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August 13, 2004

Closing Date: Tuesday, August 24, 2004

FROM: The Acting Corporate Secretary

**Paraguay: Reform Project for the Water and Telecommunications Sectors,
Argentina - SEGBA V Power Distribution Project**

**Progress Report on Implementation of the Management
Recommendations and Action Plan**

Corrigendum

Attached is a revised page 11 (Annex 1) of the report entitled "Paraguay: Reform Project for the Water and Telecommunications Sectors, Argentina - SEGBA V Power Distribution Project - Progress Report on Implementation of the Management Recommendations and Action Plan" (R2004-0172, dated August 10, 2004). This version corrects a typo in the loan amount in the last box on the page.

The final text in eboard that will be made publicly available following approval on August 24 will include the revised page.

Distribution:

Executive Directors and Alternates
President
Bank Group Senior Management
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Directors and Department Heads, Bank, IFC and MIGA

ANNEX 1. OVERVIEW OF WORLD BANK SUPPORT FOR YACYRETA

Argentina

Loan 1761-AR – Yacyretá Hydroelectric Project (1979), USD 210 million equivalent

To provide additional least-cost, base load hydroelectric energy; improve navigation; facilitate future irrigation projects in Argentina and Paraguay; and to augment the regional fishing industry.
Loan closed June 1988 and has been fully repaid.

Loan 2998-AR – Electric Power Sector Project (1988), USD 252 million (of which USD 250 million later allocated to support Yacyretá) To improve resource allocation within the sector; improve efficiency of power utilities; promote rational use of electricity through a tariff system based on economic costs; strengthen institutional structure of electric power sector; establish and enforce policies and procedures in respect of environmental protection and resettlement aspects in connection with electric power sector projects; implement portion of Argentina's sector investment program for the years 1988 – 1989.
Loan closed June 1991 and has been fully repaid.

Amended in 1990 to finance works and services included under the Yacyretá Project for the remainder of the Loan.

Loan 3520-AR – Second Yacyretá Hydroelectric Project (1992), USD 300 million

To put into operation the first six generating units of the Yacyretá power plant; ensure appropriate environmental protection and efficient handling of the social aspects related to the construction and operation of the Yacyretá power plant and motivate participation of private parties in EBY's capital or administration.
Loan closed December 2000 and as of June 30, 2004, had an outstanding balance of USD 149,779,524.

Amended in 1997 (with Loan 2854-AR) to provide support to resettlement and environmental actions in Plan A and Plan B.

Loan 2854-AR – SEGBA V Power Distribution Project (1988), USD 276 million (of which USD 135 million later allocated to support Yacyretá)
To support the 1988-1992 portion of the Borrower's expansion program.
Loan closed September 2002 and has been fully repaid.

Amended in 1994, 1997 and 2000 to support putting into operation first six generating units of the Yacyretá power plant; to provide support (with Loan 3520-AR) to actions in Plan A and Plan B; and to ensure appropriate environmental protection and the efficient handling of the social aspects related to the construction and operation of the Yacyretá power plant.

Paraguay

Loan 3842-PA – Reform Project for the Water and Telecommunications Sectors (formerly Asunción Sewerage Project) (1995), USD 46.5 million (of which USD 1.2 million allocated to infrastructure for Encarnación)

To improve the provision of urban water and sewerage services within Paraguay; improve the health conditions and the quality of life of about 250,000 inhabitants in the city of Asunción; and improve the living conditions of about 3,000 inhabitants in the city of Encarnación through the construction of infrastructure works.

Restructured in 2000 to support reform of water and telecom sectors. Loan closed December 2003 and as of June 30, 2004, had an outstanding balance of USD 13,569,934.