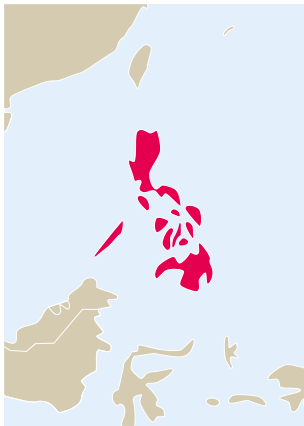


Overall Rating **B** A Foundation for Sustained Growth



10 Philippines Maritime Safety Improvement Project (2)

Helping improve the safety of maritime transit between Manila and Cebu, an area designated as the highest priority

Loan Amount / Disbursed Amount 5.579 billion yen / 5.262 billion yen
Loan Agreement August 1995
Terms & Conditions 2.7% interest rate (consulting services: 2.3%), 30 year repayment period (10 year grace period), General untied
Final Disbursement Date June 2001
Executing Agency Department of Transportation and Communications (<http://www.dotc.main.gov.ph>)



Project Objectives

The objective of this project was to improve the safety of maritime transit by installing and rehabilitating navigational aid facilities, mainly along the Manila-Cebu route in the Philippines, and thereby contribute to the enhanced reliability of marine transportation and the development of the local economy.

Effectiveness and Impact

Rating **a**

The installation and rehabilitation of lighthouses, lighted buoys, and other such facilities made it possible to verify the position of vessels under adverse weather conditions, thereby improving safety. The use of photovoltaic solar cells on these facilities resolved the issue of the insufficient power supply from power distribution companies, which has resulted in an operating rate of almost 100%. Thus, this also helped to improve safety. In addition, the installation of electric sensor switches in lighthouses meant that lighthouse keepers were no longer required. This has cut costs and reduced human management errors. In a beneficiary survey, 98% of respondents indicated improved safety as an effect of the project. While it is difficult to see the effect on the number of maritime accidents, since their frequency varies with the size of typhoons, the number of accidents throughout the Philippines (including the effect of this project) in 2005 had decreased, compared to 1995, when the project started. Therefore, this project has largely achieved its objectives, and its effectiveness is highly satisfactory.

Relevance

Rating **a**

This project has been highly relevant with the Philippines' national mid-term plan both at the time of the appraisal and at the time of the ex-post evaluation. The plan has put strategic importance

on the development of an efficient, safe, and highly reliable infrastructure and its operation and maintenance. The Maritime Safety Improvement Project (MSIP; setting targets for 1998-2010) placed priority on the installation of lighthouses along the Manila-Cebu route, the busiest seaway in the Philippines.

Efficiency

Rating **b**

The project period greatly exceeded the planned period (171% of planned period) although the project costs were slightly less than planned; therefore the evaluation for efficiency is moderate. The project delays were primarily caused by the installation of 11 additional lighthouses.

Sustainability

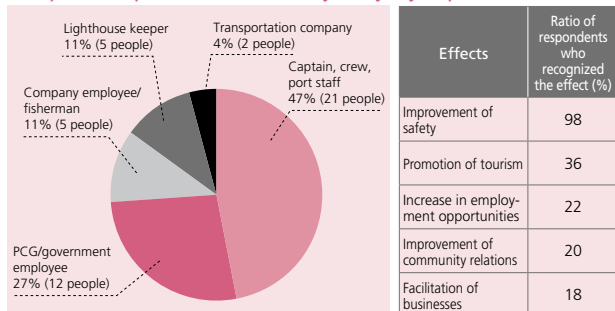
Rating **b**

Though some problems have been observed in terms of the operation and maintenance budget being regarded as insufficient, sustainability of this project is moderate. Technical staff of the Philippines Coast Guard (PCG), which operates and maintains navigational aid facilities, receive regular training and have sufficient abilities and technology.

Conclusion, Lessons Learned, Recommendation

In light of the above, this project is evaluated to be satisfactory. It is advisable that the Department of Transportation and Communications (DOTC) and PCG, which are in charge of operation and maintenance, immediately review measures to secure an adequate budget, including introduction of fees for the use of navigational aid facilities to supplement the cost of operation and maintenance of the facilities.

Description of Respondents to the Beneficiary Survey Effects of Project Highlighted by Respondents



Third-Party Opinion

This project met the need for improved safety of maritime transit in the Philippines. According to the beneficiary survey, it was confirmed that the local economy was revitalized through improved safety and the promotion of tourism, indicating the significance of the project effects.

Name of specialist: Ms. Rosalinda Gadugdug-Paredes (private sector/NGO)
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