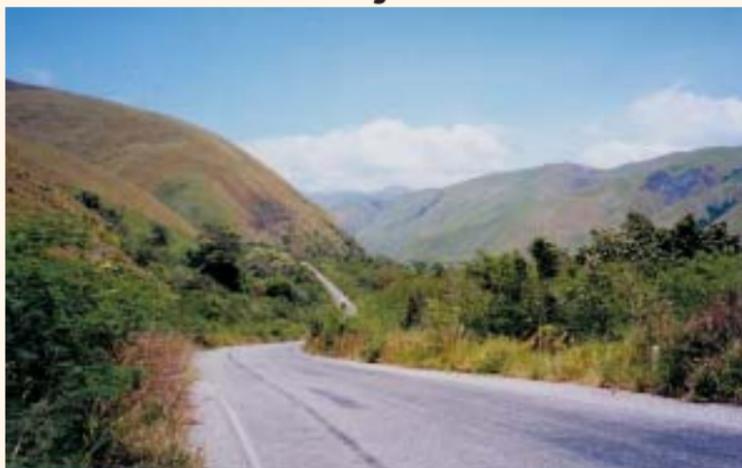


33 Papua New Guinea

National Road Improvement Project



A section of road constructed through this project

Outline of Loan Agreement

Loan Amount / Disbursed Amount	3,515 million yen / 3,011 million yen
Loan Agreement	March 1991
Terms & Conditions	Interest rate 2.7% p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	May 2001

Project Outline

The existing highway between Mumeng-Wau in Morobe Province and Rigo-Kwikila in Central Province was upgraded to an all-weather road to promote socio-economic development, through fully fitting roads and readjusting the lag that had occurred in transportation measures.

Results and Evaluation

This project involved improvements to the existing road (37km) between Mumeng and Bulolo in Morobe Province. However, the plan for the other road improvement was shelved due to rising construction costs and shortages in local currency budget allowances.

The project resulted in a 147% attainment rate on the initial target value for average traffic volumes on the Mumeng-Bulolo section that was targeted for road improvement, which reached 528 vehicles in average/day in 2001. Moreover, travel times have been reduced from 1.5-2 hours to 30-45 minutes.

Results from the survey targeting administrative organizations and local residents, evidence increased access to public services, including administrative, health and medical, and educational services; improved distribution systems; increased product supplies in village stores; and rises in income as project effects consequent upon increased access to transportation for residents in the project areas.

One issue for the future sustainability of the project will be to secure revenue sources to enable the executing agency to undertake sufficient maintenance work.