

## Signing of Japanese ODA Loan Agreement with the Philippines: Using Japanese technology and urban planning models to construct a landmark commuter railway system connecting Metro Manila and outlying areas

On November 27, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Government of the Republic of the Philippines in the capital city, Manila, to provide a Japanese ODA loan of up to 241.991 billion yen for the North – South Commuter Railway Project (Malolos - Tutuban).

Being the largest economic center in the Philippines with a concentration of 13 percent of the country's population and 36 percent of the GDP, Metro Manila has grown from 7.92 million people in 1990 to 11.85 million people in 2010, reaching a population density of 19,137 people per square kilometer. In Mega Manila-the region encompassing Metro Manila along with neighboring Rizal, Cavite and Laguna Provinces-the population has also increased rapidly over that period, rising from 12.39 million people in 1990 to 23.02 million people in 2010, a growth rate exceeding that of Metro Manila.

JICA has supported the improvement of the transportation infrastructure of Mega Manila including circumferential and radial roads in Metro Manila, as well as highways connecting Metro Manila with outlying areas to the south and north, by Japanese ODA loans. However, the development of efficient railway networks still lags behind. There are currently only three elevated light rail lines with a total length of approximately 50 kilometers in operation in Metro Manila, and one non-electrified commuter line with a low service frequency that is operated by the Philippine National Railways from Metro Manila southward. Despite the rapid growth of Metro Manila and greater Mega Manila, this railway network has been expanded by only five kilometers over the past 10 years. To the north of Metro Manila, a line was abandoned by the Philippine National Railways in 1991, and no new railway lines have been built since, and the lack of railway lines is a factor hindering urban development in that area. As a result, the population and economic activity continue to concentrate in Metro Manila, and traffic congestion worsens, costing an estimated 2.4 trillion yen per year in social expenses, factors that lower the international competitiveness of the Philippine economy.

To provide assistance for sustainable development in Mega Manila, JICA has assisted in the creation of the Roadmap for Transport Infrastructure Development for Metro Manila and Its Surrounding Areas in 2014. This infrastructure roadmap calls for enlarging the capital region to the north and south with greater connectivity to the suburbs, thereby alleviating the overconcentration in Metro Manila, and to do so, proposes the creation of two new railway lines as a transportation corridor connecting Metro Manila with the outlying areas to the north and south.

This project will construct a commuter line interval (approximately 38 kilometers long) as one of those proposed lines in the infrastructure roadmap, running from Malolos, the capital city of Bulacan Province north of Metro Manila, to Tutuban in the City of Manila, thereby enhancing the connectivity of the transportation network and alleviating the serious traffic congestion in Metro Manila, with the objectives of expanding the economic sphere of Metro Manila and reducing air pollution. The loan funds will be allocated to civil works, including elevated railway tracks, station buildings and a depot, to the procurement of electrical and mechanical systems and rolling stock, and to consulting services. Special Terms for Economic Partnership (STEP) will be applied to this project, and it is expected that Japanese technology such as construction techniques for elevated railways, efficient signal systems and rolling stock will be utilized.

JICA will continue to work comprehensively toward solving the challenges facing the Philippines, supporting the implementation of high-quality infrastructure projects by effectively coordinating JICA's various types of ODA, which include Japanese ODA loans, technical cooperation and grant aid.

### Reference

#### 1. Terms and Amount of Loan

| Project title  | Amount (million yen) | Annual interest rate (%) |                     | Repayment period (years) | Grace period (years) | Procurement |
|--|----------------------|--------------------------|---------------------|--------------------------|----------------------|-------------|
|  |                      | Project                  | Consulting services |                          |                      |             |
| North – South Commuter Railway Project (Malolos - Tutuban) | 241,991              | 0.1                      | 0.01                | 40                       | 10                   | Japan tied  |

Note: Special Terms for Economic Partnership (STEP) apply.

#### 2. Executing Agency

Department of Transportation and Communications  
Address: The Columbia Tower, Ortigas Avenue, Barangay Wack-Wack, Mandaluyong City, 1555, Philippines  
Phone: +63-2-790-8300/8400

#### 3. Planned Implementation Schedule

- (1) Completion of project: December 2021 – when the facilities are put into service
  - (2) Issuing of letters of invitation for consulting services (including construction monitoring): already sent
  - (3) Tender announcement of initial procurement package for international competitive bidding on project construction:
- Procurement package titles: Civil Works Packages, Depot Package, E&M Package, Rolling Stock Package  
Release date: June 2017

#### 4. 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