

PH, JICA prepares new Metro Manila road network development plan

The Philippine government has tapped the Japan International Cooperation Agency (JICA) to craft a transport infrastructure development roadmap for Metro Manila that will address the perennial problem of congestion on major roads of the metropolis. The roadmap is expected to be completed in August.

A JICA report states that the country is already losing P2.4 billion of potential income daily due to the traffic congestion on Metro Manila roads. In the proposed “Mega Manila Transport Dream Plan”, JICA suggests to spread economic activities to potential growth centers in Region III and Region IV-A (Cavite, Subic, Clark, Tarlac, Batangas and Lucena) so as to decongest traffic in Metro Manila. It also outlined the need to boost infrastructure development, such as: (1) improved road networks and expressways; (2) an integrated urban mass-transit network in Metro Manila; (3) road-based public transport modernization, and; (4) an upgraded traffic management system.

The development of the major road network in Metro Manila was first conceived in the Metropolitan Thoroughfare Plan of 1945, predicting that the metropolis in the 1940s will expand further to the shorelines of Laguna de Bay. The plan proposed the laying of circumferential roads 1 to 6 (C-1 to C-6) and radial roads 1 to 10 (R-1 to R-10) (see boxes). However, the 15 major thoroughfares eyed more than 68 years ago remain incomplete to this day. Only C-1 to C-4 (or EDSA) have been completed, with most roads experiencing major traffic gridlocks. C-5, on the other hand, is still being completed and C-6 remains



in the planning process (see table). Meanwhile, construction of an R7 expressway is currently being planned in attempt to decongest traffic on the “most heavily congested corridors in Metro Manila” – according to the Department of Public Works and Highways (DPWH). The eyed project will be partially elevated and partially underground with 4 lanes and 16.1km long. Planned implementation is between 2016 and 2018.

JICA suggests to spread economic activities to potential growth centers: Cavite, Subic, Clark, Tarlac, Batangas, and Lucena.

C-5 AND C-6 PROJECTS AND UPDATES (AS OF JULY 2013)

PROJECTS	DESCRIPTION	PROJECT COST	STATUS	TIMELINES
C-6 Expressway and Global Link (South Section)	4-6 lanes from Quirino Highway to Sucat (59.5km). Includes 7 interchanges; 2 junctions; and 2 toll plazas	Total: P44.59 Bn NG: P3.99 Bn (8.9% of total)	Supplemental feasibility study which re-evaluated Phase 1 (Sucat - Marcos Highway) was completed in December 2012. Requested for PDMF (of PPP) support in Transaction Advisory Services.	Jul'13-Feb'14: Transaction Advisory Services Feb'14: For submission to NEDA Mar'14: NEDA review and approval 2014-2017: Approval of detailed design; Start of construction
C-6 Extension Flood Control Dike Expressway	4 lanes from Bicutan to proposed C6 Expressway, to Muntinlupa, to Los Banos, Laguna (43.6km). Includes bridges, pumping stations, and ancillary flood gates.	Total: P 42.38 Bn NG: P1.314 Bn (3.1% of total)	Business case study was completed in December 2012. Requested for PDMF (of PPP) support in Transaction Advisory Services. Undergoing conceptualization.	Jul'13-Feb'14: Transaction Advisory Services mid 2014-2017: Approval of detailed design; Start of construction
C-5/Food Terminal Inc. (FTI)/Skyway Connector	2 to 4 lanes providing direct access to FTI from C-5 and Skyway (6.8km).	Total: P5.64 Bn	Detailed Design is underway.	2013 - 2015: Construction

