

Signing of Japanese ODA Loan Agreements with the Philippines

Utilizing Japanese technology to reinforce two major bridges in Metro Manila against earthquakes and to improve logistics in Davao City on Mindanao

On August 25, 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 33.689 billion yen for assistance for two projects.

The Philippines has one of the highest occurrences of natural disasters in the world, and large-scale earthquakes are particularly frequent due to the country's location on the Pacific Ring of Fire. Thus, the Government of the Philippines makes it a priority to take measures to lessen the impact of disasters, such as strengthening the resilience of transportation network against earthquakes that may occur in the future, particularly in Metropolitan Manila, the core of the country's economy.

Due to the effects of long-term conflict in the southwest part of Mindanao, the island lags behind other regions in the Philippines in terms of economic development; however, with the signing of the Comprehensive Agreement on the Bangsamoro between the Government of the Philippines and the Moro Islamic Liberation Front in March 2014, acceleration of economic growth is anticipated, particularly in such industries as agriculture, fisheries and mining. Nevertheless, the region faces issues, among which providing road infrastructure for efficient transportation of goods is especially important.

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

(1) Metro Manila Priority Bridges Seismic Improvement Project – support to reinforce earthquake resistance for two major bridges in the National Capital Region

With a population that has rapidly risen from 7.95 million people in 1990 by roughly 1.5 times to 12.54 million in 2013, Metro Manila is the largest economic base in the country, and accounts for 13 percent of the country's population and 37 percent of the gross domestic product with only 0.2 percent of the country's land. However, due not only to physical conditions but the magnitude of earthquakes in the region and geotechnical factors, key bridges for transportation and logistics in Metro Manila require seismic strengthening or replacement.

Of the major bridges on the arterials in Metro Manila, this project will replace or reinforce Guadalupe and Lambingan Bridges, determined as being high-priority for replacement or seismic strengthening due to factors such as their location on high-traffic, important routes. This will provide the transportation network in Metro Manila with resistance and strengthen the capacity of the area to maintain its urban functions in time of a disaster, contributing to stable and sustainable economic activities in Metro Manila.

Through the 2013 technical cooperation for development planning titled the Project for Study on Improvement of the Bridges through Large Scale Earthquakes Disaster Mitigating Measures, JICA supported the Government of the Philippines in the formulation of a draft of revised bridge seismic design standards, and this project will implement bridge replacement and seismic strengthening based on that draft of revised standards.

Special Terms for Economic Partnership (STEP) apply to this Japanese ODA loan, and it is expected that Japanese technologies, including seismic strengthening, neighboring/proximity construction and rapid construction techniques to minimize the effects on existing traffic will be applied.

(2) Davao City Bypass Construction Project (South and Center Sections) – realizing better access to major ports and Davao City center

Davao City exports agricultural products, which are the main export for the island of Mindanao, as well as agricultural and industrial products produced by Japanese companies located nearby, from ports including the major export base, Sasa International Seaport. Functioning as a gateway to other islands, Davao City is expected to increase its importance as the driving force for economic growth in Mindanao going forward. However, traffic congestion has become a serious problem in the center of Davao City, associated with a rise in the population density, and traffic conditions combined with other factors such as truck regulations increase the cost of transportation.

This project will construct a bypass road connecting the southern tip and the center part of Davao City and improve the paving of existing roads, thereby improving access between ports, including Sasa International Seaport, and the city center, and improving logistics and traffic congestion in the biggest economy in Mindanao, the core of which is Davao City, with the objective of contributing to economic development in Mindanao.

Special Terms for Economic Partnership (STEP) apply to this Japanese ODA loan, and it is expected that Japanese technology such as excavation techniques for tunnel construction will be applied.

JICA will continue to work inclusively to solve various challenges the Philippines is facing through high-quality infrastructure projects while coordinating JICA's various types of ODA projects, including 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 Priority Bridges Seismic Improvement Project	9,783	0.10	0.01	40	10	Japan tied
(2) Davao City Bypass Construction Project (South and Center Sections)	23,906	0.10	0.01	40	10	Japan tied

Note: Special Terms for Economic Partnership (STEP) apply to projects 1 and 2.

(1) Metro Manila Priority Bridges Seismic Improvement Project

(a) Executing Agency

Department of Public Works and Highways

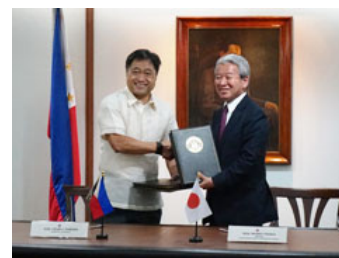
Address: Bonifacio Drive, Port Area, Manila, Philippines

Phone: +63-2-304-3000

(b) Planned Implementation Schedule

(1) Completion of project: January 2021– when the bridges are placed in service

(2) Issuing of letters of invitation for consulting services (including detailed design work and tender assistance): September 2015



Finance Secretary Cesar Purisima, left, shakes hands with JICA President Akihiko Tanaka, after the signing.

(3) Tender announcement of initial procurement package for international competitive bidding on project construction:
Procurement package title: Main Construction (one package)
Release date: June 2017

(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

(2) Davao City Bypass Construction Project (South and Center Sections)

(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

(1) Completion of project: September 2021 – with completion of the public works
(2) Issuing of letters of invitation for consulting services (including detailed design work and tender assistance): September 2015
(3) Tender announcement of initial procurement package for international competitive bidding on project construction:
Procurement package title: Main Construction (one package)
Release date: August 2017

(c) JICA Contact Information

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