

20 Philippines

Regional Telecommunications Development Project in Region (III)



Switching facility installed by this project

Outline of Loan Agreement

Loan Amount / Disbursed Amount	3,803 million yen / 3,557 million yen
Loan Agreement	August 1993
Terms & Conditions	Interest rate 3.0% p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	December 2000

Project Outline

The objectives of this project were to improve the communications situation in Northern Luzon (Regions I and II) via the construction of telecommunications facilities, and thus to contribute to social and economic development in the region.

Results and Evaluation

This project involved expansions and improvements to the communication network, including the construction and extension of digital switches, the establishment of a back-up system of transmission lines in the event of failure, and the improvement and repair of communication facilities through the rehabilitation of individual facilities. As a result, the capacity of installed telephone lines was increased by 6,250 lines in regions I and II in the northern area of the Philippines. However, in terms of facility use rates, there are just 2,971 subscriber lines, yielding a facility use rate of 46.9% for the entire project. This is attributed to the presence of two telecommunication companies in a single telephone network and competition with private-sector telecommunication companies. On the other hand, in terms of project impacts, economic development of towns, increases in the availability of public services and IT expansion, and the improvement of the telecommunication status of general households, were cited by respondents in the case study.

Regarding project sustainability, concerns over financial aspects of TELOF, the operation and maintenance organization, have been indicated, and improvements to its operation and maintenance system are necessary.