

Cumulative amount of ODA loans to Tunisia passed mark of 100,000million yen

Assistance for making the most of water resources

OECF (The Overseas Economic Cooperation Fund, Japan: President, Chairman of the Board, Mr. Akira Nishigaki) is providing the Republic of Tunisia with loans for the Barbara Irrigation Project, the Treated Sewage Irrigation Project, the Inundation Protection Project, and the Telecommunications Network Development Project (II), amounting to 1,913 million yen, 1,707 million yen, 3,130 million yen, and 9,139 million yen, respectively.

The loan agreements were signed today by Mr. Akira Nishigaki, OECF's President, Chairman of the Board, and H.E. Mr. Salah Hannachi, Ambassador Extraordinary and Plenipotentiary of the Republic of Tunisia. As a result, the cumulative total of ODA loan commitments to Tunisia stands at 108,618 million yen (18 commitments). These FY1997 loans comprise the second OECF loan package to Tunisia since ODA loans through OECF to that country became annual in FY1996.

1. Loan Amount and Conditions

Projects	Amount (Mil. Yen)	Interest Rate (%)	Repayment Period /Grace Period (years)	Tying Status
Barbara Irrigation Project	1,913	2.7 (0.75**)	25 (7) 40(10)**	General-Untied Partially-Untied
Treated Sewage Irrigation Project	1,707	2.7 (0.75**)	25 (7) 40(10)**	Partially-Untied
Inundation Protection Project	3,130	2.5* (0.75**)	25 (7)* 40(10)**	General-Untied
Telecommunications Network Development Project (II)	9,139	2.7	25 (7)	General-Untied
Total 4 loans	15,889	-	-	-

*Preferential Interest Rates for General Environmental Projects

**Preferential Interest Rates for Special Environmental Projects

(**) Preferential Interest Rates for Special Environmental Projects are applied to consulting services of the Projects which particularly require environmental consideration.

2. Project Description

Banking Sector Adjustment Program

(1) Barbara Irrigation Project

(1) Need for the project

The agricultural sector is an important sector in Tunisia, accounting for about 20% of GDP and one-third of the country's working population. In Jendouba, the site of this project, situated in the north-west of Tunisia, near the frontier with Algeria, the main products are cereals, beans, vegetables and fruits, and the agricultural sector is particularly important for the economy and employment structure of the area.

The average annual rainfall is relatively high in the area, but the difference in rainfall between the dry season and the rainy season is very great. Irrigation systems are urgently needed to make agricultural production possible in the dry season.

(2) Content of the project

This project aims to increase agricultural production and promote economic activity by irrigating Hamman Bourguiba (770ha) and Fernana (1,300ha) in Jendouba, using water from the Barbara Dam on the Barbara River, which is currently being constructed and nearing completion. The Project details are:

1. Construction of irrigation systems

- [1] 3 reservoirs (volume: about 5,000m³)
- [2] 1 regulating pond (volume: about 50m³)
- [3] 3 pumping stations
- [4] water pipes (about 2.1km)
- [5] irrigation network(about 88km)

2. Consulting services (detailed study review, detailed design, supervision, etc.).

(3) Project effects

It is expected that stable agricultural production of cereals, vegetables, fruits, and dairy products, etc., will be attained, and that employment will increase in the project areas.

The proceeds of the loan are to be used for equipment and materials, engineering works, and consulting services for the project.

The Executing Agency is the Ministere de l'Agriculture (address/30 rue Alain Savary 1002 Tunis, Republic of Tunisia, phone/216-1-68 17 31, fax/216-1-78 86 31).

(2) Treated Sewage Irrigation Project

(1) Need for the project

The agricultural sector plays a very important role in the Tunisian economy. However, many areas still have to depend on rainfall. These areas, often hit by drought, need more irrigation systems in order to stabilize and expand agricultural production. At the same time, both surface and groundwater resources are limited, and an inadequate supply of water for agricultural use is a particularly serious problem in the dry season.

In this situation, treated sewage water, as a constant source of water, is essential in all seasons.

The Government of the Republic of Tunisia considers irrigation projects using treated sewage water as high-priority projects, and such projects have already added about six thousand hectares of irrigated land using treated sewage water.

This project, using treated sewage water from existing and newly constructed treatment plants, will provide urgently needed irrigation infrastructure under the national irrigation program in various parts of the country.

(2)Content of the project

This project aims to establish irrigation infrastructure, using treated sewage water from 12 treatment plants (7 existing plants and 5 newly constructed plants) in ten areas in Tunisia and to investigate the possibility of the artificial replenishing of groundwater using treated sewage water in 2 coastal areas. The project details are :

- [1] 10 stock reservoir facilities for treated sewage water
- [2] 13 pumping stations
- [3] 12 control stock reservoirs
- [4] Pipelines (irrigation and drainage channels) (around 187km)
- [5] Irrigated land (around 1,857ha)
- [6] Consulting Services (includes preparation of detailed design, assistance for tender documents, implementation of EIA (Environmental Impact Assessment)).

(3) Project effects

This project is expected to improve the stability and to expand agricultural production and increase employment opportunities.

The proceeds of the loan are to be used for equipment and materials, engineering works for the project.

The Executing Agency is Direction General du Genie Rural (DGGR: address/ 30 rue Alain Savary 1002 Tunis, Republic of Tunisia, phone/ 216-1-891118, fax/ 216-1-288071).

*Agricultural production using treated sewage water is prohibited for vegetable production, being limited to grain-crop, pasture and fruit-growing use only. Reports on the quality of treated sewage water are required to be submitted regularly to DGGR.

