

# Surabaya River Improvement Project (II-1)



River Wall Rehabilitated by the Project (near Jogoroyo Bridge)

## Outline of Loan Agreement

Loan Amount/ Loan Disbursed Amount	¥4,220 million / ¥3,564 million
Loan Agreement	December 1990
Terms and Conditions	Interest rate: 2.5%, Repayment period: 30 years (grace period: 10 years)
Final Disbursement Date	December 1996

## Project Profile

The project was to improve rivers and canals inside Surabaya City to protect the city from frequent flood, thereby aiming to stabilize the lives of residents and aid local development.

## Results and Evaluation

It has been confirmed that the improvements to the lower reaches of the river, together with the construction of regulating reservoirs and pumping facilities under the project reduced the extent and duration of flood and the associated damage. As a result, the project has made a contribution to local development, including the residential development of areas which were frequently flooded in the past. However, the implementation of the project was accompanied by rapid increase in land prices, with the result that some land acquisition has yet to be completed, preventing construction work in some areas. The Water Resources Department of the Ministry of Residential Development is making efforts to complete the plan by making changes in the location of pumping stations and other elements.

The running of the maintenance system has not been transferred to the authority of the Water Management Corporation, because the construction has not been completed. The executing agency, which is now handling maintenance on a provisional basis, lacks an adequate budget for the work. Therefore, the pumping stations are operating properly, but the maintenance of other facilities is inadequate. Proper maintenance of the existing facilities requires that the budgetary basis of the project be reinforced, and that maintenance be transferred quickly to the Water Management Corporation, which must carry out an appropriate maintenance scheme.