

Signing of Japanese ODA Loan Agreement with the Republic of Guatemala

–Stimulating the Local Economy and Alleviating Poverty through Road Improvements in an Impoverished Region Affected by Civil War–

Today, the Japan International Cooperation Agency (JICA) signed a Japanese ODA loan agreement with the Government of the Republic of Guatemala in Guatemala City to provide a loan of up to 9.939 billion yen for assistance for the ZONAPAZ Road Improvement Project (II).

This project will provide roads in Zonapaz ("peace zone")^[1], a region that was particularly affected by civil war between 1960 and 1996. The objectives of the project are to strengthen the transportation capacity and improve access to socioeconomic services in the region, as well as improve the standard of living, stimulate the regional economy and rectify regional disparity.

Although Guatemala has the largest population (roughly 14 million people) and highest GDP (approximately 46.9 billion dollars) in Central America, the Human Development Index value is the second lowest in the Latin America and the Caribbean after Haiti and ranked 131 out of 187 countries. The poverty rate is 68 percent in Zonapaz, greatly exceeding the national average of 54 percent, and it has been pointed out that one factor behind that high rate is the lag in road infrastructure, the primary means of transportation. Much of Zonapaz is located in the rainy mountainous area, where unpaved roads are impassable during the rainy season, making it difficult for local residents to reach nearby markets to ship their agricultural products, as well as to access employment opportunities, and health and education facilities.

This project will build two lengths of road (a total of 181 kilometers) to connect major cities and arterials to the El Quiché and Alta Verapaz Departments, areas in Zonapaz with a marked high population and a particularly high rate of poverty. This will improve access to nearby markets, employment opportunities and social services in Zonapaz, and is expected to greatly stimulate the local economy and alleviate poverty.

In the past, JICA has assisted in the rehabilitation of RN-7 (National Road No. 7), a highway that connects Zonapaz to the east and west, through two Japanese ODA Loan projects, the Rural and Main Roads Rehabilitation Project and the ZONAPAZ Road Improvement Project (I). With the connections to RN-7 of the roads improved by this project, a synergetic effect is expected to further the distribution of goods both within and outside of the Zonapaz. JICA will continue its strategy of linking financial and technical cooperation to support that contributes to sustainable development, a front stressed by the Government of Japan for its assistance in Guatemala.



Signing ceremony

Related Link

- [Project Map \(PDF/201KB\)](#)

Reference

1. Terms and Amounts of Loans

Project title	Amount (million yen)	Annual interest rate (%)		Repayment (years)	Grace Period (years)	Procurement
		Project	Consulting services			
ZONAPAZ Road Improvement Project (II)	9,939	1.4	0.01	25	7	General untied

2. Project Summaries

Executing Agency: Dirección General de Caminos (DGC), Ministerio de Comunicaciones, Infraestructura y Vivienda

Address: 7 avenida Salón No 7 Finca Nacional La Aurora Zona 13, Ciudad de Guatemala

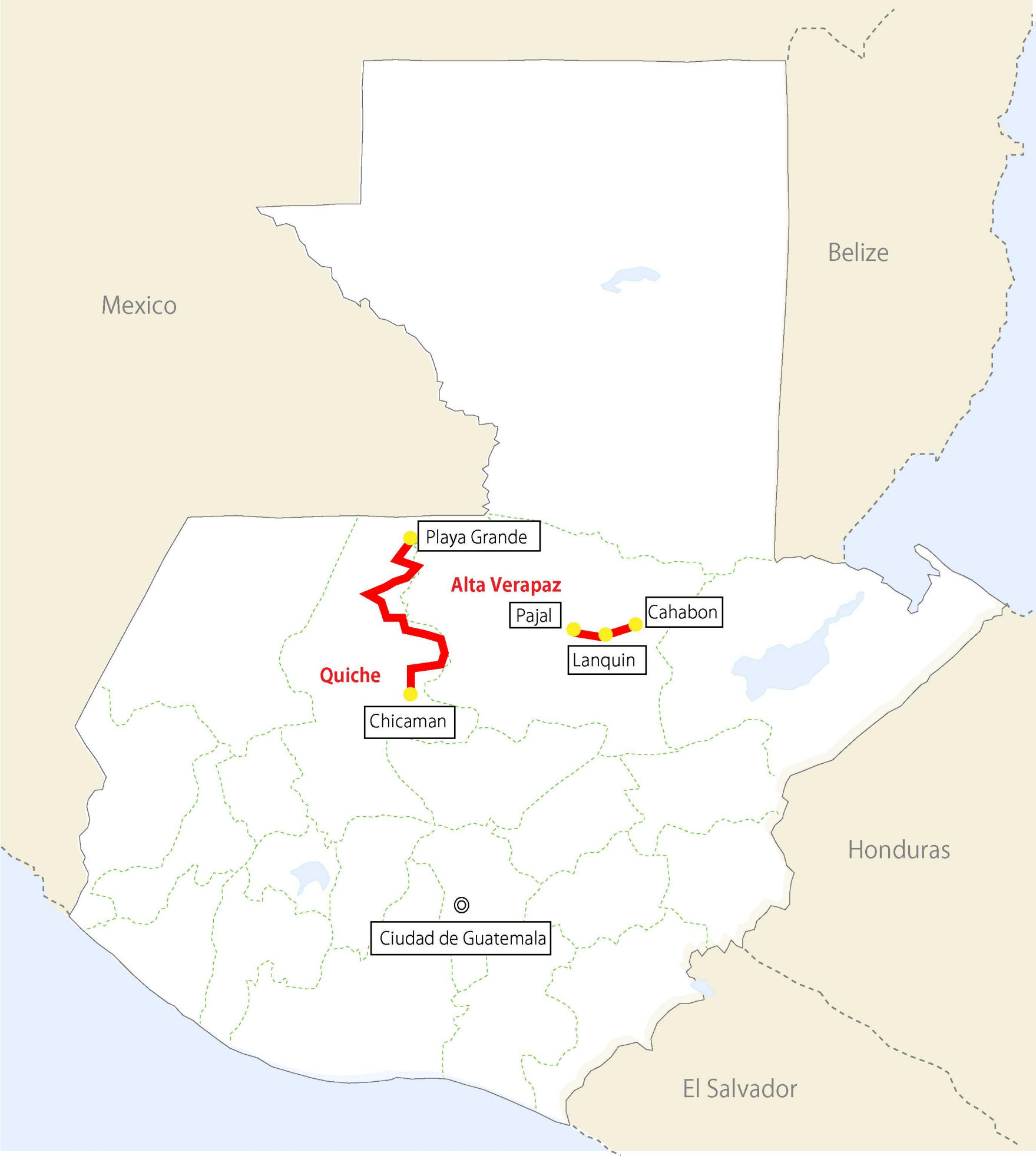
Phone: +502 (2) 472-1001

Planned Implementation Schedule

- (i) Completion of project: October 2017 – when the road sections are placed in service
- (ii) Issuing of letters of invitation for consulting services (including detailed design work): December 2012
- (iii) Tender announcement of initial procurement package for international competitive bidding on project construction: February 2014

Note

[1] Zonapaz is a region of northwest Guatemala that includes eight departments, including El Quiché and Alta Verapaz.



Mexico

Belize

Playa Grande

Alta Verapaz

Pajal

Cahabon

Lanquin

Quiche

Chicaman

Honduras

⊙
Ciudad de Guatemala

El Salvador