

Signing of Japanese ODA Loan Agreement with the Philippines: Contributing to a mitigation in the traffic congestion in the northern part of Metro Manila through construction of an arterial bypass

On February 28, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Government of the Republic of the Philippines in Manila, the capital city, to provide a Japanese ODA loan of up to 9.399 billion yen for the Arterial Road Bypass Project (Phase III).

The project will construct a bypass (two lanes each way) near Plaridel, a core suburb city to the north of Metro Manila, for the Philippine-Japan Friendship Highway, which is a major arterial road connecting Metro Manila and central Luzon. This initiative will mitigate traffic congestion and improve the transportation capacity and efficiency around Plaridel, and contribute to socioeconomic development in Metro Manila and the region to the north. The loan funds will be allocated to public works for widening the road from one lane to two lanes in each direction that includes bridges and flyovers, and to consulting services (including bidding assistance, overall project management and construction supervision).

Metro Manila is the largest hub of economic activities in the Philippines with a population of 12.87 million people, and in recent years, core suburbs have rapidly developed as bed towns with the urban spread of Metro Manila. Located along the Philippine-Japan Friendship Highway, Plaridel is one such core suburb where traffic congestion becomes chronic due to a rapid increase in the number of registered automobiles and other vehicles. To improve the situation, progress is gradually moving forward on the bypass with two lanes in each direction near Plaridel, and in phases I (loan agreement signed in 2004) and II (loan agreement signed in 2012) of the project, 24.61 kilometers of the road were built with one lane in each direction. This phase (III) will make the road two lanes in each direction, completing the bypass.

With the Philippine-Japan Friendship Highway and the bypass combined, the project is expected to increase the transportation volume by 1.2 times (from approximately 42,000 vehicles to 50,000 vehicles per day), increasing the average vehicle speed by approximately 1.5 times. By expanding the road traffic capacity, the project is expected to contribute to a mitigation in traffic congestion in the region.



signing ceremony

1. Terms and Amount of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Arterial Road Bypass Project (Phase III)	9,399	1.5	0.01	30	10	General, untied

2. Executing Agency

Department of Public Works and Highways
Address: Bonifacio Drive, Port Area, Manila
Phone: +63-2-304-3372, fax: +63-2-304-3022

3. Planned Implementation Schedule

- (1) Completion of project: February 2021 – when the facilities are put into service
- (2) Issuing of letters of invitation for consulting services (including construction supervision): Hiring procedure underway
- (3) Tender announcement of initial procurement package for international competitive bidding on project construction: International competitive bidding will not take place for construction in this project.