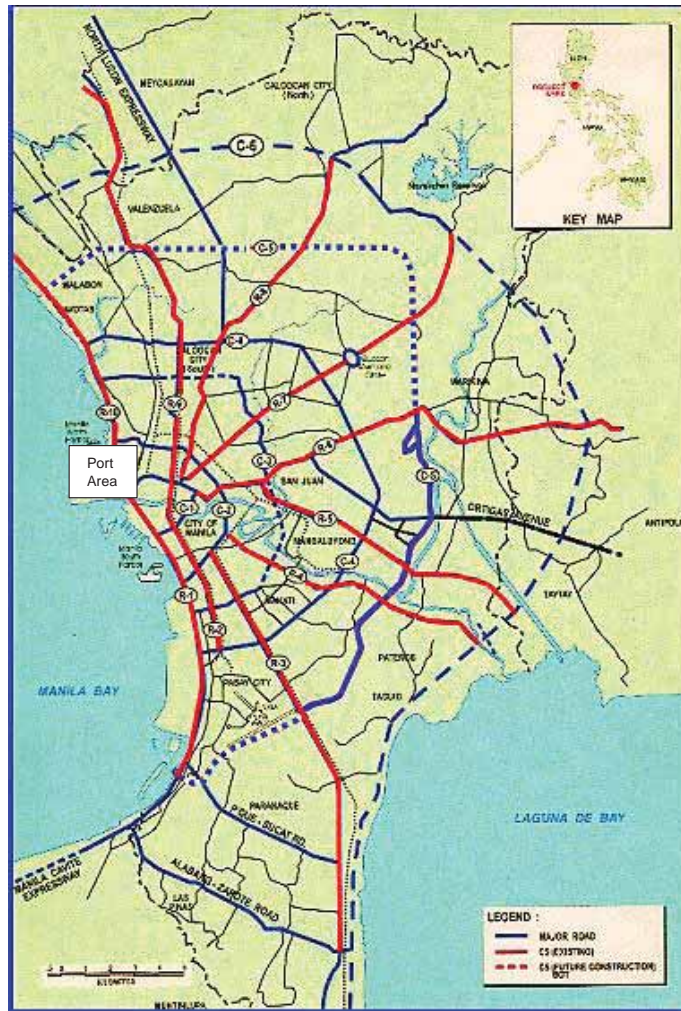
Sources: DPWH, Press releases

METRO MANILA MAP OF CIRCUMFERENTIAL ROADS



ROAD	NETWORK
C-1	Roxas Blvd. - Taft Ave. - Echague St. - Legarda St. - R-10 Road
C-2	Roxas Blvd. - Mendoza-Guanzon St. - Legarda St. - Dimasalang St. - R-10 Road
C-3	Roxas Blvd. - Ayala Ave. - N. Domingo St. - Aurora Blvd. - Sgt. River St. - G. Araneta Ave. - A. Bonifacio Ave. - R-10 Road
C-4	Taft Ave. - McArthur Highway (EDSA) - A. Mabini Ave. - Sansiangco St
C-5	South Superhighway - Katipunan Avenue - Letre Roa
C-6	Alignment under study

METRO MANILA MAP OF RADIAL ROADS



ROAD	NETWORK
R-1	Roxas Boulevard (Del Pan Bridge to Seaside Road to Bacoor, Cavite)
R-2	Taft Avenue (Lawton to Baclaran)
R-3	Manila South Expressway (Pres. Quirino Ave. to Zapote-Alabang Road)
R-4	Pasig Line (Pedro Gil Street to A. Francisco Street) Kalayaan Ave. (A. Bonifacio St. to Bel-Air Subd.) Kalayaan Ave. (EDSA to C-5)
R-5	V. Mapa St. (R. Magsaysay Blvd. to Valenzuela St.) P. Sanchez (Valenzuela St. to Gen. Kalentong St.) Shaw Blvd. (Gen. Kalentong St. to Capt. Javier St.) Pasig Blvd. (Capt. Javier St. to Dr. Sixto Antonio Ave.)
R-6	Legarda St. (C.M. Recto Ave. to Nagtahan) R. Magsaysay Blvd. (Nagtahan to V. Mapa St.) Aurora Blvd. (V. Mapa St. to marcos Highway) A. Bonifacio H-way/Sumulong H-way (Marcos H-way to Marikina Bdy.)
R-7	Lerma Street (Quiapo to Morayta Street) España Avenue (Morayta St. to E. Rodriguez Ave.) Quezon Ave. (E. Rodriguez Ave. to Elliptical Road) D.M. Marcos Ave. (Elliptical Road to Fairview Ave.)
R-8	Quezon Blvd. (Quiapo to Dapitan St.) A. Mendoza Ave. (Dapitan St. to Laong Laan St.) Dimasalang St. (Laong Laan St. to Retiro St.) A. Bonifacio Ave. (Retiro St. to EDSA) Quirino Ave. (EDSA to Quezon City Limit)
R-9	J. Abad Santos Ave. (C.M. Recto Ave. to Aurora Blvd.) Rizal Ave. Ext. (Aurora Blvd. to EDSA) McArthur Highway (EDSA to Baclaran Boundary)
R-10	Del Pan Bridge to Spine Road

The 15 major thoroughfares eyed more than 68 years ago remain incomplete to this day.

