

JBIC Signs Japanese ODA Loan Agreements with Tunisia **--Towards a Vibrant Africa! Supporting Efforts to Address Global Environmental Problems--**

1. Japan Bank for International Cooperation (JBIC; Governor: Koji Tanami) signed today Japanese ODA loan agreements totaling 9,936 million yen with the government of the Republic of Tunisia to finance the Greater Tunis Flood Control Project and the Integrated Reforestation Project (II).
2. The government of Tunisia has been focusing on addressing climate change issues and held the International Solidarity Conference on Climate Change Strategies for the African and Mediterranean Regions in November 2007 at Tunis with support from bilateral and multilateral institutions, including the United Nations Development Programme (UNDP) and the African Development Bank (AfDB). In this conference, the government of Tunisia took the leadership to incorporate climate change adaptation into development strategies of the participating African countries and to integrate the necessary adaptation measures that reduce their vulnerability to climate change into their sector development strategies. The government also placed priority on improving the urban environment, increasing forest space, and controlling coastal erosion in the Five-Year Economic and Social Development Plan (2007-2011) as their efforts to address global environmental issues, including climate change adaptation.
3. These Japanese ODA loans were provided to support their efforts to address global environmental issues by financing measures to mitigate flood damage in the capital city of Tunis and forest conservation activities. In addition to its international pledge made in 2005 to double Japanese ODA to Africa, the Government of Japan is currently considering increased assistance to the African region by looking towards the Tokyo International Conference on African Development (TICAD) scheduled for May. In line with this government policy, JBIC intends to give favorable consideration to the provision of Japanese ODA loans to Africa.
4. Highlights of the projects financed by the latest Japanese ODA loans are as follows:

(1) Assisting the Mitigation of Flood Damage in the Greater Tunis area
(Greater Tunis Flood Control Project)

In recent years, Tunisia has frequently experienced unprecedented-scale torrential rains, which may be considered an effect of climate change. In 2003 and 2007, particularly large floods broke out, causing widespread inundation and paralyzing the function of Tunis as the country's capital. The Project is aimed at addressing the urgent challenge of improving flood control facilities in the country's center of economic, social and administrative activities where urbanization and population increase is projected to proceed in the years to come.

(2) Assisting Environmental Conservation through Reforestation and Measures to Fight Forest Fire
(Integrated Reforestation Project (II))

The northern and central Tunisia facing the Mediterranean has a relatively mild climate and is suitable for afforestation and forest conservation. However, the region's climate has become progressively dry in recent years, which may be considered an effect of climate change. As a result, large-scale forest fires have broken out in Greece and other Mediterranean countries, with Tunisia experiencing an increasing number of forest fires as well. The Project is aimed at increasing the capacity of forests to retain water and soil through forest management, including reforestation to expand forestland and thinning trees in this region, while preventing and alleviating the loss of forests due to fire and protecting their ecological system. Since the government of Tunisia intends to consider the registration of the Project as a CDM project in the future, it is expecting JBIC to provide expertise and knowhow regarding CDM registration.

(Click [here](#) for details.)
(Click [here](#) for map.)

1. Loan Amount and Terms

Project Name	Amount (Mil. Yen)	Interest Rate (% per annum)		Repayment Period/ Grace Period(Years)	Procurement
		Project Work	Consulting Service		
Greater Tunis Flood Control Project	6,808	1.4	0.01	25/7	General Untied
Integrated Reforestation Project (II)	3,128	0.65*	0.01	40/10	General Untied
Total	9,936				

*These terms are more favorable than those applied to ordinary Japanese ODA loans with a view to proactively promote environmental protection measures by developing countries.

(1) Greater Tunis Flood Control Project

This project aims to decrease flood damage in the Greater Tunis area through the development of drainage channels from Lake Sejoumi to the Melian River, as well as in the western part. This will contribute to an improvement to the living environment of inhabitants of the region, and to stable regional economic development.

