

Case	Description																		
<p>The Angat Water Supply Optimization Project</p>	<p>The project's immediate goal was "the construction of supply, treatment, and distribution facilities that would utilize an additional abstraction of 15 cubic meters per second (m³/sec) over and above the existing 22 m³/sec, from the Angat Reservoir to meet domestic, commercial and industrial water demand in Manila until 1996." The loan for the project was approved in November 14, 1989.</p>																		
<p>Loan Information</p>																			
<table border="1"> <tr> <td data-bbox="123 491 375 615">Creditor</td> <td data-bbox="375 491 740 615">Japan Bank for International Cooperation</td> </tr> <tr> <td data-bbox="123 615 375 667">Loan Amount</td> <td data-bbox="375 615 740 667">US\$ 80,000,000.00</td> </tr> <tr> <td data-bbox="123 667 375 720">Maturity Date</td> <td data-bbox="375 667 740 720">February 20, 2020</td> </tr> <tr> <td colspan="2" data-bbox="123 720 740 772" style="text-align: center;">As of end-2007</td> </tr> <tr> <td data-bbox="123 772 375 896">Amount Outstanding <i>(PhP 1 = US\$ 41)</i></td> <td data-bbox="375 772 740 896">US\$ 32,208,170.00 PhP 1,320,534,970.00</td> </tr> <tr> <td data-bbox="123 896 375 984">Total Principal Amortization</td> <td data-bbox="375 896 740 984"><to be computed></td> </tr> <tr> <td data-bbox="123 984 375 1073">Total Interest Payments</td> <td data-bbox="375 984 740 1073"><to be computed></td> </tr> </table>	Creditor	Japan Bank for International Cooperation	Loan Amount	US\$ 80,000,000.00	Maturity Date	February 20, 2020	As of end-2007		Amount Outstanding <i>(PhP 1 = US\$ 41)</i>	US\$ 32,208,170.00 PhP 1,320,534,970.00	Total Principal Amortization	<to be computed>	Total Interest Payments	<to be computed>	<table border="1"> <tr> <td data-bbox="769 590 1524 667"> <p>Why is it Illegitimate?</p> </td> </tr> <tr> <td data-bbox="769 667 1524 926"> <p><u>Lack of success</u> – The project, aimed at serving a total of 3.1 million people, including 1.2 urban poor, only served 2.2 million people due to high levels of non-revenue water (NRW) or water wasted due to leakages in pipelines and illegal connections.</p> </td> </tr> <tr> <td data-bbox="769 926 1524 1213"> <p><u>Marred with corruption</u> – On September 2007, MWSS chief administrator Orlando Hondrade was dismissed from service by PAGC due to advancing P1.5 billion from the rehabilitation of the Umiray-Angat Transbasin Project, a complementary project of AWSOP, "without complying with the law's requirements."</p> </td> </tr> <tr> <td data-bbox="769 1213 1524 1692"> <p><u>Loan used as conditionality to privatize water services</u> – ADB also provided financing for the project, with an accompanying US\$582,000 technical assistance grant, as part of its objective to "to assist the MWSS in introducing private sector participation in the operation and management of MWSS sector activities." ADB's involvement in Philippine water services has shaped MWSS privatization, which resulted to mass lay-offs, unabated tariff hikes, unmet service obligations, and corporate takeover on water which is supposed to be a public service.</p> </td> </tr> </table>	<p>Why is it Illegitimate?</p>	<p><u>Lack of success</u> – The project, aimed at serving a total of 3.1 million people, including 1.2 urban poor, only served 2.2 million people due to high levels of non-revenue water (NRW) or water wasted due to leakages in pipelines and illegal connections.</p>	<p><u>Marred with corruption</u> – On September 2007, MWSS chief administrator Orlando Hondrade was dismissed from service by PAGC due to advancing P1.5 billion from the rehabilitation of the Umiray-Angat Transbasin Project, a complementary project of AWSOP, "without complying with the law's requirements."</p>	<p><u>Loan used as conditionality to privatize water services</u> – ADB also provided financing for the project, with an accompanying US\$582,000 technical assistance grant, as part of its objective to "to assist the MWSS in introducing private sector participation in the operation and management of MWSS sector activities." ADB's involvement in Philippine water services has shaped MWSS privatization, which resulted to mass lay-offs, unabated tariff hikes, unmet service obligations, and corporate takeover on water which is supposed to be a public service.</p>
Creditor	Japan Bank for International Cooperation																		
Loan Amount	US\$ 80,000,000.00																		
Maturity Date	February 20, 2020																		
As of end-2007																			
Amount Outstanding <i>(PhP 1 = US\$ 41)</i>	US\$ 32,208,170.00 PhP 1,320,534,970.00																		
Total Principal Amortization	<to be computed>																		
Total Interest Payments	<to be computed>																		
<p>Why is it Illegitimate?</p>																			
<p><u>Lack of success</u> – The project, aimed at serving a total of 3.1 million people, including 1.2 urban poor, only served 2.2 million people due to high levels of non-revenue water (NRW) or water wasted due to leakages in pipelines and illegal connections.</p>																			
<p><u>Marred with corruption</u> – On September 2007, MWSS chief administrator Orlando Hondrade was dismissed from service by PAGC due to advancing P1.5 billion from the rehabilitation of the Umiray-Angat Transbasin Project, a complementary project of AWSOP, "without complying with the law's requirements."</p>																			
<p><u>Loan used as conditionality to privatize water services</u> – ADB also provided financing for the project, with an accompanying US\$582,000 technical assistance grant, as part of its objective to "to assist the MWSS in introducing private sector participation in the operation and management of MWSS sector activities." ADB's involvement in Philippine water services has shaped MWSS privatization, which resulted to mass lay-offs, unabated tariff hikes, unmet service obligations, and corporate takeover on water which is supposed to be a public service.</p>																			



FREEDOM FROM DEBT COALITION

#11 Matimpiin Street, Barangay Pinyahan, Quezon City, Philippines 1100

Tel.: +63-2-9211985; Telefax: +63-2-9246399

E-mail: mail@fdc.ph; Website: <http://www.fdc.ph>