

## Japanese ODA Loan Signed with Paraguay

### Toward Improved Rural Roads

1. On September 9, the Japan International Cooperation Agency (JICA) signed a Japanese ODA loan agreement with the government of the Republic of Paraguay in the capital of Asunción for up to 4.822 billion yen for the Rural Roads Improvement Project. This will be the first Japanese ODA loan to Paraguay in four years, since the Yguazu Hydropower Station Construction Project loan for 21.4 billion yen made in February 2006.

2. The objective of the Rural Roads Improvement Project is to pave rural roads with stone in three eastern departments of Paraguay, enabling passage on roads currently cut off during rainy weather and replacing aging wooden bridges for safe passage. The Japanese ODA loan will be allocated to the stone pavement, replacing aging wooden bridges with concrete bridges, consulting services and the like.

3. The project is being cofinanced with the Inter-American Development Bank (IDB) and the OPEC Fund for International Development (OFID). JICA will pave approximately 350 kilometers and replace approximately 1000 meters of bridges in the three departments of Guairá, Misiones and Paraguari. Including funding from the cofinancing organizations, the total project cost is estimated to be 170 million U.S. dollars.

Paraguay has approximately 60,000 kilometers of roads and about 87 percent, or 52,000 kilometers of them are unpaved, the mere 8,000 kilometers of asphalt and concrete paved roads being primarily highways and other major thoroughfares. Also, most of the wooden bridges were constructed almost 40 years ago. The primary sector accounts for the majority of the Paraguayan economy, and transportation to the consumption regions and export ports for agricultural and livestock products depends heavily on the roadways. When the roads are cut off due to rain, products do not reach their destination, affecting the economy greatly.

Approximately 75 percent of the nation's poor live in rural areas, and road blockage hinders access to daily life infrastructures such as schools and hospitals, and furthermore, the degradation of the aging wooden bridges may result in collapse, putting lives at risk.

4. Given the situation, the Paraguayan government formulated a five-year road plan in 2008, placing priority on improving rural roads, and this project will be moved forward in accordance with that plan. JICA's policy is to provide effective contribution toward sustained economic growth of Paraguay.



## Reference

### 1. Terms and Amounts of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment Period (years)	Grace period (years)	Procurement
		Project	Consulting Services			
Rural Roads Improvement Project	4,822	0.8	0.01	20	6	Untied

### 2. Executing Agency

Ministry of Public Works and Communications  
 Address: Oliva esq. Alberdi, Asunción, Paraguay  
 Phone: +595 (21) 4149-350, Fax: +595 (21) 4149-613

### 3. Planned Implementation Schedule

(i) Completion time of project: January 2016 (project will be considered complete when services are opened for use)

(ii) Issuing of letters of invitation for consulting services (including construction monitoring): January 2011

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

Procurement package title: Civil Works

Release date: April 2012

### Related link

Project area map for the Paraguayan Rural Roads Improvement Project (PDF/113KB)

