

Signing of Japanese ODA Loan with the Republic of Tunisia

–First post-revolution Japanese ODA loan, toward regional disparity correction and creation of employment–

1. On February 17, the Japan International Cooperation Agency (JICA) signed a Japanese ODA loan agreement with the Société Tunisie Autoroutes (STA) to provide a of up to 15.084 billion yen for assistance for the Gabes-Medenine Trans-Maghrebin Corridor Construction Project and with the Société Nationale d'Exploitation et de Distribution des Eaux (SONEDE) to provide a Japanese ODA loan of up to 6.094 billion yen for the Local Cities Water Supply Network Improvement Project.

2. Based on the 11th Five-Year Socioeconomic Development Plan (2007 to 2011), Tunisia is aiming for increased per capita income and a lower unemployment rate, an improved Human Development Index, assistance for the middle class and a reduction in poverty as a governmental development strategy. They have taken measures to increase employment, expand investment and assist business start-ups, strengthen competition and develop balanced economic development.

After the revolution of January 2011, the Tunisian Constituent Assembly election was held in October of the same year. The new government was launched in December of that year, and is now addressing important issues such as correcting regional income disparities, creating employment and expanding investment.

These Japanese ODA loans are the first signed for Tunisia since the January 2011 revolution.

3. The Japanese ODA loans provided by the agreements are described below.

(1) Gabes-Medenine Trans-Maghrebin Corridor Construction Project

Conceptualization of building a trans-Maghreb road (between Cairo and Agadir) began in 1995, and the nations it will pass through— Algeria, Egypt, Libya, Morocco and Tunisia— have been moving forward with preparation work.

Under the Gabes-Medenine Trans-Maghrebin Corridor Construction Project, approximately 84 kilometers of road will be constructed along Route 1 between Gabes and Medenine, which forms a section of the trans-Maghreb road traversing Tunisia. This will boost the transportation capacity and improve access for residents along the road to socioeconomic services, and it is expected to see increased trade and goods distribution and transportation efficiency in southern Tunisia as well as the nations of North Africa.

(2) Local Cities Water Supply Network Improvement Project

Under this project, existing water supply facilities in a total of 32 locations in local cities of 20 governorates throughout Tunisia will be improved. This will improve the supply capacity to meet future water demand, in addition to improving stability, thereby contributing to the stimulation of local economies and improvement of the living environment for local residents.

The target is the capacity to supply 297,000 cubic meters of water per day to a total of 2.235 million people within two years of the project's completion.

4. JICA's cooperation policy for Tunisia is to continue assistance to correct regional disparities, strengthen industrial competition and work toward sustainable local development, in order to contribute to more balanced economic and industrial development.



Signing ceremony

Reference

1. Terms and Amounts of Loan

| Project title | Amount (million yen) | Annual interest rate (%) | | Repayment (years) | Deferment period (years) | Procurement |
|--|----------------------|--------------------------|---------------------|-------------------|--------------------------|----------------|
| | | Project | Consulting services | | | |
| (1) Gabes-Medenine Trans-Maghrebin Corridor Construction Project | 15,084 | 0.95 | 0.01 | 20 | 6 | General untied |
| (2) Local Cities Water Supply Network Improvement Project | 6,094 | 0.95 | - | 20 | 6 | General untied |

2. Project Summaries

(1) Gabes-Medenine Trans-Maghrebin Corridor Construction Project

Background and Necessity

With the aims of strengthening the export industry and attracting private investment, Tunisia is improving economic infrastructure through measures such as concluding the free trade Agadir Agreement with Egypt, Jordan and Morocco toward creating a free trade zone among the EU and Mediterranean Nations. Meanwhile, Tunisia also faces the important issue of improving infrastructure to eliminate disparities between cities and rural areas (particularly in the south) to ensure sustainable growth. The budget for the road sector was 1.558 billion dinar (approximately 93.5 billion yen) in the 10th Five-Year Socioeconomic Development Plan (2002 to 2006), and increased approximately 1.3 times in the 11th Five-Year Socioeconomic Development Plan (2007 to 2011) to 2.057 billion dinar (approximately 123.4 billion yen).

