

HEADLINES

China lends P3.14B for Chico river irrigation project

By: [Ben O. de Vera](#) - Reporter / [@bendeveraINQ](#)

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The Philippine and Chinese governments have signed the P3.135-billion loan agreement for the Chico River Pump Irrigation Project, the first flagship infrastructure project to be financed by China under the Duterte administration's ambitious "Build, Build, Build" program.

Finance Secretary Carlos G. Dominguez III signed the loan agreement on behalf of the Philippine government on Tuesday on the sidelines of the Boao Forum for Asia in Hainan, China, while Chinese Ambassador to the Philippines Zhao Jianhua represented the Export-Import Bank of China.

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In a statement Thursday, the Department of Finance said that the \$62.09-million dollar denominated loan would cover 85 percent of the project's total contract amount of P3.69 billion. To be implemented by the National Irrigation Administration, its total project cost is P4.37 billion.

The DOF said the Chinese loan carried an interest of 2 percent a year, maturing in 20 years inclusive of a seven-year grace period.

Citing a report from the state planning agency National Economic and Development Authority, the DOF said that the Chico River irrigation project "will provide a stable supply of water to around 8,700 hectares of agricultural land, benefit 4,350 farmers and

their families and serve 21 barangays in the provinces of Cagayan and Kalinga in Northern Luzon.”

Also, Dominguez and Chinese Commerce Minister Zhong Shan signed an agreement on economic and technical cooperation that would provide a 500 million renminbi (about P4.13-billion) grant for four Philippine projects.

The Chinese grant will partially finance the construction of the Binondo-Intramuros and Estrella-Pantaleon bridges across the Pasig River. The bridges will be implemented by the Department of Public Works and Highways and have an allocation of 264.8 million renminbi.

The Department of Agriculture’s Philippine-Sino Center for Agricultural Technology-Technical Cooperation Program Phase 3 will get 27.52 million renminbi, while the feasibility study for the DPWH’s Davao City Expressway Project was allocated 25.83 million renminbi

Meanwhile, the provision of broadcasting and radio equipment to the Presidential Communications Operations Office was allotted 17.82 million renminbi.

Since the grants for these four projects totaled 335.97 million renminbi, the balance of 164.03 million renminbi “will be used to finance other projects,” according to the DOF.

Besides the Chico River Pump Irrigation Facility, also part of the “first basket” of infrastructure projects to be funded by China include the P10.9-billion New Centennial Water Source-Kaliwa Dam as well as the Department of Transportation’s P151-billion Philippine National Railways-South Long-Haul Railway.

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