In the President’s State of the Nation Address, he stated that the government is working to achieve the following by 2016:

- Pave the entire national road network and rehabilitate and upgrade bridges along national roads to provide faster and safer mobility, and facilitate trade and access to markets and tourism areas;
- Reduce daily transport cost for commuters in Metro Manila by providing more convenient means of transportation and encouraging use of urban mass transportation;
- Bring down logistics cost by 8 percentage points from 23% in 2013 to 15% by 2016 through investments in transport infrastructure and issuance of effective policies and regulations, and;
- Provide adequate infrastructure support to key tourism areas by developing access roads, airports, and ports.

Among other pipeline projects in line with achieving these general goals are: the 8-km, 4-lane elevated expressway connecting C3 road to Caloocan, crossing España, up to PUP in Sta. Mesa; the 14-km, 6-lane elevated tollway extending from Balintawak to Buendia in Makati; and the 5 ½-km, 6-lane elevated expressway from PUP in Sta. Mesa crossing Osmeña and Quirino Avenue, to Buendia in Makati. Pres. Aquino said that once these roads open “what once took 2 hours from SLEX to NLEX will now take only 15 minutes” and “what once was a 3-hour drive from Clark to Calamba will be reduced by almost half to an hour and 40 minutes.”

Gov’t conducts study, prepares action plan to disperse cargo traffic at PH ports

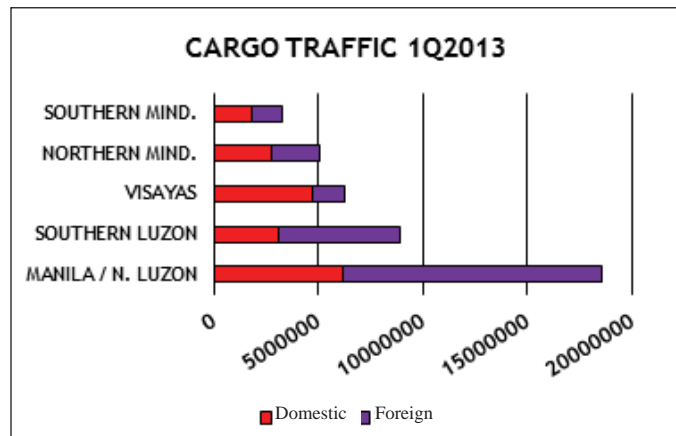
The Philippine Ports Authority and the Department of Justice’s Office for Competition have agreed to conduct an assessment study of cargo traffic in ports across the country and address the port cargo congestion issue through “competition reforms”. The agreement is valid until December 31, 2014.

The state-run Philippine Ports Authority (PPA) and the Office for Competition of the Department of Justice (OFC-DOJ) entered into an agreement on July 1 to jointly address and come up with a viable solution to the congestion issue at Port of Manila that has been one of the major concerns of industry in the past couple of years. The PPA created a Special Project Office under the PPA Special Order No. 422-2013 signed on July 8, (1) to develop and implement a Port Competitiveness Strategy and Action Plan; and (2) to organize port competitiveness units. Meanwhile,

the OFC-DOJ is undertaking a port sector study that will look into the level of competition, port efficiency, and regulatory framework, which is expected to be completed in 3 months.

Over the past 2 to 3 years, Manila ports have become much more congested with the average number of containers at 3.3 million twenty-foot equivalent units (TEUs) growing by about 9% annually, while the capacity of the ports has remained at 4 million TEUs. The National Competitiveness Council, the Japan International Cooperation Agency, and the Joint Chamber of Commerce suggest a mandatory diversion of cargoes to either the port of Batangas or the Subic ports for decongestion of the port of Manila. The 3 groups claim that doing this will not only result to full utilization of the terminals but also induce growth in other areas of the country.

As of March 2013, containerized cargo traffic remains concentrated in the North Luzon region, particularly in Manila (see chart). Total cargo volume accounted for in the North Harbor, South Harbor and the Manila International Container Terminal (MICT) amounted to 11,655,783 MT or about 893,451 TEUs, which is the bulk or 63% of the total cargo volume in the North Luzon region. This volume is also the largest or 28% of the total cargo volume in the Philippines – the Batangas port in Southern Luzon being the 2nd with 13% of total cargo volume in the 1st quarter. Based on the data, approximately 3.56 million MT or at least 31% of the total cargo volume in Manila ports are for the consumption of the Metro Manila market, while the rest are shipped to other parts of the country and to other countries with Manila serving as the Philippines’ central dock.



