 2013

(iii) Tender announcement of Procurement: February 2014

(c) JICA Contact Information

For further information about the procurement schedule, please contact the party listed below.

Contact Point for Maritime Safety Capability Improvement Project, JICA Philippines Office

Address: 40th Floor, Yuchengco Tower, RCBC Plaza, 6819 Ayala Avenue, Makati City, Philippines

Phone: +63-2-889-7119, fax: +63-2-889-6850

Notes:

1. Special Japanese ODA loan term were established to provide more visibility of Japanese aid through the transfer of technology to developing nations using advanced Japanese technology and expertise. Prime contract is Japan tied and subcontracting is general untied. Although the prime contract allows joint ventures of Japanese companies and companies in the borrowing country, the lead partner shall be a Japanese company.



Cesar V. Purisima, Secretary of Finance(left), Akihiko Tanaka, JICA President(right)