



## Papua New Guinea: Highlands Region Road Improvement Investment Program - Project 2

Project Name	Highlands Region Road Improvement Investment Program - Project 2								
Project Number	40173-043								
Country	Papua New Guinea								
Project Status	Active								
Project Type / Modality of Assistance	Loan								
Source of Funding / Amount	<table border="1"><tr><td colspan="2"><b>Loan 3076-PNG: Highlands Region Road Improvement Investment Program - Project 2</b></td></tr><tr><td>concessional ordinary capital resources lending / Asian Development Fund</td><td>US\$ 40.00 million</td></tr><tr><td colspan="2"><b>Loan 3077-PNG: Highlands Region Road Improvement Investment Program - Project 2</b></td></tr><tr><td>Ordinary capital resources</td><td>US\$ 69.00 million</td></tr></table>	<b>Loan 3076-PNG: Highlands Region Road Improvement Investment Program - Project 2</b>		concessional ordinary capital resources lending / Asian Development Fund	US\$ 40.00 million	<b>Loan 3077-PNG: Highlands Region Road Improvement Investment Program - Project 2</b>		Ordinary capital resources	US\$ 69.00 million
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Strategic Agendas	Inclusive economic growth								
Drivers of Change	Governance and capacity development								
Sector / Subsector	<b>Transport</b> - Road transport (non-urban)								
Gender Equity and Mainstreaming	Some gender elements								
Description	<p>The proposed Project 2 of the Program will contribute to establishing a sustainable road system in the Highlands region that will enable maximum use of its natural, mineral, and human resources. It will support the Government's objectives of (i) export-driven economic growth; (ii) rural development, and poverty reduction; (iii) good governance; and (iv) promotion of sustainable agriculture, forestry, fisheries and tourism. Project 2 has three components which include (i) transport infrastructure development, (ii) program support and capacity development, and (iii) program administration. The following outputs will achieve Project 2 components: (i) improvements to 118 km of priority national roads of the HCRN, with design considerations for all road users including pedestrians and public motor vehicles; (ii) maintenance arrangements for 500 km; (iii) improved capacity of the National Road Authority (NRA) to plan and manage long-term road maintenance contracts; (iv) more efficient Department of Works (DOW) capable of delivering road improvements with attention to safeguards capacity, and an established asset management system of the HCRN; and (v) improved road safety capacity of the National Road Safety Council (NRSC).</p> <p>The DOW is the executing agency (EA) and the implementing agency (IA) for the road improvement works. The NRA is the IA for road maintenance. The Highlands Road Management Group (HRMG) is the DOW project implementation unit for the ongoing ADB loans. Based on lessons learned from Project 1 implementation, the unit will be strengthened under Project 2 specifically on safeguards and on-going monitoring and evaluation. HRMG will engage all consulting services and road improvement contracts under the Program. The NRA established a project implementation unit (PIU) consisting of key NRA staff and supported by Program consultants. A program steering committee (PSC) oversees implementation, monitors progress, approves roads for subsequent projects, and provides guidance to the executing and implementing agencies.</p> <p>DOW has completed technical designs of civil works. Initial environmental examinations (IEEs) and resettlement plans (RPs) for all sub-projects have been prepared and cleared by DOW and ADB. The resettlement framework and the environmental frameworks have been updated for Project 2 based on lessons learned from Project 1. DOW has completed technical designs of civil works, as part of advance action.</p>								

Project Rationale and Linkage to Country/Regional Strategy	<p>The periodic financing request (PFR)-2 request is for a loan amount of \$109 million to finance Project 2 components which include (i) Transport infrastructure development, (ii) Investment program support and capacity development, and (iii) Program administration. The following outputs will achieve Project 2 components: (i) improvements to 118 km of priority national roads<sup>5</sup> of the HCRN, with design considerations for all road users including pedestrians and public motor vehicles; (ii) maintenance arrangements for 500 km, including the 118 km mentioned above, of the HCRN; (iii) improved capacity of the National Road Authority (NRA) to plan and manage long-term road maintenance contracts; (iv) more efficient Department of Works (DOW) capable of delivering road improvements with attention to safeguards capacity, and an established asset management system of the HCRN; and (v) improved road safety capacity of the National Road Safety Council (NRSC).</p> <p>Project-2 has been designed to meet targets set out for the overall program based on lessons learned from the implementation of Project 1, to achieve the sustainable transport goals of making transport more accessible and safe for all users of rural communities, by improving connecting rural roads and provision for public transport services, as outlined in governments recently approved NTS as well as ADBs Sustainable Transport Initiative (STI). The project will adopt STI approach to ensure road rehabilitation investments are sustainable through strengthened support on road maintenance financing.</p>
Impact	The proposed Project 2 of the Program will contribute to establishing a sustainable road system in the Highlands Region that will enable maximum use of its natural, mineral, and human resources

## Project Outcome

Description of Outcome	Improved accessibility and reduced transport cost in the areas served by Project 2 roads.
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Progress Toward Outcome

### Implementation Progress

Description of Project Outputs	<ol style="list-style-type: none"> <li>1. Improved core road network in Highlands region to national standards for all road users including pedestrians</li> <li>2. Sustainable maintenance arrangements for Highlands core road network</li> <li>3. Improved capacity of NRA to plan and manage long-term road maintenance contracts</li> <li>4. More efficient DOW capable of delivering road improvements</li> <li>5. Improved road safety capacity of NRSC</li> </ol>
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Status of Implementation Progress (Outputs, Activities, and Issues)

Geographical Location

## Safeguard Categories

Environment	B
Involuntary Resettlement	B
Indigenous Peoples	C

## Summary of Environmental and Social Aspects

Environmental Aspects

Involuntary Resettlement

Indigenous Peoples

### Stakeholder Communication, Participation, and Consultation

During Project Design

During Project Implementation

## Responsible Staff

Responsible ADB Officer	Hill, David J.
Responsible ADB Department	Pacific Department
Responsible ADB Division	Papua New Guinea Resident Mission

## Timetable

Concept Clearance	-
Fact Finding	-
MRM	09 Sep 2013
Approval	04 Dec 2013
Last Review Mission	-
Last PDS Update	02 Oct 2013

## Loan 3076-PNG

Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
04 Dec 2013	25 Feb 2014	16 Apr 2014	30 Jun 2018	-	-

Financing Plan			Loan Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	103.60		Cumulative Contract Awards			
ADB	40.00		04 Dec 2013	31.28	0.00	87%
Counterpart	63.60		Cumulative Disbursements			
Cofinancing	0.00		04 Dec 2013	16.75	0.00	46%

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Milestones					
Approval	Signing Date	Effectivity Date	Closing		
			Original	Revised	Actual
04 Dec 2013	25 Feb 2014	16 Apr 2014	30 Jun 2018	-	-

Financing Plan			Loan Utilization			
	Total (Amount in US\$ million)		Date	ADB	Others	Net Percentage
Project Cost	69.00		Cumulative Contract Awards			
ADB	69.00		04 Dec 2013	55.09	0.00	80%
Counterpart	0.00		Cumulative Disbursements			
Cofinancing	0.00		04 Dec 2013	28.28	0.00	41%

Project Page <https://www.adb.org/projects/40173-043/main>

Request for Information <http://www.adb.org/forms/request-information-form?subject=40173-043>

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