NOTE: Figures are in metric tons
Data source: Philippine Ports Authority (PPA)

Total cargo volume serviced in Manila ports amounted to 11,655,783 MT, which is 63% of total cargo volume in Northern Luzon and 28% of total cargo volume in PH.



Cargo volume serviced in some parts of the country during the 1st quarter of 2013 are as follows: 3,928,387 MT in Limay; 2,931,578 MT in San Fernando; 2,877,309 MT in Puerto Princesa; 1,503,325 MT in Iloilo; 1,848,787 MT in Cagayan de Oro; 1,544,461 MT in Davao; 1,108,954 MT in Ormoc; and 784,761 MT in General Santos, among others (see box).

There is not much competition between ports in the archipelago, so to disperse cargo traffic the OFC-DOJ will have to look into possible business incentives and regulations that will attract investment elsewhere across the country. One suggestion from the private sector is a PPA charter amendment privatizing the port sector. In terms of the country's global competitiveness in trade logistics, it ranked 52nd out of 155 countries based on a trade logistics competitiveness report made by the World Bank in 2012, and placed 62nd with a low score of 2.80 out of 5 in infrastructure.

Meanwhile, the ports in Manila will undergo major reconstruction with the MICT set to launch its Berth 7 this year that will increase its capacity to more than 2.5 million TEUs, while South Harbor is set to take in about P1.4 million this year to expand its capacity to more than 1 million TEUs as well as improve its crane rails and an additional quay crane. The North Harbor is also undergoing modernization.

PPP update: 3 awarded, 8 rolled-out

The slow-paced but thorough processing of PPP projects is expected to continue as President Aquino vows for an "honest, transparent and clean" implementation of projects.

In the 4th State of the Nation Address, President Benigno Aquino III was quick to defend the slow-paced progress of his flagship infrastructure program – the Public-Private Partnership (PPP) – stating that it has been plagued with a number of questionable contracts bequeathed to him by his predecessors. President Aquino said, "Back in 2010, when our administration came into office, we were left with only 6.5% of the programmable budget for the year, or just around P100 billion... [Apart from this] the studies on which the projects were based were outdated, and [the government] lacked the sufficient knowledge to implement them." Thus, he further stressed that under his administration each project will have to go through the "correct process" for a proper implementation, even if it takes a longer time to implement.

Out of 10 projects, the government can only put up 1 project for bidding each year and award 1 project after almost 1 year and 2 months.

Original Priority List of PPP Projects
November 2010

1. Cavite-Laguna (CALA) Expressway
2. NAlA Expressway - Phase 2 (awarded)
3. LRT-1 South Extension
4. Privatization of LRT-1 O&M
5. LRT-2 East Extension
6. Privatization of MRT-3 O&M
7. New Bohol (Panglao) Airport Development
8. Puerto Princesa Airport Development
9. New Legazpi (Daraga) Airport Development
10. Privatization of Laguindingan Airport O&M

Mid-way into President Aquino's term, only 3 PPP projects have been awarded and 2 from the original line-up of 10 priority projects have ongoing bidding. At present, there are 28 projects in the pipeline of PPP projects (see table), of which 8 have ongoing bidding. Two are under evaluation of the National Economic Development Authority (NEDA), while 14 are still preparing feasibility studies. This means that (as of July 2013) out of 10 projects, the government can only put up 1 project for bidding each year and award 1 project after almost 1 year and 2 months.

PPP Center Executive Director Cosette Canilao told the press before, "We don't want to repeat the mistakes we had in implementing projects that failed miserably in the end." Philippine Institute for Development Studies (PIDS) President Gilberto Llanto agreed, he said, "The takeoff [so far is] slightly slow. But the reasons are understandable. Down the road, in the next 3 years, we should expect an increase."

The Department of Transportation and Communications (DOTC) expects that most of the infrastructure projects (valued around P500 billion) will be completed within President Aquino's term, which ends in 2016. However, not all of these projects will be implemented under the PPP program. Three of the original line-up of PPP projects are currently being considered for official development assistance (ODA) financing. These are the construction of: LRT-2 East Extension; New Bohol (Panglao) Airport Development; and Puerto Princesa Airport Development. The New Legazpi (Daraga) Airport Development, on the other hand, was approved for government financing.

