

9 Indonesia

Road Rehabilitation Project (III)



National road maintained through this project (North Sumatra Province)

Outline of Loan Agreement

Loan Amount / Disbursed Amount	20,302 million yen / 18,830 million yen
Loan Agreement	November 1993
Terms & Conditions	Interest rate 2.6% p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	June 2000

Project Outline

Rehabilitation work on conspicuously deteriorated sections of national and provincial roads in the eight provinces of Sumatra and West Java Province and improvement work, including width expansion were implemented on routes subject to growth in traffic volume, etc., in order to achieve the smooth flow of traffic and thereby to stimulate regional societies and economies and effectuate balanced national development.

Results and Evaluation

Through this project, the rehabilitation and improvement of trunk roads were implemented, ranging 2,044km of overall extension in actual results compared to the overall planned extension of 1,482km. The section of road maintained by this project, although approximately the half was categorized into unstable condition for driving prior to the project, the condition of 90% of roads were stable after the project completion. Moreover, the improvement in road surface conditions led to the effects such as the reduction of traveling time and alleviation of traffic jam. There have been some impacts such as the revitalization of regional economy, and stimulation of the tourism industry and housing development.

Regarding the sustainability, the main issues are to adequately secure governmental budgets for maintenance activity and make it possible to conduct supplementary repair and improvement in addition to periodic maintenance if necessary.