



Indonesia: National Roads Development Project (Kalimantan)

Project Name	National Roads Development Project (Kalimantan)	
Project Number	52347-001	
Country	Indonesia	
Project Status	Proposed	
Project Type / Modality of Assistance	Loan	
Source of Funding / Amount	Loan: National Roads Development Project (Kalimantan and Sulawesi)	
	Ordinary capital resources	US\$ 300.00 million
Strategic Agendas	Environmentally sustainable growth Inclusive economic growth Regional integration	
Drivers of Change	Governance and capacity development Knowledge solutions Private sector development	
Sector / Subsector	Transport - Road transport (non-urban)	
Gender Equity and Mainstreaming	Some gender elements	
Description	The proposed National Roads Development Project (Kalimantan) will improve national and regional connectivity by rehabilitating and upgrading road sections of North and East Kalimantan Provinces. The project will improve 280-km of road sections with road safety and biodiversity measures designs included.	
Project Rationale and Linkage to Country/Regional Strategy	<p>The Government of Indonesia has approved the forth five-year medium term development plan (RPJMN 2020-2024) in January 2020. At the end of 2024, the long-term development plan (RPJPN) 2005-2025 will also come to end. RPJMN 2020-2024 will pave the path of Indonesia to become an upper-middle income country that is prosperous, fair and sustainable by 2024, which is also explicitly targeted in the RPJPN. The transport system network will have to be well established, integrated, and reliable in all regions of the country to efficiently support the economy.</p> <p>North Kalimantan was designated as the first border economic area to be operationalized because of its resource endowments, rapidly growing population, geographic location, and cross-border activities with Malaysia. The road networks are expected to help (i) bring inclusive development especially for areas that are not well connected to major economic centers; (ii) increase access to markets; (iii) improve access to social services; and (iv) enhance cross-border transport, trade, and tourism. Improved road connections in Kalimantan to the border with Malaysia support the overall connectivity approach of Brunei Darussalam-Indonesia-Malaysia-Philippines-East ASEAN (BIMP-EAGA), which promotes the development of economic corridors. Under the BIMP-EAGA Vision 2025, economic corridors are well-defined geographic spaces for which direct infrastructure investments are designed to stimulate investments and production capacities linked to trade, employment generation, and poverty reduction. Constructing and upgrading roads in East and North Kalimantan contribute to economic corridor development, given the roads are the missing links within the BIMP-EAGA East Borneo Economic Corridor.</p> <p>The project will support the Ministry of Public Works and Housing's (MPWH's) Sector Development Plan (SDP) 2015-2019, and RPJMN 2020-2024 in promoting the development of Eastern Indonesia for regional equality. The Project also contributes to realizing the government's 2016 border economic area program, which aims to lower poverty in border regions, bolster economic growth, and encourage movement of people towards these areas instead of congested megacities such as Jakarta and Surabaya. The project is included in the country operations business plan for Indonesia, 2020-2022, and is consistent with the country partnership strategy for Indonesia, 2016-2019.</p>	
Impact	Efficiency of road transport increased, supporting integrated and sustainable economic growth	
Outcome	Capacity and safety of national and strategic roads improved	
Outputs	National roads in Kalimantan upgraded to all-weather standard, with road safety and biodiversity measures included Institutional capacity strengthened	
Geographical Location	Nation-wide	
Safeguard Categories		
Environment	A	
Involuntary Resettlement	B	
Indigenous Peoples	B	
Summary of Environmental and Social Aspects		
Environmental Aspects	The preliminary safeguard categorization will be A for environment. The project is near environment sensitive sites. Climate change impact on the project will be high. Categorizations will be confirmed after the alignments are finalized and impact assessments are conducted.	
Involuntary Resettlement	The preliminary safeguard categorization will be B for Involuntary resettlement. Although civil works will improve on existing roads, some land acquisition may be required on a limited scale, due to the roads' poor condition. Categorization will be confirmed after the alignments are finalized and impact assessments are conducted. The initial poverty and social analysis have been prepared.	
Indigenous Peoples	The preliminary safeguard categorization will be B for indigenous peoples. and acquisition may be required on a limited scale, due to the roads' poor condition. Involuntary resettlement impacts on a high percentage of ethnic minorities, including the Dayak and Banjar peoples in North Kalimantan, are expected. Categorization will be confirmed after the alignments are finalized and impact assessments are conducted.	

Stakeholder Communication, Participation, and Consultation	
During Project Design	Stakeholder consultation will be conducted during project preparation, as part of the safeguards due diligence and project information dissemination activities.
During Project Implementation	Project updates will be conducted during project implementation.

Business Opportunities	
Consulting Services	Consulting packages will be determined during project preparation stage.
Procurement	Civil works packages will be determined during project preparation stage. Advance contracting and retroactive financing will be pursued in line with ADB Procurement Policy (2017, as amended from time to time) and Procurement Regulations for ADB Borrowers (2017, as amended from time to time) to facilitate project implementation in goods, works, non-consulting and consulting services. The government has been advised that advance contracting and retroactive financing do not commit ADB to finance the project. High readiness criteria will be met prior to loan approval.

Responsible ADB Officer	Lim, Susan
Responsible ADB Department	Southeast Asia Department
Responsible ADB Division	Transport and Communications Division, SERD
Executing Agencies	Directorate General of Highways Jl. Pattimura No. 20 P.O. Box 21, Kebayoran Baru Jakarta 12110, Indonesia Ministry of Public Works & Housing Jl. Pattimura No. 20 Keb. Baru Jakarta, Selatan, Indonesia

Timetable	
Concept Clearance	28 May 2020
Fact Finding	15 Mar 2021 to 31 Mar 2021
MRM	30 Jun 2021
Approval	-
Last Review Mission	-
Last PDS Update	29 Jun 2020

Project Page	https://www.adb.org/projects/52347-001/main
Request for Information	http://www.adb.org/forms/request-information-form?subject=52347-001
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