

Case	Why is it Illegitimate?														
<p><b>The Pampanga Delta Development Project</b></p>	<p><u>Big Adjustments in Project Cost</u> – The Project is so huge that it cost the government of around P3 billion pesos. There are a lot of unforeseen events that caused this budget overshoot.</p>														
<p><b>Loan Information (using US1=P41)</b></p>	<p><u>Lack of Social Preparation</u> – Impact to the social dimension of the project was neglected throughout its entire process. Although funds and technical assistance were provided, capacity building was not instituted within the resettled communities.</p>														
<table border="1"> <tr> <td data-bbox="121 451 337 541">Creditor</td> <td data-bbox="337 451 743 541"><b>Japan Bank for International Cooperation</b></td> </tr> <tr> <td data-bbox="121 541 337 661">Loan Amount <i>(PhP1=¥0.26)</i></td> <td data-bbox="337 541 743 661"><b>PhP 1,981,000,000.00</b> <b>¥ 7,537,000,000.00</b></td> </tr> <tr> <td data-bbox="121 661 337 751">Maturity Date</td> <td data-bbox="337 661 743 751"><b>June 20, 2021</b></td> </tr> <tr> <td colspan="2" data-bbox="121 751 743 808" style="text-align: center;"><b>As of end-2007</b></td> </tr> <tr> <td data-bbox="121 808 337 898">Amount Outstanding</td> <td data-bbox="337 808 743 898"><b>US\$ 51,471,990.00</b> <b>PhP 2,110,351,590.00</b></td> </tr> <tr> <td data-bbox="121 898 337 1018">Total Principal Amortization</td> <td data-bbox="337 898 743 1018"><i>&lt;to be computed&gt;</i></td> </tr> <tr> <td data-bbox="121 1018 337 1108">Total Interest Payments</td> <td data-bbox="337 1018 743 1108"><i>&lt;to be computed&gt;</i></td> </tr> </table>	Creditor	<b>Japan Bank for International Cooperation</b>	Loan Amount <i>(PhP1=¥0.26)</i>	<b>PhP 1,981,000,000.00</b> <b>¥ 7,537,000,000.00</b>	Maturity Date	<b>June 20, 2021</b>	<b>As of end-2007</b>		Amount Outstanding	<b>US\$ 51,471,990.00</b> <b>PhP 2,110,351,590.00</b>	Total Principal Amortization	<i>&lt;to be computed&gt;</i>	Total Interest Payments	<i>&lt;to be computed&gt;</i>	<p><u>No Broad and Insufficient Consultation</u> – JBIC admitted that the project lacked proper consultation from the ground. Majority of the people affected by the project were not properly consulted in the planning stage. Had there been general consultations, the project could have addressed resettlement and livelihood issues.</p> <p><u>Corruption</u> – The issue on the acquisition of right-of-way and just compensation caused the delay. Only a portion of the 4th year of implementation had been completed mainly due to tremendous right-of-way problems. There were some claims from the communities that price per hectare was overpriced.</p>
Creditor	<b>Japan Bank for International Cooperation</b>														
Loan Amount <i>(PhP1=¥0.26)</i>	<b>PhP 1,981,000,000.00</b> <b>¥ 7,537,000,000.00</b>														
Maturity Date	<b>June 20, 2021</b>														
<b>As of end-2007</b>															
Amount Outstanding	<b>US\$ 51,471,990.00</b> <b>PhP 2,110,351,590.00</b>														
Total Principal Amortization	<i>&lt;to be computed&gt;</i>														
Total Interest Payments	<i>&lt;to be computed&gt;</i>														
<p><b>Description</b></p>	<p><u>Force majeure</u> – Immediately after the unprecedented eruption of Mt. Pinatubo in June 15, 1991, the DPWH proceeded with massive countermeasures, such as the construction of mega-dikes along the rivers originating from Mt. Pinatubo. The DPWH was then forced to allocate the budget for such activities.</p>														
<p>The construction of the Pampanga Delta Development Project Flood Control Component (PDDP-FC) – Phase 1 was conceptualized through the Medium Term Philippine Development Plan (MTPDP) for the period 1988-1992 as an effort to mitigate natural disasters. Specifically, the MTPDP stipulated the development and execution of the project through the DPWH to enhance flood control in the Pampanga Delta area perennially damaged by the rising water level.</p>															



## FREEDOM FROM DEBT COALITION

#11 Matimpiin Street, Barangay Pinyahan, Central District, Quezon City, Philippines 1100. Tel.: +63-2-9211985; Telefax: +63-2-9246399; E-mail: [mail@fdc.ph](mailto:mail@fdc.ph)  
<http://www.fdc.ph>