Early Warning System

ADB-52083-008

North-South Commuter Railway Operations and Maintenance Public-Private Partnership Availability Payment Partial Credit Guarantee Project

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Quick Facts

Countries	Philippines
Specific Location	National Capital Region, Province of Bulacan, Province of Laguna, Province of Pampanga
Financial Institutions	Asian Development Bank (ADB)
Status	Proposed
Bank Risk Rating	U
Borrower	Government of Philippines
Sectors	Infrastructure, Transport
Investment Type(s)	Guarantee
Investment Amount (USD)	$ 800.00 million

Project Description

According to the Bank’s website, The North-South Commuter Railway Operations and Maintenance Public-Private Partnership Availability Payment Partial Credit Guarantee Project (NSCR O&M; PPP) will ensure efficient and sustainable operations of the North-South Commuter Railway system, which spans three major infrastructure investments: (i) Malolos-Clark Railway Project, (ii) South Commuter Railway Project, cofinanced by ADB and Japan International Cooperation Agency (JICA), and (iii) NSCR-PNR Clark Phase 1, financed by JICA.

The transaction will select a concessionaire in 2026 following bid advertisement in October 2025. The PPP will adopt an availability-based payment structure, where the Department of Transportation (DOTr) commits to making regular availability payments (APs) to the private partner in exchange for delivering services according to contract standards. This structure ensures predictable revenue for the concessionaire while maintaining affordability for users.

To address market concerns about delayed or non-payment of APs, the government requested ADB to provide a Partial Credit Guarantee (PCG). The PCG will backstop a standby letter of credit issued by a reputable commercial bank, mitigating liquidity risk and enhancing bankability. This guarantee mechanism will encourage bidder participation, improve competition, and strengthen the financial viability of the transaction. The project is aligned with ADB's Strategy 2030 focus on making cities more livable, promoting private sector development, and tackling climate change through sustainable transport solutions.

Investment Description

- Asian Development Bank (ADB)

The proposed partial credit guarantee (PCG) of up to $800 million, representing the equivalent of 24 months of availability payment obligations, will mitigate the payment risk of the Department of Transport (DOTr) for the NSCR O&M PPP by facilitating the issuance of a standby letter of credit by a commercial bank.

Contact Information

No contacts available at the time of disclosure.

ACCESS TO INFORMATION

You can submit an information request for project information at: https://www.adb.org/forms/request-information-form

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: https://www.adb.org/site/disclosure/appeals

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: http://www.adb.org/site/accountability-mechanism/main.

Other Related Projects

- ADB-52083-006 Railway Project Implementation Support and Institutional Strengthening
- ADB-52083-001 Malolos-Clark Railway Project
- ADB-52083-002 Malolos-Clark Railway Project (PFR 1)
- ADB-52083-007 Strengthening the Transition of Vulnerable Communities Affected by the Malolos-Clark Railway Project
- ADB-52083-003 Philippines: Malolos–Clark Railway Project (Tranche 2)