

First Stage of the National Rural Roads Program

PARAGUAY

SECTOR: Transportation

PROJECT TITLE: First Stage of the National Rural Roads Program
(744/OC-PR and 745/OC-PR)

TOTAL COST: \$45.5 million

FINANCING:

IDB	\$40.9 million
LOCAL	\$ 4.6 million

APPROVAL DATE: March 17, 1993

GENERAL DESCRIPTION: The primary objective of the program is to provide financing for a first stage of improvements to approximately 900 kilometers of the national rural road system, within the framework of the National Transportation Plan. The program's specific goals are as follows: (a) to raise the value added of agricultural output and enhance competitiveness by reducing transportation costs as conditions for transporting farm products to market are improved; (b) to give the population living in the service areas of the projects better access to agricultural extension, credit, marketing, health, and education services; (c) to promote the development of environmental policies and actions for the protection of indigenous communities; and (d) to assist in maintenance of the rural road network.

The program consists of the following components:
(a) upgrading and rehabilitation of about 900

kilometers of rural roads in eastern Paraguay, in the areas of Saltos de Guairá, Villarrica, San Pedro, Concepción, and Itapúa; (b) procurement of equipment and machinery for maintenance of the rural road system in the aforementioned areas; (c) implementation of measures to protect the environment and indigenous communities located in the program area; (d) institutional strengthening of the Dirección de Caminos Vecinales [Rural Roads Directorate], the Environmental Unit of the Ministry of Public Works and Communications, and the Interagency Committee; and (e) preparation of technical and environmental studies for a second stage of the program. Under the program, 45 rural roads with a total length of about 500 kilometers will be rehabilitated, 600 kilometers of secondary or access roads will be upgraded, and at least 6,000 kilometers of the basic rural road network will be maintained, to assist in the development of agricultural production zones.

CIVIL WORKS:

Construction companies will be hired, after a prequalification process, to upgrade and rehabilitate the 900 kilometers of rural roads included in the program. The works projects will be put out to public tender in packages of two or more roads in each area. Tendering of the works planned for Concepción and Itapúa is expected to start in the second half of 1993; calls for bids for projects in the other areas will begin in the second half of 1994.

GOODS AND EQUIPMENT:

Program funds will be used for procurement, including machinery and equipment for maintenance of the rural road system in each area. The tendering process will start in the first half of 1994.

CONSULTING SERVICES:

Consulting firms will be engaged to supervise the program works; draw up a rural roads manual; devise plans for the protection of indigenous communities and the environment for the areas of Saltos de Guairá, Villarrica and San Pedro; prepare final designs, including technical engineering designs for projects in Saltos de Guairá, Villarrica and San Pedro; and prepare socio-economic, technical, and environmental studies for a second stage of the program.

EXECUTING AGENCY:

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