

## **JBIC Signs ODA Loan Agreement with Republic of Tunisia --In Support of the Country's Largest Water Resource Utilization Plan--**

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1. Japan Bank for International Cooperation (JBIC; Governor: Kyosuke Shinozawa) signed today at its head office an ODA loan agreement in the amount of 8.026 billion yen with the Government of the Republic of Tunisia for the Water Pipeline Construction Project in Northern Tunisia.
2. This loan will finance the laying of conduits and the expansion of pumping facilities and consulting services for the water pipeline (90 km) located in the northern part of Tunisia, with the aim of providing high-quality drinking, industrial and irrigation water to the Greater Tunis area, which holds the country's capital Tunis, and the surrounding region. The project is expected to increase the number of people having access to water from 4.4million (2002) to 5.6million (2010).
3. With half of its land (one-fifth of Japan) a dry climate, Tunisia has sparse rainfall that averages only 200 mm annually. This is one-tenth the average annual rainfall in Japan, and one-fifth the world average. In some years, extremely low precipitation causes water shortages. In addition, the volume of surface water available for human use is unevenly distributed geographically, with nearly 80% of the country's surface water being concentrated in the northern region. Since the northern region is facing an increasing demand for drinking water as a result of high population growth (annual average growth of 3.1% in 26 years from 1975 in Greater Tunis) and a shortage of irrigation water during the dry season, it is crucial for the development of Tunisia as a whole to develop water resources in this region and bring water to the users in an efficient manner.
4. The declaration adopted by the 3rd World Water Forum held in Kyoto in March 2003 made an appeal that in the Middle East and Mediterranean regions, priority should be given to water-related projects in development plans in view of the fact that dwindling water resources have posed a critical threat to living conditions of populations, the environment and economic growth. At the same time, the U.N. Millennium Development Goals set the target of halving the proportion of people without access to safe drinking water by 2015. The Project is thus in line with the international move to strengthen efforts to address water-related issues.

(See Reference for details.)

## 1. Loan Amount / Terms and Conditions

Project Name	Amount (Mil. Yen)	Interest Rate (% per annum)	Repayment Period/Grace Period (Year)	Procurement
Water Pipeline Construction Project in Northern Tunisia	8,026	1.5	25/7	General Untied

## 2. Outline of the Project

Water Pipeline Construction Project in Northern Tunisia

### (1) Background and necessity of the project

Since the 1970s, the Government of Tunisia has recognized the need to have a comprehensive water resources development plan. It drew up the Northern Tunisia Water Resources Development Master Plan, and has been working to secure drinking water, industrial water, irrigation water, and other water resources by gradually constructing dams and laying water pipelines. Further, the 10th five-year Social and Economic Development Plan (2002-06) that was released in July 2002 calls for the effective development and utilization of water resources by this project.

Currently, development of water resources throughout the country has reached 80% of development capacity. The capacity of water resources in northern Tunisia currently exceeds the demand. However, due to the inadequate capacity of water pipelines, the water resources that have been developed cannot be sufficiently transferred or otherwise supplied to areas that need water, including the Greater Tunis area and the surrounding region (Cap Bon, the Sahel districts, and the Greater Sfax area).

The water supply capacity between Sejnane-Joumine-Medjerdah, which is a part of the project target area, will improve with the estimated 2004 year-end completion of a secondary water pipeline project that is being implemented with an ODA loan (Water Pipeline and Irrigation Project in Northern Tunisia, L/A: February 1996, loan amount: 14.13 million yen). However, the water supply capacity in drought years cannot meet the demand, and it is expected that shortages will result. (With only the secondary pipeline construction, shortages are expected to reach 25 million m<sup>3</sup>/ year in 2005, and 63 million m<sup>3</sup>/ year in 2010.) Accordingly, a water supply capacity that meets the demand should be secured, resulting in the need to respond to the demand by constructing a tertiary pipeline that will add a maximum water supply capacity of approximately 120 million m<sup>3</sup>/ year.

### (2) Purpose and description of the project

In the project, the laying of conduits, expansion of pumping facilities and consulting services for the water pipeline in Sidi El Barrak- Sejnane and Sejnane- Joumine- Medjerdah, located in the northern part of the country, will be implemented. The aim of the project is to provide high-quality drinking, industrial and irrigation water to the Greater Tunis area and the surrounding region. The project is part of the water resources development called for in the Northern Tunisia Water Resources Development Master Plan.

The executing agency is the Ministère de l'Agriculture, de l'Environnement et des Ressources Hydrauliques, Direction Générale des Barrages et des Grands Travaux Hydrauliques (DG/BGTH). Address: 30, Rue Alain SAVARY, 1002 Tunis, Tunisia, TEL: 216-71-892-518, FAX: 216-71-800-964.