(3) Inundation Protection Project

(1) Need for the project

In the current 9th Five-Year Plan, implementation of which began in 1997, the Government of the Republic of Tunisia aims at reinforcing the country's international competitiveness and development that is well-balanced as between urban and rural areas. It is urgently needed to provide the economic infrastructure necessary in order to attract private investment and promote economic development of the rural areas.

The greater part of Tunisia is semi-arid land which suffers severe damage by flooding in the short periods of very heavy rainfall. Urgently needed flood damage-prevention measures for the area around Tunis, which is urbanizing rapidly, are given high-priority in the current 9th Five-Year Plan in order to promote private investment there.

In addition, around the city of Kairouan, in central Tunisia, which is a transportation hub for the region, flood damage-prevention and the development of the cities have also been given high-priority in the current 9th Five-Year Plan to promote the economic and social development of the region and the city.

(1) Content of the project

This project aims to improve the environment of areas which have seen remarkable development in recent years and to promote economic development, by implementing effective protection against flooding in areas at risk.

[1] Ariana Area

Rehabilitation of existing channels and provision of reservoirs and drainage channels to prevent flooding, with a target return period of 20 years, along the Enkhit River in the city of Ariana, north of Tunis

[2] Kairouan Area

The flood-prevention project for the Merguellil River and the Zeroud River, which flow into the Kairouan Plain that surrounds the city of Kairouan in central Tunisia, is as follows:

(1) Merguellil River: Flood-prevention measures, with a target return period of 20 years (includes construction of transfer channels and dikes).

(2) Zeroud River: Flood-prevention measures, with a target return period of 100 years (includes civil works for channel and construction of bridges).

[3] Consulting Services

(Review of detailed design, assistance for tender evaluation, and supervision of implementation plan)

(3) Project effects

It is expected that this project will promote sound urbanization and economic and social development, and at the same time, reduce flood damage and improve the environment of the areas concerned. In particular, in Kairouan, the project will make it possible for 28,000 ha of land that has not been utilized in the past because of flooding to be used effectively for agricultural purposes. The proceeds of the loan are to be used for equipment and materials, engineering works, and consulting services for the project.

The feasibility study for the flood damage-prevention project in Ariana Area was carried out by JICA in fiscal year 1994.

The Executing Agency is the Ministere de l'Equipement et de l'Habitat (address/Cite Jardins, 1001 Tunis, Republic of Tunisia, phone/216-1-891483, fax/216-1-791549).

(4) Telecommunications Network Development Project (II)

(1) Need for the project

As of 1996, the number of telephone lines in Tunisia was 600 thousand, or 6.5 telephones per 100 persons, and the number of those waiting to be connected was about 90 thousand. The number of telephones per 100 of population is relatively high for African countries, but, as the large number of those waiting shows, the infrastructure needed to respond to the increasing demand for telecommunications in Tunisia does not yet exist, and quantitative increase in electric telecommunication services is urgently needed. Upgrading of infrastructure necessary for upgrading and diversifying of telecommunication services, a key element for a country's economic development, is greatly needed to attract foreign private investment in a Mediterranean economic zone which is unifying, and implementation of this project is, consequently, greatly needed.

An OECF yen loan was provided for Tunisia's telecommunication sector in 1993 (Interurban Telecommunication Transmission Network Expansion Project).

(2) Content of the project

This project aims to create the environment needed for public investment and promote economic development of the country by upgrading the existing telecommunication infrastructure and to ensure smooth and reliable telephone traffic. The details of the Project are:

1. National network

[1] Construction of new 23 stations

[2] Expansion of existing 15 stations

[3] Optical Fiber Cable (914km)

2. Regional network (17 Districts, 71 links)

[1] Optical Fiber Cable : 41 links 491km

[2] Microwave : 30 links 34 sets

(3) Project effects

Reliability of telephone lines in Tunisia will be improved, and introduction of new services (mobile phones, exclusive lines for corporate customers, multimedia digital networks, etc.) is also expected. These improvements will contribute to efficient and active economic activity in Tunisia.

The proceeds of the loan are to be used for equipment and materials, engineering works for the project.

The Executing Agency is the Office National des Telecommunications (Tunisie Telecom) (address/ Rue Asdrubal, 1002 Tunis, Republic of Tunisia, phone/ 216-1-80 17 17, fax/ 216-1-80 07 77).

OECF ODA Loan Commitments to Tunisia

Project Name	Date	Amount (million yen)
Maritime Transportation Reinforcement Project	1977.12.26	4,000
Central Cement Factory Project	1979. 7. 5	8,610
Telecommunication Expansion Project	1982. 6.24	4,100
Rades Thermal Power Station Project	1982. 9.28	6,840
Commodity Loan	1988. 3.22	7,000
Structural Adjustment Loan	1989. 7.25	10,000

Interurban Telecommunication Transmission Network Expansion Project	1993. 7. 7	8,718
Water Supply and Sewage System Improvement Project in South Tunisia	1995. 3.31	7,577
Water Pipeline Construction and Irrigation Project in North Tunisia	1996. 2.26	14,130
Agricultural Sector Investment Project	1996. 2.26	4,421
Sewage System Development Project in Four Cities	1996.12.13	6,389
Irrigation Perimeters Improvement Project in Oasis in South Tunisia	1996.12.13	8,106
Goubellat Irrigation Perimeters Construction Project	1996.12.13	2,637
Engineering Services for Ziatine Dam Construction Project	1996.12.13	201
Barbara Irrigation Project	1998.3.30	1,913
Treated Sewage Irrigation Project	1998.3.30	1,707
Inundation Protection Project	1998.3.30	3,130
Telecommunications Network Development Project (II)	1998.3.30	9,139
Total amount (18 commitments)		108,618