

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

Alleviating traffic congestion at major intersections in Metro Manila and supporting flood risk control measures on a major river basin in northern Mindanao

On March 26, the Japan International Cooperation Agency (JICA) signed Japanese ODA loan agreements with the Government of the Republic of the Philippines in the capital of Manila to provide loans of up to a total of 19,505 billion yen for assistance for two projects.

With the objective of investing 5 percent of the Philippines's GDP in infrastructure during the political term through 2016, the Aquino administration is promoting, with JICA assistance, large-scale infrastructure projects on the basis of initiatives such as the Roadmap for Transport Infrastructure Development for Metro Manila and Its Surrounding Areas, as the transportation network there presents a major challenge. The Philippines has one of the highest occurrences of disasters of any of country in the world. Disasters that cause immense economic damage and human injury strike the country every year, making disaster risk measures a priority for the Government of the Philippines.

Taking into account these circumstances, these loan agreements were signed for the two projects described below.

(1) Metro Manila Interchange Construction Project (VI)

Support for alleviating traffic congestion on major roads in Metro Manila

Metro Manila is affected by severe traffic congestion, which results in serious economic losses and is a factor in the lower international competitiveness of the Philippines. The country's overall population increased 1.5 times from 7.95 million in 1990 roughly to 12.54 million in 2013, and as the largest economic base in the country, Metro Manila has 13 percent of the country's population and accounts for 36 percent of the GDP. This project is intended to improve major intersections that are currently at-grade by constructing flyovers and underpasses along major circumferential roads (C-4 and C-5) whose large traffic volume causes congestion. By alleviating this chronic traffic congestion as well as the air pollution and noise in the area, the project is expected to improve both economic activities and the urban environment of Metro Manila.

Special Terms for Economic Partnership (STEP) apply to this project, and it is expected that Japanese technology such as rapid construction techniques for elevated steel bridges will be applied to the interchange portions. JICA also plans to provide technical support for the detailed design work of the project.

(2) Flood Risk Management Project for Cagayan de Oro River

Support for flood countermeasures on a major river basin in northern Mindanao

The Cagayan de Oro River Basin, located in the northern part of Mindanao, is one of 18 rivers designated as major rivers by the Government of the Philippines, and is characterized by a tendency to flood with a rapid rise in the water level after rainfall. Although conventionally, typhoons rarely pass through northern Mindanao, the effects in recent years of storms such as a tropical depression in 2009, Tropical Storm Sendong in 2011 and Typhoon Pablo in 2012 have repeatedly caused widespread flood damage. In 2011, Sendong affected 1.17 million people with 1,250 casualties and extensive damage, and making repairs to the Cagayan de Oro River is a priority for the Government of the Philippines and northern Mindanao. Cagayan de Oro, a major city lying on the lower reaches of the Cagayan de Oro River, has a population of approximately 600,000 people, and there is an industrial complex located in the suburbs nearby with many domestic and foreign companies.

In a preparatory survey, JICA provided technical assistance to the Government of the Philippines to assess the flood risk levels using evaluation criteria focusing on the possibility of evacuation of residents in case of flood. Based on the result of the assessment and the basic concept of residents not living in dangerous areas, the Government of the Philippines will establish the first river boundary in the Philippines.

Through improvements to the Cagayan de Oro River, this project will mitigate flood damage, contributing to sustainable and stable economic development in the region.

JICA will continue to work inclusively to address the challenges facing the Philippines through JICA's various modalities of assistance: Japanese ODA loans, technical cooperation and grant aid.

Reference

Terms and Amounts of Loans

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
(1) Metro Manila Interchange Construction Project (VI)	7,929	0.10	0.01	40	10	Japan tied
(2) Flood Risk Management Project for Cagayan de Oro River	11,576	0.30	0.01	40	10	General untied

Note: Special Terms for Economic Partnership apply to project 1, and preferential terms (field of disaster risk reduction) apply to project 2.

(1) Metro Manila Interchange Construction Project (VI)

(a) Executing Agency

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

(b) Planned Implementation Schedule

- (i) Completion of project: March 2019 – when the interchanges are put into service
- (ii) Issuing of letters of invitation for consulting services (including bidding assistance and construction monitoring): April 2015
- (iii) Tender announcement of initial procurement package for international competitive bidding on project construction:

Procurement package title: Main Construction
February 2016

(c) JICA Contact Information

For further information about the procurement schedule, please contact the party listed below.
Contact Point for Transportation Sector, 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



Signing ceremony

(2) Flood Risk Management Project for Cagayan de Oro River

(a) Executing Agency

Department of Public Works and Highways

Address: Bonifacio Drive, Port Area, Manila, Philippines

Phone: 63-2-304-3000

(b) Planned Implementation Schedule

(i) Completion of project: November 2021 – with completion of the public works

(ii) Issuing of letters of invitation for consulting services: June 2015

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

Procurement package titles:

- Construction of Levee and Flood Retaining Wall (Approximately 3.9 Kilometers) in the Lower Reaches of the Lower Cagayan de Oro River
- Construction of Levee and Flood Retaining Wall (Approximately 5.6 Kilometers) in the Upper Reaches of the Lower Cagayan de Oro River
- Kagayan Bridge Improvements

Release date: June 2016 (all packages)