

First Assistance for the Kingdom of Morocco since OECF loans to Morocco became annual

OECF (The Overseas Economic Cooperation Fund, Japan: President, Chairman of the Board, Mr. Akira Nishigaki) is providing the Kingdom of Morocco with a loan for the Water Supply Improvement Project (II) amounting to 9,000 million yen, and a loan for the Expressway Construction Project amounting to 9,568 million yen. The loan agreements were signed by Mr. Akira Nishigaki, OECF's President, Chairman of the Board, and Mr. Abderrafii Abid Lahlou, Director for Finance Affairs, Office National de l'Eau Potable (ONEP) and Mr. Ahmed Tahour, Secretary General, Societe Nationale des Autoroutes du Maroc, on December 22.

These are the first OECF loans to that country since OECF Yen loans to the Kingdom of Morocco became annual in 1996. The cumulative total for OECF loan commitments to Morocco now stands at 98,905 million yen(12 commitments).

1. Loan Amount and Conditions

Project	Amount (Mil. Yen)	Interest Rate (%)	Repayment Period /Grace Period (years)	Tying Status
Water Supply Improvement Project (II)	9,000	2.5 2.1*	30/10	General-Untied
Expressway Construction Project	9,568	2.7 (2.3)	30/10	General-Untied
Total	18,568			

* Preferential Interest Rates on General Environmental Projects.

2. PROJECT DESCRIPTION

Water Supply Improvement Project (II)

(1) Need for the project

In Oujda, situated in the eastern part of the Kingdom of Morocco, and its environs, Taurirt and El Aioun, the only water resources are subterranean water, and the lowering of the subterranean water level caused by excessive extraction of water is creating problems. In addition, with the growth of population and the increased use of water as a result of the improvement of water supply systems, the demand for water in each of the three cities continues to grow, with the result that new sources of water urgently need to be developed.

In Safi, in the western part of the country, with the growth of population and rising percentages of households served by water supply systems, the demand for water continues to grow, and improvement of water supply capacity is urgently needed.

(2) Content of the project

This project aims to assure adequate water supply in Oudjda, where shortage of water is severe, by constructing new water supply systems (intakes, distribution pipes, treatment stations, civil works and purchase of equipment of pumping stations, etc.) taking water from rivers, using river water resources rather than subterranean water as hitherto. In addition, in Safi, where shortage of water is also severe, the existing water supply systems are to be expanded (expansion of treatment stations, rehabilitation of pumping stations, etc.) under this project to reinforce water supply capacity to the meet need for water, which is expected to increase.

An OECF yen loan was provided for rehabilitation and expansion of water supply systems throughout the country in 1995 (Water System Improvement Project; MR-P6).

(3) Project effects

It is expected that stable water supply will be attained in the project areas, and that subterranean water resources will be conserved in Oudjda. In addition, women's burden drawing water will be reduced, and the living environment of the area's habitants will be improved.

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

The Executing Agency is the Office National de l'Eau Potable (ONEP: address/6 bis, rue Patrice Lumumba, Rabat, Kingdom of Morocco, phone/212-7-76 12 85, fax/212-7-76 72 46).

[back to project list](#)

Expressway Construction Project

(1) Need for the project

The Government of Morocco has concluded a partnership agreement with the EU (European Union), and is striving to lay the economic infrastructure foundation needed to promote private-sector investment in order to make industry producing goods for export to Europe a driving force for development. The roads sector is essential in the transport sector in the country (accounting for 90% of kilometers). The number of motor vehicles in the country increased in the 10 years 1985-1995 by 7% per year, and an even higher rate of increase is expected in the future. Therefore, reinforcement of the transportation network is under way by the Ministry of Agriculture, Equipment and Environment to cope with the increased traffic. Especially, the Societe Nationale des Autoroutes du Maroc was established in 1989 to construct and operate expressways in the Kingdom of Morocco, and, based on a master plan for expressway construction announced in 1995, a plan is being implemented to connect the principal cities of the country to the European expressway network by an expressway over the Straits of Gibraltar by constructing a north-south road connecting the Morocco's regions and Europe, and an west-east road, which will be part of the expressway across the Maghreb (Western North Africa).

The expressway between Casablanca and Settat (56km), where this project located, will be part of the above-mentioned north-south route, and as Casablanca International Airport, the country's largest, and an export-processing zone are situated on it, traffic (22,5000 cars per day, as of 1995) will become heavier and heavier, and implementation of this project is, consequently, greatly needed.

(2) Content of the project

This project is to construct expressways to cope with the growing traffic expected in the future. The details are:

1. Upgrading of existing roads to expressway standard
2. Widening and upgrading of existing roads to expressway standard
3. Construction of new expressways
4. Construction of related facilities
5. Consulting services

(3) Project effects

Smoother transportation of goods and increased traffic capacity are expected. Reduction of traffic accidents and reduced traffic congestion as a result of improved safety are also expected.

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

The Executing Agency is the Societe Nationale des Autoroutes du Maroc (ADM: address/ Hay Ryad B.P.6526, Rabat, Kingdom of Morocco, phone/ 212-7-71 10 56, fax/ 212-7-71 10 59).

[back to project list](#)

OECD Yen Loan Commitments to Morocco

Project Name	Date	Amount (million yen)
Railways Transportation Reinforcement Project	April 27, '76	3,000
Railways Transportation Reinforcement Project (II)	Sep. 21, '81	3,618
Sulphuric Acid Complex Construction Project	Mar. 22, '83	12,000
Railways Transportation Reinforcement Project (III)	Aug. 24, '83	4,682
Structural Adjustment Loan	Mar. 27, '90	13,000
National Agricultural Credit Project	Sep. 28, '93	13,319
Water Supply Improvement Project	Mar. 31, '95	6,099
Road Improvement Project	Mar. 31, '95	7,741
Repowering of Kenitra Power Plant Project	Dec. 5, '95	3,330
The Abda-Doukkala Upper Scheme Irrigation Project	Jun. 28, '96	13,548
Water Supply Improvement Project	Dec. 22, '97	9,000
Expressway Construction Project	Dec. 22, '97	9,568
Total amount		98,905