

# Regional Development Project



Equipment Installed by the Project

## Outline of Loan Agreement

Loan Amount/ Loan Disbursed Amount	¥7,166 million / ¥3,867 million
Loan Agreement	October 1989
Terms and Conditions	Interest rate: 4.0%, Repayment period: 25 years (grace period: 7 years)
Final Disbursement Date	December 1997

## Project Profile

The project was to carry out road and railway improvement and rural electrification throughout Uruguay to assist economic and social progress in under-developed areas outside Montevideo, and to narrow regional disparities between urban and rural areas.

## Results and Evaluation

Road improvement mainly consisted of dispersed maintenance and repair of existing routes, which appears to have had some effect in reducing travel times. Railway improvement mainly consisted of rehabilitation to existing tracks and facilities, for example, the total number of train services rose from 5,249 before the project (1995) to 7,514 after the project (1999). Rural electrification installed new transformer stations and other facilities to provide better service (fewer power cuts) in areas which were already electrified.

The improvements to national road routes within the project are maintained sustainably using the budget of the Roads Department of the Ministry of Public Works. Improvements to railways are maintained sustainably using the central government budget and the National Railway's own funds, but as government funds are running out, privatization is being examined as a solution. The new transformers installed under the project are maintained by the Electrical Power Corporation, with no notable technical or budgetary problems.