

Disaster Prevention and Rehabilitation Project (Philippine-Japan Friendship Highway and Naguilian Road)



Philippine-Japan Friendship Highway

Outline of Loan Agreement

Loan Amount/ Loan Disbursed Amount	¥5,708 million / ¥5,378 million
Loan Agreement	February 1990
Terms and Conditions	Interest rate: 2.7%, Repayment period: 30 years (grace period: 10 years)
Final Disbursement Date	May 1997

Project Profile

The project was to carry out disaster prevention and repair works on hazardous sections of the Philippine-Japan Friendship Highway (between Calauag and Labo) and the Naguilian Road that were exposed to a risk of falling stones and embankment collapses, in order to secure the safety and the efficiency of transport on the trunk roads serving as a backbone of the country's road network.

Results and Evaluation

For both the Philippine-Japan Friendship Highway and the Naguilian Road, the travel cost and the cost of the travel time per vehicle were calculated using a weighted average of traffic volume and road conditions in 1997, the year the project was completed. The costs were calculated for a case in which the project was implemented and a case in which it was not, and the comparison between the two indicated a considerable effect (savings yielded by the project implementation) from the implementation of the project.

The traffic volume on the Naguilian Road has been rising every year, even during the implementation of the project.

The traffic volume on the Philippine-Japan Friendship Highway (PJFH) has exceeded the planned volume, but the 1997 figure was lower than that of 1992-93. The difference is due to the opening of the Quirino Highway in 1998, which led to a difference of traffic from the existent PJFH to the new Quirino Highway that was shorter. The aggregated traffic volume on the two highways in the section is estimated to have greatly exceeded that for 1992-93.