

Ex-ante Evaluation

1. Name of the Project

Country: The Republic of Iraq

Project: Samawah Roads and Bridges Construction Project

(Loan Agreement: January 25, 2008; Loan Amount: 3,348 million yen; Borrower: The Government of the Republic of Iraq)

2. Necessity and Relevance of JBIC's Assistance

In the aftermath of many years of economic sanctions and conflicts, which have left deep scars in its economy and society, Iraq has begun to move toward reconstruction with assistance from the international community after the war.

As is pointed out in Iraq's national development strategy of 2005–2007, which was launched in June 2005, for smooth implementation of reconstruction activities in Iraq, it is imperative to transport aid goods and equipment through the neighboring countries. This is why rehabilitation and expansion of the road network is given one of the highest priority. The national highway No. 1, linking the Kuwaiti border to Baghdad and then to Jordan is the main arterial road of the country's road transport network. However vehicles traveling this north-south route have to make a detour to the national highway No. 8, which runs through the center of Samawah city, Al Muthanna, since part of this trunk road remains under construction. As a result, vehicles traveling the north-south route added to ordinary city traffic cause chronic congestion in Samawah.

The traffic congestion is most serious in areas surrounding the Samawah Bridge in the city center, which is the only crossing point around Samawah of the Euphrates that dissects the northern and southern Iraq and constitutes part of the national highway No. 8. This is not only significantly affecting the daily lives of Samawah citizens but also posing a bottleneck to the progress of reconstruction projects. Therefore, there is a need to build bridges in Samawah in order to diversify the crossing points of the Euphrates and alleviate the traffic congestion in the neighboring area.

In the International Conference on Reconstruction in Iraq held in Madrid in October 2003, besides grand aid amounting to \$1.5 billion for urgent reconstruction of Iraq, the Government of Japan pledged a total of \$3.5 billion in yen loans to support medium-term reconstruction after 2005. Additionally, in JBIC's Medium-Term Strategy for Overseas Economic Cooperation Operations (April 2005), one of the sectors is the assistance it provides for efforts being made to solve global problems and build peace. Consequently, the support for Iraq, where social instability continues even after major conflicts have ceased, is consistent with JBIC's assistance policy.

JBIC's support for the project is therefore highly necessary and relevant.

3. Project Objectives

This project aims to ease traffic congestion and to accelerate regional development in the city of Samawah and its suburban area and to secure smooth national traffic stream, by constructing the bridge in the area of Samawah, Al Muthanna Governorate, thereby contributing to facilitate travel and commerce activities and economic and social reconstruction of Iraq..

4. Project Description

(1) Target Area

Samawah, Al Muthanna Governorate

(2) Project Outline

- (a) Construction of three bridges and an access road for each in Samawah
- (b) Consulting services

(3) Total Project Cost / Loan Amount

4,473 million yen (Yen Loan Amount: 3,348 million yen)

(4) Schedule

April 2008–October 2012 (55 months). The definition of project completion is “when the facilities are delivered.”

(5) Implementation Structure

- (a) Borrower: The Government of the Republic of Iraq
- (b) Executing Agency: Ministry of Construction and Housing (MOCH)
- (c) Operation and Maintenance System: Same as (b)

(6) Environmental and Social Consideration

(a) Environmental Effects / Land Acquisition and Resident Relocation

(i) Category: B

(ii) Reason for Categorization

This project is not likely to have significant adverse impact on the environment due to the fact that the project is not a large-scale one in the road sector, the project sector, and project characteristics are not likely to exert impact and the project is not located in a sensitive area under the “Japan Bank for International Cooperation Guidelines for Confirmation of Environmental and Social Consideration” (established in April 2002). Thus this project is classified as Category B.

(iii) Environmental Permit

Preparation of the Environmental Impact Assessment (EIA) report related to the project is not required under Iraq’s domestic laws.

(iv) Anti-Pollution Measures

This project will be implemented mainly on farmland and idle land, and not in residential areas. Thus it is assumed that there will be no significant adverse impact caused by air and noise pollution.

(v) Natural Environment

This project will be implemented on farmland and idle land, and so adverse effect on the natural environment is assumed to be minimal.

(vi) Social Environment

As part of the acquisition of about 10 ha, this project is moving the acquisition procedure in accordance with the procedure normally adopted in Iraq. Meanwhile, the transfer of citizens

will not be necessary.

(vii) Other / Monitoring

The executing agency will monitor the project's impact on the environment on the basis of an environment monitoring plan it will prepare with the support of the project's consulting services.

(b) Promotion of Poverty Reduction

None

(c) Promotion of Social Development (e.g. Gender Perspective, Measures for Infectious Diseases, Including AIDS, Participatory Development, Consideration for the Handicapped, etc.)

None

(7) Other Important Issues

The target area of this project is Samawah, Al Muthanna Governorate, the same area where Japan's Self-Defense Forces were deployed to undertake humanitarian and reconstruction assistance activities.

5. Outcome Targets

(1) Evaluation Indicators (Operation and Effect Indicator)

Indicator	Baseline (2004)	Target (2013, 1 year after completion)
Annual average daily traffic (vehicles/day)		
Samawah North Bridge	0	8,707
Hilal Bridge	937	1,762
Madhi Bridge	2,435	4,577

(2) Internal Rate of Return (Financial and Economic Internal Rate of Return)

In this project, since there will be no benefits, such as earnings from road and bridge tolls, from a single project, it will not be possible to calculate the financial internal rate of return (FIRR). Additionally, since there are no valid data available on the ripple effect of the project on the national economy, at this point it will not be possible to calculate the economic internal rate of return (EIRR).

6. External Risk Factors

Deterioration of law and order, etc.

7. Lessons Learned from Findings of Similar Projects Undertaken in the Past

In the ex-post evaluations of similar past projects, the lesson learned is that establishing an appropriate operation and maintenance system is indispensable for ensuring smooth operation and maintenance of facilities after they are launched. In this project, sufficient attention will continue to be paid to establish an operation and maintenance system by, among other things, including in the project training for the staff of the Ministry of Construction and Housing, the project's operation and maintenance agency.

8. Plans for Future Evaluation

(1) Indicators for Future Evaluation

Annual average daily traffic (vehicle/day)

(2) Timing of Next Evaluation

2 years after project completion