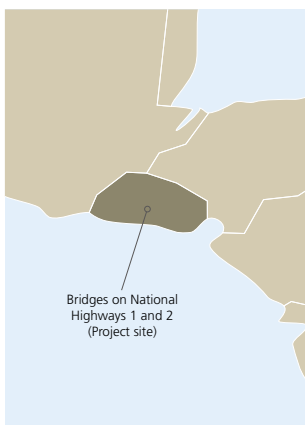


External Evaluator: Masafumi Ikeno

Overall Rating
B

A Foundation for Sustained Growth
Global Issues and Peace-building



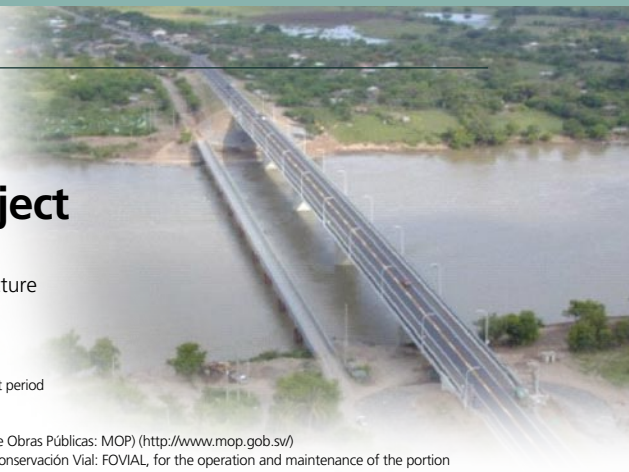
Bridges on National Highways 1 and 2 (Project site)

35 El Salvador Road Improvement Project

Contributing to the revitalization of commerce in Central America through support for basic infrastructure improvement after the end of civil war

Loan Amount / Disbursed Amount 10.332 billion yen / 10.332 billion yen
Loan Agreement May 1994
Terms & Conditions 3.0% interest rate, 30 year repayment period (10 year grace period), General untied

Final Disbursement Date December 2004
Executing Agency Ministry of Public Works (Ministerio de Obras Públicas: MOP) (<http://www.mop.gob.sv/>)
Road Conservation Fund (Fondo de Conservación Vial: FOVIAL, for the operation and maintenance of the portion covered by the ODA loan) (<http://www.fovial.com/>)



Project Objectives

The objective of this project was to increase the road transport capacity of major trunk roads in El Salvador and to alleviate traffic congestion around the capital city by reconstructing two major bridges destroyed during the civil war and improving trunk roads around the capital, and thereby contribute to the post-civil war recovery and economic development.

Effectiveness and Impact

Rating **a**

The trunk road (National Highway 1) and bridges (the San Marcos Lempa Bridge and the Cuscatlan Bridge) improved and constructed through this project have been coping with the traffic demand. Traffic volume increased by over 200% on National Highway 1 compared to before project implementation while the annual average traffic volume increased by 345% on the San Marcos Lempa Bridge and by 262% on the Cuscatlan Bridge compared to before project implementation. While traffic volume has increased, traveling time has been reduced. As a result, the east-west commute time from the Cuscatlan Bridge to San Salvador, the national capital, was shortened by a maximum of 81 minutes. Safety measures, such as the adoption of drainage pavement technology and rock fall prevention measures are thought to have contributed to a de-

crease in the number of traffic accidents. The improved road and bridges play a major role in the smooth transportation and distribution of goods, which has led to stable positive growth in GDP since 2001. Thus, the project is regarded as helping to stabilize El Salvador's economy. Therefore, this project has largely achieved its objectives, and effectiveness is highly satisfactory.

Relevance

Rating **a**

This project has been highly relevant with El Salvador's national policies both at the time of the appraisal and at the time of the ex-post evaluation. This project, which improved National Highway 1 and reconstructed two major bridges on National Highways 1 and 2, has supported the post-war reconstruction in El Salvador and it is hoped that it will serve as a foundation for further economic development.

Efficiency

Rating **C**

Both the project costs and the project period greatly exceeded planned (168% and 217% of planned, respectively). The increase in project costs and the project delays were primarily attributable to the need for recovery and reconstruction following landslides caused by natural disasters, including flooding and a hurricane in 1998, and a major earthquake in 2001; therefore the evaluation for efficiency is low.

Sustainability

Rating **a**

No major problem has been observed for capacity of the executing agency nor the operation nor its maintenance system, therefore, sustainability of this project is high. The operation and maintenance of roads are under the jurisdiction of FOVIAL, which has no technical problems.



Adoption of Japanese technology: Drainage pavement technology that takes the surrounding natural and living environments into consideration (right). Civil engineering technology prevents rocks falling from slopes adjacent to road running through hilly areas and prevents surface weathering while preserving the landscape (above).

Third-Party Opinion

While time was required until project completion due to external factors including a hurricane, the constructed road and bridges have contributed to the decrease in traveling times and the revitalization of markets, and have provided a foundation for social and economic development.

Name of specialist: Mr. Francisco Molina (economist)
Earned a Masters degree in economics from American University. After serving as an economist at the Central Reserve Bank of El Salvador and in other posts, took up position as a consultant to the Government of El Salvador, international institutions, development aid institutions, and private enterprises. Specializes in economics.