



## The Philippines

# 25 Rosario-Pugo-Baguio Road Rehabilitation Project

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The objective was to implement restoration and disaster prevention works for the road connecting Rosario, Pugo, and Baguio, which was severely damaged by the Northern Luzon Earthquake. With the purpose of improving the safety and convenience of road traffic from Metro Manila to Baguio, the project would, thereby, contribute to economic reconstruction and the promotion of the tourism industry in the region.

**Loan Amount / Disbursed Amount:** 4,633 million yen / 3,968 million yen

**Loan Agreement:** August 1993

**Terms and Conditions:** Interest rate, 3.0%; Repayment period, 30 years (grace period, 10 years); General untied

**Final Disbursement Date:** December 2001

**External Evaluator:** Takeshi Yamashita (KRI International Corp.)

**Field Survey:** July 2003



## Evaluation Result

In this project, construction of a bypass at the starting point of the road connecting Rosario, Pugo and Baguio (46km), which was severely damaged by the Northern Luzon Earthquake, repair of disaster-damaged sections, and disaster prevention works on the Pugo-Baguio road, etc. were carried out. Although the project period took longer than planned due to the increase in the target sections of damages from typhoons, the project cost was almost the same as planned. As a result of the project, traffic safety of the target sections has been improved, and an access route available in the event of disaster has been secured. Also, the traveling time between Rosario-Pugo-Baguio has been reduced from approximately 80 minutes to 60 minutes. The positive impact of the project on safety was confirmed in the beneficiary survey in which the percentage of users who “feel no danger” increased from 0% to 39% after project completion, and those who feel “very comfortable” or “comfortable” increased from 34% to 94%. GRDP (Gross Regional Domestic Product) of Cordillera Administrative Region (with an area of approximately 1.83 million ha and population of approximately 1.37 million, comparable to the population of Kawasaki City, Japan, which is 1.3 million), through which the target road passes, almost doubled between

1990 and 2002, indicating that the project caused an increase in the flow of goods and efficiency improvement, and thus supporting the foundation for economic reconstruction. The project also contributes to the tourism industry as shown by the fact that the number of tourists to Baguio more than tripled from about 320,000 in 1993 to 1.1 million in 2002 (the number of tourists visiting Shirakawa Village in Gifu Prefecture, Japan is about 1.56 million) thanks to the use of large buses. The executing agency, Department of Public Works and Highways (DPWH), has no problem with the technical capacity, operation and maintenance system, or financial condition.

## Third-Party Evaluator’s Opinion

This road, open through the year under all weather conditions, is indispensable in the rehabilitation of Baguio City after the earthquake in 1991. Its contribution to the economy of the Cordillera Administrative Region such as tourism and business has been considerable.

**Third-Party Evaluator:** Mr. Ernest D. Garilao

Obtained a master’s degree in management from the Asian Institute of Management and a master’s degree in public administration from Harvard University. Formerly served as Secretary of the Department of Agrarian Reform. Presently holds the post of Professor, the Asian Institute of Management, specializing in managing state reforms and institutional development.

### The Repaired Rosario-Pugo-Baguio Road, and Kennon Road in a dangerous condition



Fence for falling stones along Rosario-Pugo-Baguio Road



The present condition of Kennon Road with a cliff just above

Safety has been generally improved on Rosario-Pugo-Baguio Road, which was repaired under the project (left).

On the other hand, as no drastic measure has been taken on Kennon Road, which had been the main road before the earthquake in 1990, it is often affected by falling stones and landslides in the rainy season, and remains in a dangerous condition. In a recent occurrence, more than 30 sections were destroyed by Typhoon Ferie in 2001. The road was closed for 40 days, and it took as long as 6 months before it was officially declared safe (right).