Meanwhile, President Aquino boasted in the SONA that the implementation of infrastructure projects "left to decay" in the past was expedited under his term. These included: (1) the Laguindingan airport, which took 1 generation to be implemented and be operational in June 2013; (2) the Advanced Device and Materials Testing Laboratory (ADMATEL) for the semiconductor industry, which took decades before it was inaugurated in May 2013 under the leadership of the DOST; (3) the Aluling Bridge in Ilocos Sur, which took 35 years to complete construction in March 2013; (4) the Ternate-Nasugbu Road, which took 20 years to complete construction of sloped sections of the 6-km road connecting Cavite, Batangas and Manila, and; (5) the Jalaur River Multi-Purpose Project II in Iloilo, which is finally being implemented after 50 years.

STATUS OF PPP PROJECT (AS OF JULY 2013)

Projects	Cost	Agency	Procurement of Transaction Advisory Services	Business Cases/ Feasibility Studies preparation	Under NEDA evaluation	For NEDA-ICC approval	For NEDA Board approval	Preparations for Bidding	Live Bidding	Awarded
1. Daang Hari-SLEX Link Road Project	\$46.6 M	DPWH	✓	✓	✓	✓	✓	✓	✓	✓
2. PPP for School Infra Project Phase 1	P16.42 B	DEPED	✓	✓	✓	✓	✓	✓	✓	✓
3. NAIA Expressway Project Phase 2	P15.52 B	DPWH	✓	✓	✓	✓	✓	✓	✓	✓
4. LRT Line 1 Cavite Extension and O&M	P60.63 B	DOTC	✓	✓	✓	✓	✓	✓	●	
5. Automatic Fare Collection System	P1.72 B	DOTC	✓	✓	✓	✓	✓	✓	●	
6. Mactan-Cebu International Airport Passenger Terminal Building	P17.52 B	DOTC	✓	✓	✓	✓	✓	✓	●	
7. CALA Expressway	P35.58 B	DPWH	✓	✓	✓	✓	✓	✓	●	
8. Talisay City Plaza Complex Restoration & Redevelopment	P190.29 M	LGU	✓	✓	✓	-	-	✓	●	
9. Modernization of Philippine Orthopedic Center	P5.7 B	DOH	✓	✓	✓	✓	✓	✓	●	
10. Angat Hydro Electric Power Plant Rehabilitation and O&M	P1.15 B	MWSS	✓	✓	✓	✓	✓	✓	●	
11. PPP for School Infra Project Phase 2	P8.8 B	DPWH	✓	✓	✓	✓	✓	✓	●	
12. NLEX-SLEX Connector Road (Unsolicited Proposal)	P25.56 B	DPWH	-	-	✓	✓	✓	●		
13. Metro Manila Integrated Transport System	TBD	DOTC	✓	✓	●					
14. New Bohol (Panglao) Airport Development Enhanced O&M	\$190.5 M	DOTC	✓	✓	●					
15. Grains Central Project	P400 M	DA	-	●						
16. Cold Chains Systems Covering Strategic Areas in the Philippines	P693.4 M	DA	-	●						
17. Quirino Highway Rehabilitation	TBD	DPWH	-	●						
18. Laguindingan Airport O&M	TBD	DOTC	-	●						
19. LRT Line 2 O&M	TBD	DOTC	●	●						
20. Puerto Princesa Airport O&M	TBD	DOTC	-	●						
21. New Centennial Water Supply Source Project	TBD	MWSS	-	●						
22. Bulacan Bulk Water Supply Project	TBD	MWSS	-	●						
23. ElNido Water Supply & Sanitary Facility Project	TBD	LGU	-	●						
24. Plaridel Bypass Toll Road	TBD	DPWH	●	●						
25. Batangas-Manila (BatMan) 1 Natural Gas Pipeline Project	TBD	PNOC	●	●						
26. LRT Line 1 Extension (to Dasmarinas)	TBD	DOTC	●	●						
27. Iloilo, Davao, Bacolod Airports O&M	TBD	DOTC	●	●						
28. Manila Bay-Pasig River-Laguna Lake Ferry System Project	TBD	DOTC	●	●						

Notes:

TBD – to be determined

✓ – Completed

● – Ongoing

Highlighted projects are included in the original top 10 priority list in 2010.