The majority of Tunisia has a semi-arid or arid climate. However, once every few years it experiences large-scale localized torrential downpours in the rainy season between September and March. In the country's northern and central regions, the water levels in the dry rivers, which usually have very little water, increase dramatically, causing flood damage to the surroundings. In recent years in particular, localized torrential downpours, which appear to be the effect of climate change, have been occurring frequently. In 2000, 2001 and 2003 large-scale flooding and inundation damage caused by heavy rain occurred in the Greater Tunis area, located in the North of the country and in the downstream basin of the surrounding rivers. Recently too, in both September and October 2007 flooding occurred in succession around the Greater Tunis area. Of the above, the localized torrential downpour that occurred in September 2003 (the greatest in 100 years, with four deaths, and a total of approximately 45 billion yen in damage), brought the functions of Tunis as a capital to a standstill for over two days, due to large-scale flooding into lakeside buildings and traffic blocks caused by flooding over the roads.

The government of Tunisia has implemented flood countermeasures in the Tunis metropolitan area in the past, but the region could not handle the heavy flooding of recent years (which appears to be caused by climate change) with its existing drainage facilities. Therefore, the development of flood control facilities has become an urgent task. For this reason, in the county's 11th Five-Year Economic and Social Development Plan (2007-2011), urban flooding countermeasures were raised again as a priority area, and given high precedence.

The target region for this project is the western part of the Greater Tunis area. This is an area where responding to the problem of flood damage has become a pressing issue, with heavy damage caused by factors such as the reclamation of dry rivers (for the establishment of roads in line with recent advancement of urbanization and development), and housing construction in districts subject to frequent flooding. The maintenance work for the comparatively large-scale drainage channels that will be developed with this project is planned to be consigned comprehensively to private enterprises.

The proceeds of the loan will be used for the expenses incurred in the development of drainage channel facilities, providing the necessary materials and equipment, and consulting services (reviewing detailed designs, bidding assistance, works supervision etc.).

Project Executing Agency: Direction of Urban Hydraulic, Ministry of Equipment, Housing and Land Management, (address: Cite Jardins, 1001 Tunis TEL: +216-71-84-00-75 FAX: +216-71-79-15-49).

(2) Integrated Reforestation Project (II)

This project aims to regenerate the forests in five provinces of North and Central Tunisia, and plan their sustainable management, through comprehensive forest conservation activities such as afforestation, forest fire countermeasures, and supporting increased income and standards of living for the rural inhabitants (who forge their livelihoods by relying on the forest resources), by ensuring alternative sources of income for them. This will contribute to an improvement in the natural environment of Tunisia.

The forest area of Tunisia decreased from 1.25 million ha at the start of the 20th Century to 0.40 million ha in the 1950s, due to factors such as natural drying and excessive forestation. Following that, it was restored to 1.25 million ha (12.5% of the land area of the country) by 2006, via the government's forest area expansion policies. However, it is necessary to increase this rate up to 16% in order to conserve the wet soil and prevent desertification, meaning further afforestation is demanded. In this project, the afforestation and grass planting of 14,000 ha is planned.

In recent years, due to the progress of drying which appears to be the effect of climate change, there has been an increasing trend in the number of cases of forest fires within the country, leading to concern about a reduction of forest area and biological diversity within the forest regions. The aim in this project is to develop fire countermeasure infrastructures such as woodland paths for firefighting activities and water storage tanks, strengthen forest fire countermeasures and increase the forest functions.

The inhabitants who live in the forest regions mainly forge their living through livestock farming, so a reduction in the burden exerted on the forests by these people is vital for forest conservation. For this reason, the project will develop small-scale infrastructure such as water supply points, and support an improvement to their standard of living by promoting diverse livelihood methods such as fruit cultivation and beekeeping, while at the same time prohibiting grazing in afforested regions.

The Tunisian government wishes to obtain specialist knowledge from Japan regarding CDM project registration for this project, consideration of plant breeding to maximize profit from the forest and so on. In order to respond to such wishes, we plan to work closely with Japan International Cooperation Agency (JICA), ahead of the launch of New JICA in October of this year, and discuss areas such as the dispatch of JICA specialists.

The proceeds of the loan will be used for the expenses of the forest conservation activities and consulting services (support for project implementation).

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《 Japanese ODA loan projects to Tunisia for fiscal year 2007 》

