

32 Papua New Guinea

Transisland Highway Project (I) (II)



A road built by this project

Outline of Loan Agreement

Loan Amount / Disbursed Amount	10,152 million yen / 9,678 million yen
Loan Agreement	March 1991 / March 1991
Terms & Conditions	Interest rate 2.7%/4.0% p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	March 2000 / May 2001

Project Outline

The objectives of this project were to lay the foundations for a highway network linking PNG's capital, Port Moresby, its second city, Lae, and the Highland Province, in an effort to stimulate human and material exchange, improve living standards in local communities and promote industrial development, via the construction and improvement of roads in southern and central areas of the country.

Results and Evaluation

This project involved the construction of a new road (total length of 81km) between Bereina in the Central Province and Malalaua in the Gulf Province. However, initially planned road width expansion and pavement improvement work on the section between Aseki and Latep in Morobe Province was cancelled as a result of follow-up survey on geographical conditions. In 2001, the average volume of traffic in the target area was 40 vehicles per day, i.e. a 22% attainment rate on the initial target value of 180 vehicles per day. To increase the traffic volume, it will be necessary to develop a nationwide road network and to maintain the road's function as a trans-island highway by linking the areas targeted by this project with other major cities.

Prior to project implementation it was necessary to make the journey from Bereina-Malalaua regions to Port Moresby by boat; however, since completion, it is now possible for the journey to be made overland, significantly enhancing levels of efficiency and safety.

Notwithstanding, budget shortages have precluded the implementation of proper road maintenance and management, and there are concerns about the sustainability of the project.