With one lane in each direction, the existing Route 1 is a public, major trunk roadway in Tunisia, carrying a large amount of traffic (particularly large trucks and other commercial vehicles). With the increased economic activity in southern Tunisia, including the area of Tunisia that borders Libya, traffic is increasing, leading to concerns about problems such as increasing traffic accidents and transportation times.

Objectives and Summaries

The project will improve the area between Gabes and Medenine, which forms a portion of the trans-Maghreb road traversing Tunisia, as a portion of the project to improve Route 1 to replace the existing A1 motorway. This will boost the transportation capacity and improve access for residents along the line to socioeconomic services, and contribute to economic development in surrounding areas while improving the living environment for residents along the road.

Funds for the project will be allocated to public works for constructing a two-lane highway in each direction spanning the above-mentioned interval, as well as interchanges, bridges, overpasses and other structures, in addition to the procurement of materials, equipment and consulting services.

Executing Agency

Société Tunisie Autoroutes (STA)
Address: Imm. "Le Petit Palais" Zone B Les Berges du Lac, 2045 Tunis, Tunisia
Phone:+216 (71) 960-606
Fax: +216 (71) 960-602

Planned Implementation Schedule

- (i) Completion of project: July 2016 – when the facilities go into service
- (ii) Issuing of letters of invitation for consulting services (construction supervision, etc.): June 2012
- (iii) Tender announcement of initial procurement package for international competitive bidding on project construction:
Procurement package title: Package PK0-21, PK21-42, PK42-46, PK63-84
Release date: June 2012

Related Links

- [Gabes-Medenine Trans-Maghrebin Corridor Construction Project Map \(PDF/59KB\)](#)

(2) Local Cities Water Supply Network Improvement Project

Background and Necessity

With a national average rainfall of 500 millimeters, Tunisia is an extremely dry country and half of Tunisia's land has a semi-arid climate. Furthermore, the rainfall and annual surface water available varies dramatically according to geography within the country. Accordingly, the efficient development and appropriate management of the limited water resources is a development issue of critical importance for Tunisia.

The government of Tunisia has expanded the drinking water supply network and supply volume, as a result achieving a supply rate of 92.1 percent in rural areas and 100 percent in urban areas in 2007. Nevertheless, the population increase in cities and expansion of the agricultural, industrial and tourism sectors are expected to further increase the demand for water, and existing water supply facilities are aging. Infrastructure improvement is therefore an urgent issue to achieve a continued stable supply of water. Objectives established in the 11th Five-Year Socioeconomic Development Plan include strengthening the supply capacity to meet the increasing water demand, laying a water conduit and supply network, improving the water supply rate in rural areas and improving technical and administrative management.

Objectives and Summaries

The project will improve existing water supply facilities in a total of 32 locations in local cities throughout Tunisia listed as priority projects in the 11th Five-Year Socioeconomic Development Plan. This will strengthen the supply capacity to meet future water demand, as well as improve stability, thereby contributing to the stimulation of local economies and the improvement of the living environment for local residents.

The funds for the project will be allocated to public works for repairing and expanding existing water supply facilities throughout Tunisia and to the procurement of supplies and equipment.

Executing Agency

Société Nationale d'Exploitation et de Distribution des Eaux (SONEDE)
Address: 2, Avenue Slimen ben Slimen, El Manar II, Tunis, Tunisia
Phone:+216 (71) 493-700
Fax: +216 (71) 484-603

