

Signing of Japanese ODA Loan with the United Republic of Tanzania

-Achieving Regional Economic Integration, Economic Vitalization and Poverty Reduction through Road Infrastructure Development-

1. On May 31, 2010, the Japan International Cooperation Agency (JICA) signed a Japanese ODA loan agreement with the government of the United Republic of Tanzania in Dar es Salaam to provide up to 7.119 billion yen for the Road Sector Support Project.

2. Under this project, assistance will be provided to improve the roads between Iringa in Iringa Region and Dodoma in Dodoma Region (260 kilometers) and between Tunduru and Namtumbo in Ruvuma Region (193 kilometers) as well as to strengthen the management capacity of the Tanzania National Roads Agency (TANROADS). These activities will improve the transportation system, which will contribute to the economic integration with the surrounding regions while stimulating Tanzania's economy and reducing poverty.

3. The Iringa–Dodoma road is a part of the Great North Corridor, listed by the Tanzanian government as vital for promoting economic integration with neighboring countries. However, the conditions of the road are poor and detours must be used during the rainy season, which increases the transit time more than double. The improvements to this road would upgrade the inland route from the south to the north of Tanzania. It is expected that this would stimulate transportation, in turn stimulating economic activities.

4. The Tunduru-Namtumbo road has the worst road condition on the Mtwara Corridor, which the Tanzanian government considers to be a vital corridor. Due to the condition, the distribution of goods to the Port of Mtwara, which is the export base for the south, is hindered. The southern part of Tanzania where the Mtwara Corridor passes has a high potential for agricultural products, natural resources and other industries, and it is expected that development of the region will not only accelerate economic development for the country as a whole but also lead to livelihood improvement in the south, where the poverty rate is high.

5. Located in the center of East Africa, Tanzania shares a border with eight countries and provides an intermediary transportation routes for those countries. Not only are both of the target intervals of this project vital for economic growth in Tanzania, as described above, but they form a part of international corridors with a high development priority in various international road network initiatives and are therefore crucial to the construction of international routes.

6. This project is based on Enhanced Private Sector Assistance for Africa (EPSA) and is being implemented with Accelerated Co-financing Facility for Africa (ACFA) in cooperation with the African Development Bank (AfDB). The funds from JICA will be applied to civil works for both target road intervals.



Signing ceremony

Reference

1. Terms and Amounts of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment Period (years)	Deferment period (years)	Procurement
		Project	Consulting services			
Road Sector Support Project	7,119	0.01	(see note [1])	40	10	General untied (see note [2])

Executing Agency

Tanzania National Roads Agency
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Planned Implementation Schedule

(i) Completion of project: December 2013 – when the facilities are put into service

(ii) Issuing of letters of invitation for consulting services, including work supervision:
May 2010 (already sent) (see note 1)

(iii) Tender announcement of initial procurement package for international competitive bidding on project construction:
Procurement package title: Civil Works for Iringa-Dodoma Lot 1, 2, and 3 and Tunduru-Namtumbo Lot A, B, and C
Release date: June 2010

[1] Not included in the loan. AfDB assistance will be provided based on their procurement rules as per the ACFA implementation guidelines.

[2] Implemented based on the AfDB procurement rules as per the ACFA implementation guidelines.