

## Philippines

### Regional Telecommunications Development Project (Regions I and II, Phase B)



A telephone exchange

#### Outline of Loan Agreement

Loan Amount / Disbursed Amount	5,735 million yen / 5,691 million yen
Loan Agreement	January 1988
Terms & Conditions	Interest rate 3.0%p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	April 1995

#### Project Outline

The project aimed to improve telecommunications via the construction of telecommunications infrastructure in the northern Luzon area.

#### Results and Evaluation

This project is the successor to the Phase I project (17 telephone exchanges, additional installation of approx. 110,000 lines) covering the expansion of telecommunications infrastructure in northern Luzon (Regions I/II), which was completed in 1986. This project, the second phase, comprised the construction of 11 exchanges with 6,680 lines, additional installation of 1,560 lines at 9 existing stations, and the construction of a transmission system (4 microwave links, 10 long-distance cable links).

GDP in the project region trebled between 1989 and 1999 with the resultant growth in the demand for telephones. Fluctuations in telephone density (the number of lines per 100 people) before and after project implementation (facilities became operational in 1992) increased year-on-year from 0.43/0.11 in 1985 to 0.63/0.23 in 1993, 6.18/0.90 in 1997, and 6.20/1.47 in 2000, respectively in Region I and in Region II. The project is thus inferred to have met the demand for telephones in these regions. Project evaluation involved an interview survey, in which the majority of respondents stated that they had installed a telephone in their homes since project completion, and reporting positive effects on their living environment. The operation and maintenance of the telecommunications infrastructure is being competently undertaken by Digital Telecommunications Phils., Inc. (DIGITEL) under a lease agreement, and no specific problems are anticipated for the future sustainability of the project.