

Road Rehabilitation Project



Rehabilitated Section in Lampung Province, Sumatra

Outline of Loan Agreement

Loan Amount/ Loan Disbursed Amount	¥29,538 million / ¥28,688 million
Loan Agreement	October 1988
Terms and Conditions	Interest rate: 2.7%, Repayment period: 30 years (grace period: 10 years)
Final Disbursement Date	November 1993

Project Profile

The project was to rehabilitate the selected sections damaged by the then increasing traffic volumes, of the national and provincial roads in Indonesia which play an important role in economic activity as a part of trunk road network.

Results and Evaluation

The vehicle number in the project areas is estimated to have increased dramatically around the time of implementation of the project, as it did in the rest of Indonesia. Nevertheless, data for the rehabilitated roads shows that the average driving speed was stabilized at a level higher than that before the project was completed. Therefore the project appears to have had some degree of effect in maintaining the efficiency of transport on the rehabilitated roads.

Operation and maintenance is handled by the offices for road and bridge maintenance of the Directorate of Regional Infrastructure of the Ministry of Settlement and Regional Infrastructure, and by the roads offices of provincial governments. The central government has an integrated road management system for databasing the status of facilities of national and regional roads nationwide, including the road sections covered by the project. The system is used for monitoring of the physical status and it is used effectively in examining where improvement and rehabilitation work is required.

In some aspects, the road maintenance system is failing to keep pace with the increasing traffic volume. The system needs to be strengthened, and a comprehensive transport policy be adopted.