

567 National Road Authority

(in Millions of Kina)

PIP No.	Project Title	5 Year Total	2010	2011	2012	2013	2014
2468	HCRNIIP	81.0	23.0	20.0	15.0	13.0	10.0
TOTAL CAPITAL PROJECTS		81.0	23.0	20.0	15.0	13.0	10.0
TOTAL		81.0	23.0	20.0	15.0	13.0	10.0

567 National Road Authority

AGENCY SUMMARY OF ALL PROJECTS

EXPENDITURE PROJECTIONS AND FINANCING REQUIREMENTS (K Millions)

PROJECT COST		2008 Actual	2009	5 Year Total	2010	2011	2012	2013	2014
	DIRECT PROJECT COST								
	Current Expenditure								
	Personal Emoluments								
	Current Transfers								
	Goods and Other Services								
	Sub-Total								
	Capital Expenditure								
	Capital Transfers								
	Acquisition of Existing Assets								
	Capital Formation			81.0	23.0	20.0	15.0	13.0	10.0
	Sub-Total			81.0	23.0	20.0	15.0	13.0	10.0
A	TOT DIRECT PROJECT COST			81.0	23.0	20.0	15.0	13.0	10.0
	Technical Assistance								
	Project Preparation								
	Equipment								
	Advisory								
	Training								
B	TOT TECHNICAL ASSISTANCE								
	TOTAL PROJECT COST (A+B)			81.0	23.0	20.0	15.0	13.0	10.0
FINANCING SOURCES									
	IDENTIFIED FINANCING								
	Direct Project Financing:								
	Government Contributions:								
	Loan			81.0	23.0	20.0	15.0	13.0	10.0
	Grant								
	b) Self Generating Revenue								
	a) Government Input								
C	TOTAL DIRECT FINANCING			81.0	23.0	20.0	15.0	13.0	10.0
D	Technical Assistance								
	TOTAL FINANCING (C+D)			81.0	23.0	20.0	15.0	13.0	10.0
FINANCING SOUGHT									
	Direct Project Cost (A-C)								
	Technical Assistance (B-D)								
	TOTAL FINANCING SOUGHT								

PIP NUMBER: 2468

PROJECT NAME: HIGHLANDS CORE ROADS NETWORK IMPROVEMENT/INVESTMENT PROGRAM

EXECUTING AGENCY: National Road Authority

PROJECT OBJECTIVES:

The object of this project are as follows; (a) Within the ADB MFF Loan requirement for NRA to maintain road sections that are improved and rehabilitated under this road improvement program. (b) NRA to plan and manage long-term road maintenance contracts to sustain road condition.

PROJECT COMPONENTS:

Highlands Core Road Network Improvement and Maintenance Investment Program is part of the ADB Multi-tranche Financing Facility (MFF). The component of Road Maintenance as part of the Loan Investment Program is to sustain the investments over a longer period of more than 10 years. The models like out-based and performance based contracts are new and that the GoPNG give support to implementing agencies like NRA and DOW.

PROJECT LOCATION:

The Project 1 road section of 211.0 km under the first tranche are as follows; Nipa-Magarima, 26km; Magarima-Ambua, 41km; Hiwanda Junction-Koroba, 29km; Mendi-Kandep, 50km; Laiagam-Pogera, 65km. Currently 1,100 km of major roads in maintainable condition in various 5 provinces, and 360 km of that is expected to be undertaken in the first tranche are on the Highlands Highway within the region; Angura-Mendi, 10km; Mendi-Nipa, 58km; Kisenapoi-Ialibu, 11km; Wabag-Warummanda, 58km; Enga - Border-Wapenamanda, 58km; Togoba-Enga Border, 33km; Togoba-Pabrabuk Junction, 19km; Hagen-Baiyer, 21km; Magiro-Miunde Bridge, 56km.

PROJECT JUSTIFICATION:

The project is consistent with the MTDS in terms of rehabilitation and maintenance of infrastructure assets and NTDP in terms of maintenance of part of the 16 priority road corridors. The economic rate of return is estimated as 16.5% for improvement works and 36.1% for maintenance works, above the threshold of 12%. Fuel levy accumulated by NRA Road Fund will assist road maintenance activities.

PROJECT CAPACITY:

The Investment Program will include assistance to the National Roads Authority to enable it to manage the Highlands Core Roads Network Program and seek policy reforms to generate adequate resources for the road fund to finance maintenance. NRA will be working in conjunction with Department of Works.

PROJECT BENEFICIARIES:

The project will ensure that all roads are maintained to minimise vehicular operation cost and to reduced travel time for the public. The project will benefit the entire 1.9 million people of the Highlands region.

2468 HIGHLANDS CORE ROADS NETWORK IMPROVEMENT/INVESTMENT PROGRAM

ESTIMATED TOTAL PROJECT COST 18,000.0 ESTIMATED DURATION OF THE PROJECT 4.0 Years

EXPENDITURE PROJECTION AND FINANCING REQUIREMENTS (K'000)

PROJECT COST		2008 Actual	2009 Bugdet	5 Year Total	2010	2011	2012	2013	2014
DIRECT PROJECT COST									
Current Expenditure									
Personal Emoluments									
Goods and Other Services									
Current Transfers									
Sub-Total									
Capital Expenditure									
Acquisition of Existing Assets									
Capital Formation				81,000.0	23,000.0	20,000.0	15,000.0	13,000.0	10,000.0
Capital Transfers									
Sub-Total				81,000.0	23,000.0	20,000.0	15,000.0	13,000.0	10,000.0
A TOT DIRECT PROJECT COST				81,000.0	23,000.0	20,000.0	15,000.0	13,000.0	10,000.0
Technical Assistance									
Project Preparation									
Advisory									
Training									
Equipment									
B TOT TECHNICAL ASSISTANCE									
TOTAL PROJECT COST (A+B)				81,000.0	23,000.0	20,000.0	15,000.0	13,000.0	10,000.0
FINANCING SOURCES									
IDENTIFIED FINANCING									
Direct Project Financing:									
Government Contributions:									
a) Government Input									
b) Self Generating Revenue									
Loan				81,000.0	23,000.0	20,000.0	15,000.0	13,000.0	10,000.0
Grant									
C TOTAL DIRECT FINANCING				81,000.0	23,000.0	20,000.0	15,000.0	13,000.0	10,000.0
D Technical Assistance									
TOTAL FINANCING (C+D)				81,000.0	23,000.0	20,000.0	15,000.0	13,000.0	10,000.0
FINANCING SOUGHT									
Direct Project Cost (A-C)									
Technical Assistance (B-D)									
TOTAL FINANCING SOUGHT									

CURRENT DONOR INVOLVEMENT

Asian Development Bank (ADB).

POTENTIAL DONOR INVOLVEMENT

Nil.

2010 Budget Votes for this PIP are :-

56735021202 HIGHLANDS CORE ROADS NETWORK IMPROVEMENT,