Source: PPP Center, Press Releases

STATUS OF BIG TICKET INFRASTRUCTURE PROJECTS
AS OF July 2013

PROJECT TITLE	IMPLEMENTING AGENCY	FUNDING SOURCE	CIVIL WORKS TIMEFRAME	PROJECT COST	STATUS / ISSUES
LRT 1 South Extension - Construction and O&M	DOTC/LRTA	ODA/PPP	2013-2017	P60.63 billion	Bidding was rescheduled from July 30 to Aug. 15.
CALA Expressway (under Build-Transfer-Operate scheme)	DPWH	PPP	2015-2017	P35.58 billion	The project is now offered as a "pure PPP". Deadline for submission of bids is on Sept. 23.
NLEX-SLEX Connector Road project	DPWH	PPP	2013-2016	P25.56 billion	For the project's immediate implementation, DPWH decided to unbind the unsolicited proposal of Metro Pacific Tollway Corp. (MPTC), which will not subject the project to a Swiss challenge.
Visayas-Mindanao Interconnection	DOE-NGCP	To be determined	2016-2018	P24 billion	Feasibility study and hydrographic survey are expected to be completed by mid-2014.
Mactan-Cebu International Airport expansion (Passenger Terminal Building)	DOTC-MCIAA	PPP	2014-2016	P17.52 billion	Technical bidding is ongoing and expected to close on Aug. 28. Submission of documents to change consortium members and of required licenses of construction contractors was extended from July 30 to Aug 15.
PPP for School Infrastructure Project (PSIP) Phase 1	DepEd	PPP	2013-2014	P16.42 billion	Construction of 711 sub-projects (2,359 classrooms) is ongoing. Notices to Proceed (NTPs) with 951 sub-projects (3,498 classrooms) was issued.
NAIA Expressway	DPWH	PPP	2014-2015	P15.52 billion	Ongoing preparation of Detailed Engineering Design.
LRT 2 East (Masinag) Extension Project	DOTC-LRTA	NG-ODA	2013-2016	P9.7 billion	Preparation of detailed engineering design is ongoing.
PPP for School Infrastructure Project (PSIP) Phase 2	DepEd	PPP	2013-2014	P8.8 billion	Evaluation of bids from 4 pre-qualified bidders is ongoing.
New Bohol (Panglao) International Airport	DOTC	ODA-NG	2013-2017	P7.14 billion	DENR and DOTC signed a Memorandum of Agreement on July 14 creating an environmental monitoring fund and environmental guarantee fund.
Modernization of Philippine Orthopedic Center	DOH	PPP	2013-2016	P5.7 billion	Awaiting NEDA-ICC approval of bid.
Metro Manila Integrated Transport System	DOTC-LTFRB	PPP	2013-2016	P5.06 billion	Pres. Aquino signed Administrative Order No. 40 on July 16 to start construction of interim transport terminals. There will be 1 station to and from northern Luzon, and 2 in Laguna/Batangas and Cavite.
New Bicol (Daraga) International Airport	DOTC	NG	2013-2015	P4.8 billion	Preparation for construction of the airport is still ongoing.
Upgrading of Puerto Princesa Airport	DOTC	ODA	2013-2015	P4.4 billion	Feasibility study is still ongoing and is scheduled to be completed by the end of the year.
Caticlan Airport Development Project	DOTC	PPP	2010-2016	P2.51 billion	Accomplished 78.72% of construction.
NAIA 3 Rehabilitation and Full Operationalization	DOTC	NG	2013-2014	P1.89 billion	DOTC did not meet its goal of signing the construction work agreement with Takenaka Corp. on July 15, but is expected to be done soon after a final review of the contract by DOTC's lawyers.
Daang Hari-SLEX Link Road Project	DPWH	PPP	2012-2014	P1.96 billion	Accomplished 30.15% of civil works
Automated Fare Collection System	DOTC-LRTA	PPP	2013-2014	P1.72 billion	Open for bidding in Aug. 2013. Scheduled to be awarded in Nov. 2013.
Angat Hydro Electric Power Plant Rehabilitation and O&M	MWSS	PPP	To be determined	P1.15 billion	Korea Water Resources Corporation (K-Water) remains undecided between refusing and accepting the contract.
Upgrading of Tacloban Airport (Terminal Bldg.)	DOTC	NG	2013-2016	P1 billion	ODA fund from JICA was realigned to other projects and DOTC dropped plans to propose the project under PPP.