

ODA loans provided for expressway in Morocco -Increasing the electrification rate in rural areas-

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OECF (The Overseas Economic Cooperation Fund, Japan: President, Chairman of the Board, Mr. Kyosuke SHINOZAWA) is providing the Kingdom of Morocco with loans for the Casablanca South Ring Road Construction Project and the Rural Electrification Project amounting in total to 13,073 million yen. The loan agreements were signed today by Mr. Kyosuke SHINOZAWA, OECF's President, Chairman of the Board, and H.E. Mr. Bouamor TAGHOUAN, Minister of Equipment of the Kingdom of Morocco, for the Casablanca South Ring Road Construction Project, and Mr. Ahmed NAKKOUCH, Vice-Director General in charge of finance and industry in the Office National de l'Electricit- for the Rural Electrification Project. As a result, the cumulative total of OECF loan commitments to Morocco stands at 111,978 million yen (14 commitments). These FY1997 loans comprise the second OECF loan package to Morocco since ODA loans to that country became annual in FY1996.

1. Loan Amount and Conditions

Project	Amount (Mil. yen)	Interest Rate (%/year)	Repayment Period/ Grace Period (years)	Tying Status
Casablanca South Ring Road Project	7,046	2.2 (0.75**)	30/10 40/10**	General-Untied Partially-Untied
Rural Electrification Project	6,027	2.2	30/10	General-Untied
Total 2 loans	13,073	-	-	-

() Consulting Service

**Preferential Interest Rates for Special Environmental Projects.

2. Project Description

Casablanca South Ring Road Project

(1) Need for the project

The Government of Morocco is creating the economic infrastructure needed to promote the development of export industries by accelerating private investment. In the roads sector, the Expressway Network Program (total target length for north-south and west-east expressways in Morocco:1,500km), based on a master plan for expressways announced in 1995, is being implemented, with 300km of expressway already opened. The OECF provided a loan for the Expressway Construction Project (Casablanca-Settat section), part of the north-south road, in FY 1996.

The city of Casablanca, the largest city in Morocco (population: about 3 million), the project area, is already connected to Rabat, the capital of Morocco, by expressway. Recently, however, there is serious traffic congestion near the expressway during the day because of the large volume of traffic flowing into and passing through the city. Casablanca will be a key point in the expressway network, with the expressway from the North, the Casablanca-Marrakesh expressway and the Casablanca-Jorf Lasfar expressway eventually meeting there. In addition, it is estimated that traffic volume will increase at an annual rate of about 4.9%. This project is, therefore, urgently needed.

(2) Content of the project

This project aims to construct expressway in response to the growing traffic on the existing national roads, to improve road safety, and to accelerate the flow of goods. The Project details are:

[1] Construction of new expressway

(East Casablanca Junction?West Casablanca Interchange 35km, a 70m-wide dual carriageway, including divider and verge)

[2] Related Facilities

- 5 interchanges
- 1 tollgate

(3) Project effects

Reduced traffic congestion on the existing roads, smoother flow of goods, increased transportation of goods and reduction of traffic accidents, as a result of improved safety in the project area, are expected.

The proceeds of the loan are to be used for equipment and materials, engineering works, and consulting services (detail design, supervision, etc.) 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).

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Rural Electrification Project

(1) Need for the project

45% of Morocco's households have electricity. However, in the rural areas, where about half of the total population of 27 million live, the electrification rate is only about 10%, whereas the rate in urban areas is about 90%. To correct this gap, the Moroccan Government instituted the Global Rural Electrification Program (PERG) in 1996, and is striving to attain a rural electrification rate of 90% (about 150 million houses) by 2010, with an investment of 15,000 million Dirhams (DH)*.

*1US\$=8.716DH (as of 1996)

(2)Content of the project

This project comprises the first part of the Second Phase (1998-99) of PERG, and is to electrify about 88,000 households in 17 provinces (10 provinces in the northern part of the country, 6 provinces in the Tensift region, 1 province in the Sous region). The details are:

[1] Distribution Systems:

600 villages and cities in 3 regions and 17 provinces (88,000 households)

·Low-Voltage Distribution lines 2,330km (220/380V)

·Medium-Voltage Distribution lines 1,075km (22kV)

·Transformers 560 units

[2] Electricity Meters : 88,000 units

(3) Project effects

Improvement of the rural living environment as a result of rural electrification and correction of gaps between regions by laying the foundation for industrial development are expected.

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

The Borrower and the Executing Agency is the Office National de l'Electricite(ONE: Address: 65, rue Othman Ben Affan, 21000 Casablanca, Kingdom of Morocco, Phone: 212-2-75 45 01, Fax: 212-2-75 45 07).

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ODA Loan Commitments to Morocco

Project Name	Date	Amount (million yen)
Railways Transportation Reinforcement Project	Apr 27,1976	3,000
Railways Transportation Reinforcement Project (II)	September 21,1981	3,618
Sulphuric Acid Complex Construction Project	March 22,1983	12,000
Railways Transportation Reinforcement Project (III)	August 24,1983	4,682
Structural Adjustment Loan	March 27,1990	13,000
National Agricultural Credit Project	September 28,1993	13,319
Water Supply Improvement Project	March 31,1995	6,099
Road Improvement Project	March 31,1995	7,741
Repowering of Kenitra Power Plant Project	December 5,1995	3,330
The Abda-Doukkala Upper Scheme Irrigation Project	June 28,1996	13,548
Water Supply Improvement Project	December 22,1997	9,000
Expressway Construction Project	December 22,1997	9,568
Casablanca South Ring Road Construction Project	June 5, 1998	7,046
Rural Electrification Project	June 5, 1998	6,027
Total amount		111,978