

Indonesia

Road Rehabilitation Project (II)



Repaired section of road

Outline of Loan Agreement

Loan Amount / Disbursed Amount	21,040 million yen / 20,087 million yen
Loan Agreement	December 1989
Terms & Conditions	Interest rate 2.5%p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	December 1994

Project Outline

The project involved rehabilitation works, including road widening, surfacing, and repairs to side ditches, on sections of arterial roads (national/provincial) in 9 provinces (8 in Sumatra, 1 in Java) that were closely related to the sections covered by its predecessor, the Road Rehabilitation Project, Phase I (1988-93).

Results and Evaluation

Rehabilitation works were conducted on 1,890km of road in Sumatra and Java and were completed in 1994. This enabled roads in project areas to carry greater volumes of traffic as compared to pre-project levels. For example, the average growth rate in traffic volume between 1994-95 in the provinces of South Sumatra and Lampung was in excess of 20%. The favorable condition of rehabilitated project roads has also improved average travelling speeds. In line with Indonesia's decentralization policy, the operation and maintenance of local roads has been consigned to provincial governments in each of the regions, and findings from a survey of four areas in West Java and South Sumatra confirm that whilst there is some small-scale damage, roads are predominantly being maintained in good condition.

In connection with the operation and maintenance of local roads, the government of Indonesia is looking into increasing vehicle taxes in order to secure financial resources, and is also focused on the issue of strengthening regulations governing overloaded vehicles.