

Philippines

National Telephone Program Phase I, Tranche-1, Regions III, IV, V



A telephone exchange office

Outline of Loan Agreement

Loan Amount / Disbursed Amount	21,752 million yen / 16,346 million yen
Loan Agreement	February 1990
Terms & Conditions	Interest rate 2.7%p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	March 1997

Project Outline

This project was based on the National Telephone Program (NTP) and involved the development of a telephone network in southern Luzon (Regions III/IV/V) with the aim of improving the state of telecommunications in these regions.

Results and Evaluation

This project was the successor to the Regional Telecommunications Infrastructure Expansion Project (Phase I yen loan FY 1981, Phase II yen loan FY 1987), which covered Regions I and II in northern Luzon, and consisted of the establishment of 71 local telephone exchanges with 56,950 lines, 7 long distance telephone exchanges with 4,500 lines, and a transmission system (backbone transmission system comprising 27 microwave links, 3 optical fiber links), as well as the installation of subscriber cables, in areas not covered by previous projects.

The installation of telecommunications equipment was carried out between 1991 and the end of 1996, and telephone density (the number of lines per 100 people) in the project regions (III-V) increased significantly, from 0.62 in 1993, to 3.20 in 1996, and 7.31 in 2000. The project is thus considered to have achieved its objective of meeting the demand for telephones in these regions.

Project evaluation involved an interview survey, in which approximately 70% of respondents stated that they had installed a telephone in their homes since project completion, with the majority reporting positive effects on their living environment.

Since 1993, the operation and maintenance of the system has been undertaken by Digital Telecommunications Phils., Inc. (DIGITEL) under a lease agreement, and in light of the financial, organizational structure, and technical capabilities of this company, no specific problems are anticipated for the future sustainability of the project.