520-0217

Loan No.	520-L-019	07-09-74	09-30-76	GUATEMALA	77-3

RURAL ELECTRIFICATION I

72	76	06-03-71		07-09-74
7,000,000		--		--

For list of all contracts issued under this project, see attached report prepared by the Instituto Nacional de Electrificación (INDE).

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January 28, 1977

Francis J. Kenefick
Capital Development Officer

Frederick W. Schieck
Acting Director, USAID/Guatemala

CELA, S.A.					X							X

Work performed under contract was completed on schedule. Thirty (30) major procurement contracts and 4 construction contracts were negotiated. Complete list is included in attached report by INDE. CELA, S.A., is firm which received largest contracts -- totalling $3,674,731.89, including one contract for $1,281,578.5 for building of 5 sub-stations, including designs, ocean and inland transportation, procurement, fabrication and erection of steel structures, and installation of electro-mechanic equipment.

c. PARTICIPANT TRAINING

N/A

					X							X

All contracted goods were received on schedule, with the exception of electro-mechanic equipment required to build one power-transforming sub-station to serve the San Marcos area. Because additional time was required to manufacture and deliver the equipment from the U.S., terminal disbursement date was postponed 10 months.

a. COOPERATING COUNTRY	a. [illegible]					X						X
	b. [illegible]				X							X

a. Much of the work was performed by personnel of the National Electrification Institute, INDE, since the highly specialized personnel required were not available through contracting firms. Thus, out of a total of 435 Kms. of 69 kw and 34.5 kw transmission line, INDE constructed 166 Kms.; INDE constructed 168 Kms. of 13.2 kw line and 9 Kms. of 7.6 kw line out of a total of 405 Kms. INDE has succeeded in demonstrating its capacity to manage projects of these dimensions effectively.

b. GOG contribution totalled $6,062,927.96 toward construction costs.

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							X			X		

Other donors have concentrated on power generation rather than rural distribution. A $15 million IBRD loan went for construction of the Jurún-Marinalá hydroelectric plant to provide power for the country's Central Zone. New developments include projected $105 million IDB and $65 million IBRD inputs to the Chixoy hydroelectric project, including power generation and transmission to the grid load center near Guatemala City.

			76		
Distribution networks installed in highland communities.	30	48	48		48
	20	34			
Kilometers of 69 kw and 34.5 kw transmission line constructed.	398	539.4			539.4
	434.1	479.4			
Sub-stations constructed.	5	12	12		12
	2	10			
Warehouses constructed.	2	2			2
	2	2			

Relief of power shortage in West by drawing on power from the Central Zone of the country.	Sixty-nine (69) kw transmission line Escuintla-Retalhuleu-Quezaltenango-Huehuetenango has been completed, providing power for Huehuetenango project area and South Coast.

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To provide ample and reliable power throughout four rural project areas in order to furnish power essential for:

a. The development of mechanized village industry;
b. The implementation of modern agricultural practices; and,
c. The augmentation of earnings and the standard of living in these heavily populated rural centers.

a. Electrification of 3 highland areas with a high concentration of Indian population: Huehuetenango/El Quiché; Baja Verapaz/Alta Verapaz; and San Marcos, benefitting about 225,000 villagers.	a. Thirty-four (34) independent networks have been installed in highland municipios with a total population of over 300,000.
b. In addition to illumination, power is to be applied to light industrial machinery, which may include corn meal mills, wood and metal working equipment, and artisanry equipment, thus providing opportunities for increasing earnings of the people.	b. New saw mills, clothing and shoe manufacturing plants, fertilizer plants are in evidence in the project area. End use will be explored further in an evaluation to be submitted in April/May 1977.

To support the Government of Guatemala's National Development Plan through the provision of electric power to some of the country's most impoverished areas.

Achievement of the project purpose has contributed significantly to the goal. Electric power availability has been extended to areas consisting of approximately 1/3 of the total land area of the country, where it has contributed to industrial and agricultural development.

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