



16 The Philippines

Boracay Environmental Infrastructure Project

Contribute to reducing environmental burdens due to increasing tourist numbers

Loan Amount/Disbursed Amount 1.352 billion yen/1.351 billion yen
Loan Agreement August 1995
Terms & Conditions Interest rate 2.5% (2.1% for consulting services portion),
 Repayment period 30 year (grace period 10 years), General untied
 December 2002
Final Disbursement Date
Executing Agency Philippine Tourism Authority (<http://www.philtourism.gov.ph>)



Project Objectives

The project's objective was to address the water shortages, pollution of groundwater and oceans by sewage water, and increase in the amount of waste generated by developing the facilities of water supply, sewage, and solid waste disposal facilities, and thereby contribute to conserving the natural environment along with promoting the development of tourism on Boracay Island in Western Visayas.

Effectiveness & Impact

Rating **b**

The actual facility utilization rate for water treatment facilities improved by this project was 60% in 2005. The actual service population receiving water supply was 14,431, compared to a plan of 16,284 in 2005. The planned value for population with sewage treatment was 16,284, but the actual population remained at the low level of 3,328 in 2005. The actual amount of wastewater treated in 2005 was confirmed to be 566,725m³/day, and the actual sewerage charge collection rate in 2004 was 60%. At a waste disposal site developed through this project, however 100% of sludge discharged from the sewage treatment plant is processed, the general waste disposal was not performed since local government units were judged to have responsibility for managing the disposal of waste based on a law established during project implementation (2000). Therefore, this project rates a moderate level of effectiveness since it has delivered certain positive effects.



Sewage treatment plant developed by the project

Relevance

Rating **a**

This project has been highly relevant with Philippine's national policies both at the time of the appraisal and at the time of the ex-post evaluation. This project was planned under the Medium-Term Philippine Development Plan (MTPDP) (1993–98). The promotion of tourism development along with protecting the environment was still being emphasized at the time of ex-post evaluation.

Efficiency

Rating **b**

Project cost was slightly exceeded the plan (109% of plan), and the project period was longer than planned (about 149% of plan); therefore the evaluation for efficiency is moderate. The main reasons for the delay and increased cost were due to the fact that the plans and designs were changed as a result of the review of feasibility study, and due to the drop in value of the local currency.

Sustainability

Rating **b**

Utilization of waste disposal sites has been an issue being discussed between the executing agency and local government. The operation and maintenance of the water supply and sewerage system is being carried out appropriately by Boracay Water Supply and Sewerage System (BWSS), so sustainability of this project is moderate.

Conclusion, Lessons Learned, Recommendation

In light of the above, this project is evaluated to be moderately satisfactory. A lesson learned is to frequently review until the decisions are made for the planned values and specifications for construction work, especially for infrastructure development projects in which it is difficult to determine the potential demand, such as the tourism development.

Third-Party Opinion

For environmental infrastructure projects it is important that planning anticipates future demand, etc. The tourism demand forecast of this project was underestimated. Though, because there are no nearby tourist areas, it is difficult to take measures to distribute environmental burdens.

Name of specialist: Mr. Francisco L. Roman, Jr. (research institute)
 Doctorate from Harvard University Business School (International Business). Currently serving as an Executive Director of Hills Governance Center (HGC), etc. His specialties are business administration, industrial policy, etc.