



Pakistan

31 Indus Highway Construction Project (1) (2) (2B)

A
B
C
D

This project was to promote the smooth flow of road traffic on National Highway 55 (Indus Highway) which lies along the western bank of the Indus River, by improving and constructing sections of the approximately 1,200 km roadway, and thereby contribute to strengthening of the north-south traffic route and balancing economic development in Pakistan.

Loan Amount/Disbursed Amount: 47,508 million yen/41,781 million yen

Loan Agreement: March 1989-August 1993

Terms and Conditions: Interest rate 2.5%-2.6%; Repayment period 30 years (grace period 10 years); Partial untied

Final Disbursement Date: May 2000-January 2003

Executing Agency: National Highway Authority



External Evaluator: Hajime Sonoda (IC Net Limited)

Field Survey: September 2004

Evaluation Result

In this project, improvement of the existing road and the bypass construction were carried out almost as planned. The project period significantly exceeded the plan due to an alteration in the road design out of consideration for its effects on rare wild species and due to security problems. The project cost exceeded the plan due to a steep rise in prices and an increase of construction volume.

The traffic volume (at 4,530 vehicles/day average) in 2004, after the project completion, attained 89% of the initial plan. Comparing the traffic volume in 1988, prior to the project, and that of 2004, the average traffic volume increased by 4 times, and the percentage of long-distance traffic increased on almost all road sections. The travel time between Peshawar and Karachi was reduced from 72 hours to 36 hours, and traffic jams were also alleviated.

Positive social and economic impacts have also appeared in the region along the road. In one region, there is improvement in farmers' income and in population growth due to the synergistic effects of this project and an irrigation project implemented at the same time. Moreover, residents' access to healthcare and education has improved due to an increase in

vehicle size and frequency of public transportation (buses).

There are no problems in the technical capacity or the operation and maintenance system of National Highway Authority (NHA), and its financial status is satisfactory.

On some sections of the road, overloaded vehicles and reckless driving have led to the frequent occurrence of traffic accidents and premature damage to the road surface. Therefore, NHA is to expand the area patrolled by the National Highway and Motorway Police and to increase the number of truck weigh stations.

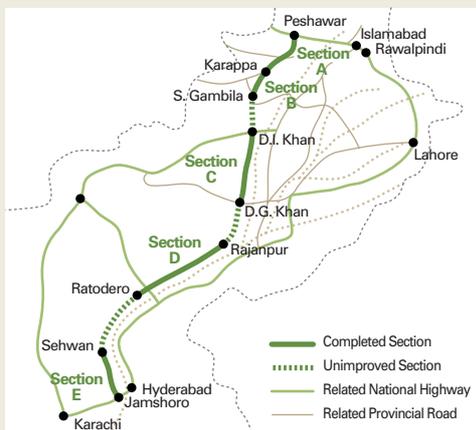
Third-Party Evaluator's Opinion

This project contributed to the development of an efficient national highway network. Reduction in time and distance, a decline in traffic accidents thanks to diverting traffic, and a decrease in fuel and time required were observed.

Third-Party Evaluator: Mr. Zafar Mueen Nasar (academia)

Obtained a doctoral degree in economics from Kansas State University. Currently chief researcher in human resources development at Pakistan Institute of Development Economics. Specializes in macroeconomics and international trade.

Project Area



A) Peshawar - Karappa,
Improvement of existing road (additional lanes)
29 km (completed 1996)
Improvement of existing road (widening)
22 km (completed 1996)

B) Karappa - S.Gambila,
Bypass construction 96 km (completed 1998)

C) D.I.Khan - D.G.Khan,
Improvement of existing road (widening)
211 km (completed 2001)

D) Rajanpur - Ratodero,
Improvement of existing road (widening)
270 km (completed 1999)

E) Sehwan - Jamshoro,
Improvement of existing road (widening)
133 km (completed 1999)



Road prior to project implementation



Loading rice on a truck for shipment