



# Arterial Road Links Development Project, Phase III

Contributing to promotion and enhancement of local economies through the improvement of major arterial roads

## [External Evaluator]

Yasuhiro Kawabata and Hiroshi Aoki, Sanshu Engineering Consultant

## Rating

Effectiveness, Impact	a	Overall Rating <b>B</b>
Relevance	a	
Efficiency	b	
Sustainability	b	

## Project Objectives

To promote human and material exchange, efficient transportation and cost reduction by improving the north-south arterial roads, east-west arterial roads and circular roads of major islands, which comprise the National Arterial Road Network, thereby contributing to development & vitalization of regional economies.

## Outline of the Loan Agreement

- Loan amount / Disbursed amount: 13,564 million yen / 11,772 million yen
- Loan agreement: September 1998
- Terms and conditions: 2.2% interest rate (consulting services: 0.75%); 30-year repayment period (consulting services: 40-year) (including a 10-year grace period); general untied (consulting services: partially untied)
- Final disbursed date: January 2006
- Executing agency: Department of Public Works and Highways (DPWH), Project Management Office (Each Region and DPWH)
- Website URL: <http://www.dpwh.gov.ph/>

## Annual average daily traffic volume (AADT) of the Project Roads

(unit: vehicle/day)

Road Name	Sections	2006	2007	2008
Mindoro West Coast Road	San Jose-Rizal	503 (258)	711 (271)	832 (286)
	Sablayan-Sta. Cruz	1,029 (301)	1,649 (316)	1,119 (332)
	Mamburao-Abra de Ilog	747 (264)	881 (278)	1,128 (292)
Bongabon-Baler Road	San Luis-Ma. Aurora-Basal	1,620 (898)	1,327 (947)	1,730 (999)
Cebu South Coast Road	Talisay-Naga	15,460 (9,355)	17,532 (9,862)	18,814 (10,397)
	Naga-Carcar	—	8,079 (6,575)	8,252 (6,932)
P-J FRIENDSHIP ROAD	San Juanico Bridge	2,867	4,679	8,181
	San Juanico-Calbiga	1,565 (987)	2,309 (1,026)	3,393 (1,066)

Note: Figures with ( ) are estimated volume.  
[Source] DPWH

## Effects of Project Implementation (Effectiveness, Impact)

The annual average daily traffic volume of all the sections exceeds the planned volume. Along the Mindoro West Coast Road, the traffic volume increased by 26 to 33% per year on the average in the last two years, particularly in the north Mamburao-Abra de Ilog and the south San Jose-Rizal. The traffic volume of the Bongabon-Baler Road has increased by 7% in the last two years. Along the Cebu South Coast Road, the traffic volume has increased by 22% in the last two years in the coastal Talisay-Naga section, close to Cebu. The traffic growth in the Visayas section along the Philippines –Japan Friendship Road was 185% in the last two years. According to a beneficiary survey to 300 residents along the roads, the following effects were confirmed: reduction of traffic congestion and thus reduction of travel time; increase of employment opportunities in neighboring towns; increase in income. Moreover, the freight movement has increased, and thus the project contributes to increase of transport of agricultural and industrial products and reduction of transport costs. Therefore, the project has largely achieved its objectives and its effectiveness is high.

## Relevance

The project has been highly relevant with the Philippines' national policies and development needs at the times of both appraisal and ex-post evaluation. The paved ratio of the Philippines' highways is low, and the road sections covered under this project have been unpaved, though they are located in the agricultural products supplying areas to Metro Manila. The deteriorated road sections hampered smooth and efficient transport, and thus the subject sections were high priority sections to be improved.

## Efficiency

Although project cost was lower than planned (about 89% of the planned), project period was slightly longer than planned (125% of the planned). Therefore, the evaluation for efficiency is moderate. The main reasons for delay of implementation are: i) substantial delay in selection of a consultant; ii) delay of commencement of detailed designs; and iii) delay in procurement of contractors.

## Sustainability

As of 2008, the roads covered under this project have been properly maintained, and the quality of the roads is good. On the other hand, under the current practice for budget allocation at the national level, there is some concern about the proper allocation of budget for road maintenance, which is expected to increase. Therefore, sustainability of this project is fair.

## Conclusion, Lessons Learned and Recommendations

In light of the above, this project is evaluated to be satisfactory. Given the delay in the project period due to the delay in procurement, the lesson learned is that a detailed and practical procurement implementation plan should be developed with the executing agency at the project appraisal stage. Moreover, since a number of design changes arose for the project, efforts should be made to increase the accuracy of the feasibility studies.

\*All ex-post evaluation reports including this can be referred to in JICA's website, "Evaluations" → "Ex-post Evaluation (ODA Loan)" ([URL: http://www.jica.go.jp/english/operations/evaluation/oda\\_loan/post/](http://www.jica.go.jp/english/operations/evaluation/oda_loan/post/))