

# Road Improvement Project



Procured Equipment in Use

## Outline of Loan Agreement

Loan Amount/ Loan Disbursed Amount	¥7,971 million / ¥4,550 million
Loan Agreement	August 1985
Terms and Conditions	Interest rate: 4%, Repayment period: 30 years (grace period: 10 years)
Final Disbursement Date	June 1992

## Project Profile

The project was to procure construction machinery for the construction and improvement of the country's roads, with the aims of making effective use of the road network and improving the distribution system between agricultural production regions and consumption regions.

## Results and Evaluation

Between 1990 and 1992, maintenance was carried out on approximately 9,000km of roads, far exceeding the target of 3,050km per year. The construction machinery procured clearly made a great contribution to expanding the maintenance of the country's roads. The total length of roads in Honduras stood at approximately 8,000km in 1985, but by 1992 the figure had risen to approximately 14,000km. A substantial share of the increase appears to have been achieved using the machinery from the project.

Between 1988 and 1992 the GDP of the country's agricultural sector was growing at an average of 5% per year, and exports of agricultural produce were growing rapidly. The project appears to have helped to encourage the distribution of agricultural produce by improving the nationwide road network and constructing rural access roads over that period.

Since 1993, the daily and periodic maintenance conducted by the Maintenance Office of the Ministry of Communications, Public Works and Transport has been contracted out to the private sector through the Fondo Vial (road fund), which was established under the Ministry of Public Works, Transport and Housing. A system is being built for the independent implementation of road maintenance by private operators.