

## Signing of Japanese ODA Loan Agreement with the Republic of the Philippines: Further strengthening the maritime safety capability of the Philippine Coast Guard

On October 26, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Government of the Republic of the Philippines in Tokyo to provide a Japanese ODA loan of up to 16.455 billion yen for the Maritime Safety Capability Improvement Project for the Philippine Coast Guard (Phase II).

The Philippines is an archipelagic state with more than 7,000 islands and the world's fifth longest coastline (approximately 36,000 kilometers in length). Maritime transportation is therefore crucial to socioeconomic development in the country. There has been an increasing risk of maritime accidents in recent years due to: (i) an increase in inter-island passenger and freight transportation, (ii) the use of aging and overweight vessels, and other improper maritime operation, and (iii) a rise in natural disasters. In addition, with this increase in passenger and freight transportation, there has been a rising risk of maritime crime, and the Philippine Coast Guard (PCG) has developed cooperation relationships with Japan and other neighboring countries accordingly. This project will provide the PCG with financing to procure vessels, supporting an improvement in the maritime rescue operations and a faster response to maritime crimes.

The Special Terms for Economic Partnership (STEP)\* will apply to the project in the agreement that was signed, and it is expected that Japanese shipbuilding technologies will be utilized.

JICA will continue to support the development of socioeconomic infrastructure in the Philippines by utilizing all types of assistance—technical cooperation, Japanese ODA loans and grant aid—to support nation-building in a way that all nationals can enjoy the benefits of the development.

\* STEP is special assistance terms for promoting the visibility of Japanese aid through a transfer of outstanding Japanese technology and expertise to developing nations. The main contract is Japan tied and subcontracting is general untied. Although the main contract allows a joint venture with the borrowing country, a Japanese company must be the leading partner in such an arrangement.

### • JICA Efforts in Countries around the World: the Philippines

#### Reference

##### 1. Terms and Amount of Loan

	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procure- ment
		Project	Consulting services			
Maritime Safety Capability Improvement Project for the Philippine Coast Guard (Phase II)	16,455	0.1	0.01	40	10	Japan tied

##### 2. Executing Agency

Department of Transportation

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##### 3. Planned Implementation Schedule

(1) Completion of project: June 2021 – when the vessels are placed in service

(2) Issuing of letters of invitation for consulting services (including construction monitoring):

November 2016

(3) Tender announcement release date: August 2017

##### 4. JICA Contact Information

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

Contact Point for Maritime Safety Capability Improvement Project for the Philippine Coast Guard (Phase II), JICA Philippines Office

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From left, Philippine Prime Minister Carlos G. Dominguez, Philippine President Rodrigo Roa Duterte, JICA President Shinichi Kitaoka and Japanese Prime Minister Shinzo Abe attend a signing ceremony.