

The Road Improvement (Rehabilitation and Maintenance) Project



Road Improved by the Project

Outline of Loan Agreement

Loan Amount/ Loan Disbursed Amount	¥9,696 million / ¥9,696 million
Loan Agreement	July 1990
Terms and Conditions	Interest rate: 2.9%, Repayment period: 30 years (grace period: 10 years)
Final Disbursement Date	April 1998

Project Profile

The project was to rehabilitate severely damaged sections of paved trunk roads and to procure maintenance and repair machinery to raise the level of maintenance and repair throughout the national road network, and thereby encourage smooth transport and economic development in Paraguay.

Results and Evaluation

As the project only rehabilitated existing roads, it did not necessarily make any direct contribution to increasing traffic volumes. Nevertheless, after the project was completed on major national routes, there was a rising trend in both traffic volumes and growth rates in average annual traffic volumes.

Compared to the situation before the project, road traffic flows much more smoothly, and proper road markings (road surface markings and road signs) improve safety for road users (distribution operators and general drivers).

Technical training of the Roads Department staff has improved their road repair abilities and contributed to technology transfer.

There are no notable problems with the technical aspects of maintenance by the executing agency, but in some cases it can take time to find the budgetary sources to obtain replacement parts and new equipment. An appropriate and timely budget needs to be secured for maintenance.