

Signing of the First Japanese ODA Loan to Democratic Republic of Timor-Leste –Supporting Enhancing Economic Activities and Graduation from "Reconstruction Stage"–

1. Today, the Japan International Cooperation Agency (JICA) signed a Japanese ODA loan agreements with the Government of Democratic Republic of Timor-Leste to provide loans of up to 5.278 billion yen for National Road No.1 Upgrading Project, having H.E. Prime Minister Xanana Gusumao in Tokyo. This is the first loan to Timor-Leste by development partners.

2. This Project is to make the National Road No.1 passable in safe throughout a year in any weather situation by upgrading the 116 km road from capital city Dili to the second largest city, Baucau, with an international standard.

3. In year 2002, right after the independence of Timor-Leste, almost 80 percent of buildings in Dili area have been destroyed, there were so many refugee camps in Dili, and International Peace Mission and other development partners were involved in peace building activities of Timor-Leste. JICA opened its base in Dili in 2000, started international cooperation activities from rehabilitating basic infrastructure.

4. Year 2012 is the 10th anniversary from the independence of Timor-Leste. The public peace in Timor-Leste has been improved rapidly in these last couple of years, it recorded two-digit economic growth rate. Now Timor-Leste has graduated from its "reconstruction stage" and turned into its development stage with their mid and long term vision and goals. What Timor-Leste longs for now is to grow out from its economic structure which depends heavily on its single limited resource and find out new potential sectors and strengthen them which the country can stand on.

5. Along the National Road No.1, national development plans, such as power plants and transmission lines construction, port construction, existing airport rehabilitation, etc. will be in operation in the near future. The Project financed through Japanese ODA Loan is expected to contribute to establishment of business development in the capital city area in Timor-Leste.

6. In the past, Japan assisted the road sector in Timor-Leste with its integrated approach through following schemes and programs; grant assistance of emergency rehabilitation, strengthening capacity of operation and maintenance through technical cooperation, provision of road construction machinery by Self-Defense Forces and technical transfer for those machinery operations, engineer development through cooperation among Timor-Leste, Indonesia, and Japan. The Japanese ODA Loan project will start based on those experiences in the past. Results and fruits from those assistances are expected to be utilized in the ODA Loan project effectively so that the more effects and benefits will be yielded from the Project.



Ms. Emilia Pires, Minister for Finance, H.E. Prime Minister Xanana Gusumao and Mr. Izumi Aarai, Vice-President, JICA shakes hands after signing a loan agreement.

Related Link

› [Project Map \(PDF/84KB\)](#)

Reference

1. Terms and Amounts of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment (years)	Grace Period (years)	Procurement
		Project	Consulting services			
National Road No.1 Upgrading Project	5,278	0.7	0.01	30	10	Untied

2. Project Summaries

National Road No.1 Upgrading Project

Executing Agency

Conselho de Administração do Fundo das Infra-estruturas (CAFI)

Implementing Agency

Ministry of Infrastructure (MOI)

Planned Implementation Schedule

(i) Completion of project: June 2017 – at the time of starting full operation date from Dili to Baucau road link

(ii) Issuing of letters of invitation for consulting services (D/D, etc.): April 2012

(iii) Tender announcement of initial procurement package for international competitive bidding on project construction:

Procurement package title (tentative): Upgrading Rod Link Dili-Manatuto (A01-01) -Baucau (A01-02))

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