

Improving Sanitary Conditions for the Irrigated Area Near Metropolitan Mexico -Clean Water for Agricultural Use-

OECF (President, Chairman of the Board, Akira Nishigaki) is providing Mexico with a Loan for the Metropolitan Mexico Sanitation Project amounting to 45,112 million yen. The Loan Agreement was signed today, in the presence of H.E. Mr. Ernesto Zedillo Ponce de Leon, President of Mexico, by H.E. Mr. Guillermo Ortiz, Minister of Finance of Mexico, and Mr. Akira Nishigaki, OECF's President, Chairman of the Board.

As a result, the cumulative total for OECF loan commitments to Mexico now stands at ¥ 183,293 million in 8 commitments.

The amount and conditions of the Loan are as follows.

1. Loan Amount and Conditions

Project	Amount (Million Yen)	Interest Rate (%/ p.a.)	Repayment Period/ (Grace Period) (years)	Tying Status
Metropolitan Mexico Sanitation Project	45,112	4.0 (2.3)*	25/7	General Untied

* Consulting services

2. Project Description

Metropolitan Mexico Sanitation Project

(1) Need for the Project

It is expected that the population of Metropolitan Mexico City, 16.70 million in 1993, will be 21.35 million in the year 2000. In the Metropolitan area, the percentage of the sewage water collected into the sewerage network is relatively high. However, this water is mostly discharged without any treatment. The sewage water discharged in the Metropolitan area, located in a valley more than 2,000m above sea level, goes through the mountains in 3 drainage pipes to an agricultural area in Hidalgo State, north of Mexico City. In this agricultural area, the sewage is used as a source of water for irrigation. The water reaching the area is very dirty and gives off unpleasant odors. The health of the local people has, moreover, been affected by the present sanitary conditions, such as by outbreaks of parasites and epidemics.

The Federal Government enacted the National Water Law in December, 1992, stipulating that all sewage discharged into public water bodies shall be treated within 6 years, starting with the larger cities.

It is urgently necessary to construct sewage treatment plants to treat sewage discharged from Metropolitan Mexico.

(2) Purpose of the Project

The objective of this project is to improve sanitary conditions in the agricultural area located downstream of Metropolitan Mexico, where the sewage water is used as a source of water for an irrigation.

Currently, raw sewage is used as a source of water for agriculture in this area. As a result, the parasite infection rate is about ten times higher than the average rate for the country as a whole. This project will contribute to improving the situation and attaining the irrigation water quality recommended by the WHO.

(3) Content of the Project

The whole project, which is jointly financed by the OECF and the IDB (total project cost 1,035 million US\$), comprises 4 components:

- 1) Rehabilitation of Sewerage System
- 2) Construction of Sewage Treatment Plant
- 3) Improvement in Sanitary Conditions in the Irrigated Area
- 4) Institutional Reform.

The following 4 sewage treatment plants will be constructed in the Metropolitan Mexico with OECF financial assistance:

Location	Capacity
Texcoco	44.0 m ³ /sec.
Coyotepec	15.0 m ³ /sec.
El Salto	15.0 m ³ /sec.
Nextlalpan	0.5 m ³ /sec.

It is expected that sanitary conditions will be significantly improved in the agricultural area, where raw sewage is currently used as a source of water for irrigation, thanks to the new sewage treatment plants.

The loan is for civil works, procurement of materials and equipment, and consulting services.

The Executing Agency is the BANCO NACIONAL DE OBRAS Y SERVICIOS PUBLICOS (BANOBRAS) (address : Col. Florida C.P. 01030, Mexico D.F., Mexico, TEL 525-723-6265, FAX 525-723-6235).