

## Signing of Japanese ODA Loan Agreement with Panama: Supporting construction of the first monorail in Central America

On April 20, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Republic of Panama to provide a Japanese ODA loan of up to 29.575 billion yen for the Panama Metropolitan Area Urban Transportation Line-3 Development Project (I).

The Panama Metropolitan Area has a population of approximately 1.7 million people, which is about half of the country's overall population. Sustaining an economic growth rate among the highest of any country in Latin America, Panama has seen a rapid increase in the number of personal vehicles, resulting in serious traffic congestion during the morning and evening commuting hours. Although measures have been instituted to alleviate the congestion such as the creation of bus and priority traffic lanes, a large-capacity public transportation system is needed to meet the demand for transportation.

This project will construct Line 3, an urban transportation monorail system connecting downtown Panama City and the western side of the metropolitan area. The construction of Line 3 will improve the urban transportation function of the metropolitan area and reduce greenhouse gas emissions with the objective of contributing to sustainable economic development in Panama. This project will be the first monorail project in Central America.



Signing ceremony

The Government of the Republic of Panama began operating Line 1 in 2014, the first mass transportation system in the country, and construction on Line 2 is currently in progress. As Line 3 will have a large grade difference, including a canal crossing, a monorail system was selected for efficiency as a mass transportation system.

The loan funds for this project will be allocated to civil works for 14 stations along approximately 26 kilometers of planned rail such as elevated track, station buildings and railroad yards, as well as to electrical and mechanical systems, and rolling stock.

### Reference

#### 1. Terms and Amount of Loans

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Panama Metropolitan Area Urban Transportation Line-3 Development Project (I)	29,575	Yen LIBOR -105bp	0.01	20	6	General, untied

#### 2. Executing Agency

Metro de Panamá, S.A.

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#### 3. Planned Implementation Schedule

(1) Completion of project: December 2021 – when commercial operations begin

(2) Consulting services (including basic design work and construction supervision): May 2016

(3) Tender announcement of initial procurement package for international competitive bidding on project construction: October 2016