

## **JBIC Signs an ODA Loan Agreement with the Tunisian Government --For Greater Access to Safe Water in Rural Areas--**

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1. Japan Bank for International Cooperation (JBIC; Governor: Kyosuke Shinozawa) signed today an ODA loan agreement totaling 4,495 million yen with the Government of the Republic of Tunisia for the Rural Water Supply Project (II) at its head office. This loan follows up the previous loan that provided 3,352 million yen for the Rural Water Supply Project based on a loan agreement signed in March 2000.
2. The loan will finance the construction and rehabilitation of water supply facilities, procurement of the necessary equipment and materials, including pumps and water pipes, and consulting services for about 100 poorest counties (délégations) across the Country based on the 10th Rural Water Supply Plan drawn up by the Government.
3. In Tunisia, which is located in the semi-arid region, efficient development and utilization of limited water resources is one of the important national issues. However, access to water remains 81 percent (in 2001) in rural areas. In particular, in the mountainous northern region, there are where water supply facilities are yet to be put in place. Aging water supply facilities built in the past and growing demand for water have also made it indispensable to replace the existing pipes with more break-resistant pipes and to install meters.
4. The Ministerial Declaration in the 3rd World Water Forum set forth that prioritizing water issues is an urgent global requirement. Achieving a U.N. Millennium Development Goal (MDG) of halving the population without access to safe water by 2015 calls for a vast amount of investment on water supply and sanitation facilities. Developing water supply facilities in rural areas with financing from this ODA loan is accord with fortified global effort to resolve water issues.
5. Tunisia has made a significant contribution to efforts to bring peace to the Middle East as a moderate force among the Arab and Muslim countries. In addition, its geographical location is important for the stability of the Middle East and North Africa. Therefore, financial assistance with this ODA loan is expected to contribute to the overall stability of these regions.

(See Appendix for details.)

## 1. Loan Amount and Conditions

Project Name	Amount (Mil. Yen)	Interest Rate (% per annum)	Repayment Period /Grace Period (Year)	Procurement
Rural Water Supply Project (II)	4,495	1.8	20/6	General Untied

## 2. Outline of the Project

Rural Water Supply Project (II)

### (1) Background and Necessity of the Project

In response to the release of the 10th five-year Social and Economic Development Plan (2002-06) by the Government of Tunisia in July 2002, the Ministry of Agriculture, Environment and Hydraulic Resources drew up the 10th Agricultural Development Plan. It set forth the development of basic infrastructure in rural areas to promote rural development and improve living conditions. Given this framework, a separate 10th Rural Water Supply Plan was developed, setting the goal of increasing access to safe water in the country from 81 to 90 percent by developing 516 small-scale water supply facilities that cover about 220 thousand people over the 5-year period from 2002 to 2006. In particular, the challenge is to meet the needs of those who aspire adequate supply of safe water primarily in the areas where development is lagging or where there is prevailing poverty by constructing new water supply facilities and rehabilitating the existing facilities.

Under this project, target counties (délégations) are selected by compiling poverty indicators including the Headcount Index for each county (délégation). Thus, as the project will target counties (délégations) with highest poverty measurements, it will contribute to poverty reduction in rural areas, improvement in living conditions for rural communities and closing social disparities between urban and rural areas.

### (2) Purpose and Description of the Project

The purpose of this project is to increase access to safe water in 100 poorest counties (délégations) across the Country over the 2004-06 period by constructing and rehabilitating water supply facilities, procuring the necessary equipment and materials, including pumps and water pipes, and conducting operation and maintenance with local community participation, based on the 10th Rural Water Supply Plan drawn up by the Government.

The executing agency is Ministère de l'Agriculture, de l'Environnement et des Ressources Hydrauliques, Direction Générale du Génie Rural et de l'Exploitation des Eaux (DG/GREE), (Address: 30, Avenue Alain SAVARY - 1002 Le Belvédère Tunis, Tunisia, TEL: 216-71-781-756, FAX: 216-71-288-071)