Timor-Leste Signs First-Ever ADB Loans for Road Network Upgrades

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Asian Development Bank (ADB) President Haruhiko Kuroda and Timor-Leste’s Finance Minister Emilia Pires have signed the country’s first loans with the multilateral lender to fund the Road Network Upgrading Project, which will rehabilitate sections of roads from Dili to Liquica and Tibar to Gleno.

“This signing of Timor-Leste’s first loans demonstrates the significant progress the country has made since its independence ten years ago,” said Mr. Kuroda. “I would like to congratulate Timor-Leste for its achievements, and look forward to our continuing collaboration in the future.”

Twenty-nine kilometers of road connecting Dili to Liquica and 32-km of roads running from Tibar to Gleno are two of the busiest roadways in the country, linking Dili to Indonesia, and to the coffee growing areas of Ermera. Construction will be well underway by the end of the year, creating jobs and bringing down the cost of transport for people and goods.

The $40 million loans will also prepare detailed designs for upgrading the Manatuto to Natabora road, to provide a reliable road link between the north and south of the country.

The Road Network Upgrading Project will compliment an ongoing project funded by an ADB grant that is already upgrading 66 km of roads from Liquica to Batugade, on the border with Indonesia. The ongoing project is also rehabilitating an additional 42 km of roads from Batugade to the regional centre of Maliana.

When the two projects are completed, there will be an upgraded, six-meter wide road from the capital Dili all the way to the border. The completion of both projects will also mark the first major road upgrading to have been undertaken by Timor-Leste since independence.

The Council for the Administration of the Infrastructure Fund is the executing agency for the new project, which is due for completion by December 2015. ADB is financing $40 million of the project’s total cost, and the Government of Timor-Leste is contributing $13 million. The loans signed today comprise $9 million from the Asian Development Fund and $31 million from ADB’s ordinary capital resources.

Since ADB operations began in Timor-Leste in 1999, ADB has provided six ADF project grants worth $88 million, six project grants from the Trust Fund for East Timor totaling $53 million, and 37 technical assistance projects worth more than $32 million.

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