Planned Implementation Schedule

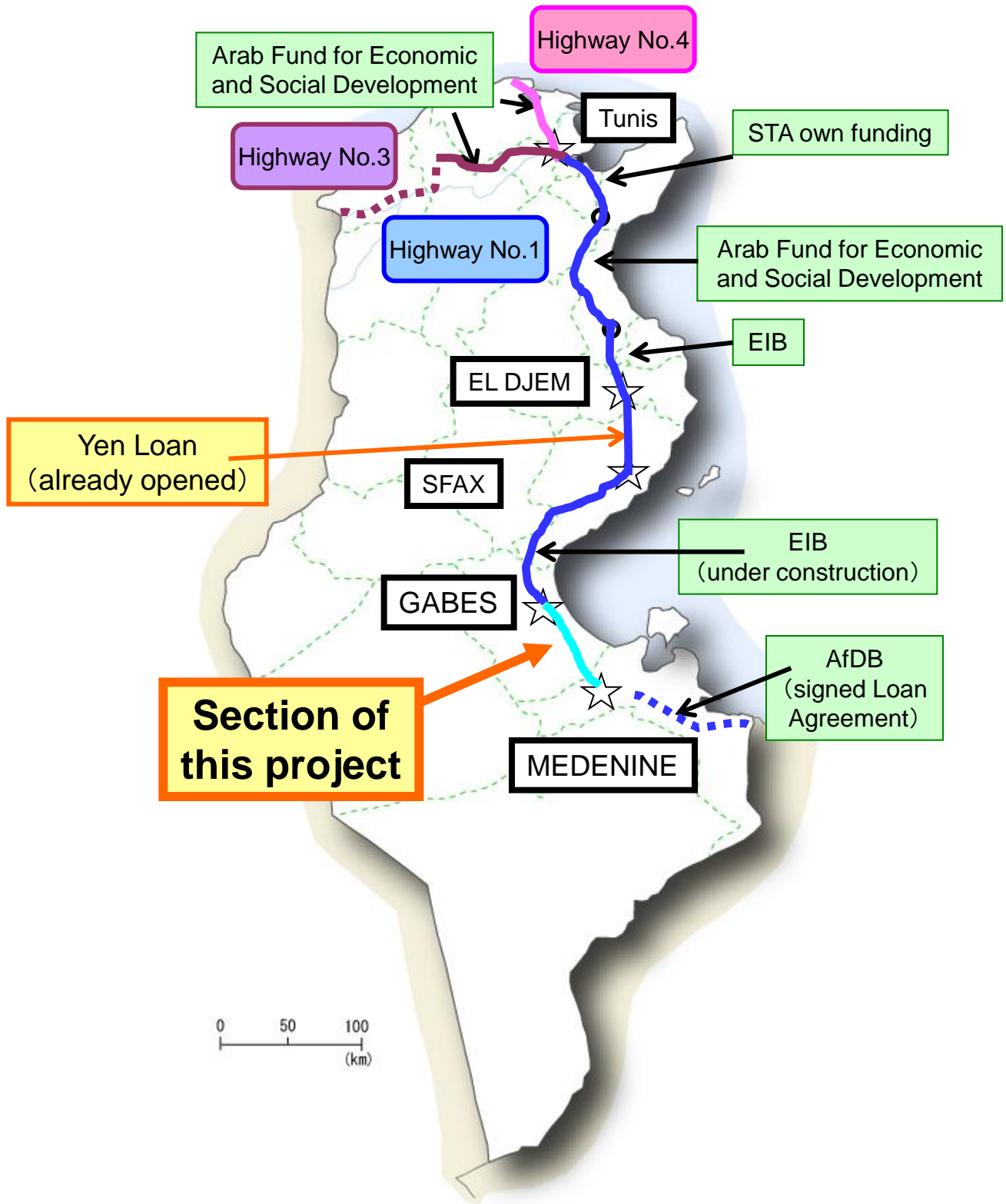
- (i) Completion of project: January 2018 – when the facilities go into service
- (ii) Issuing of letters of invitation for consulting services: No hiring of consultants is planned for this project
- (iii) Tender announcement of initial procurement package for international competitive bidding on project construction:
As a general rule, national competitive tendering is planned to be used. For certain supply and equipment procurement (ductile cast iron pipes), however, international competitive bidding is planned.
Procurement package title: Supply of DCIP
Release date: September 2012

Related Links

- [Local Cities Water Supply Network Improvement Project Map \(PDF/140KB\)](#)

Gabes-Medenine Trans-Maghrebin Corridor Construction Project :

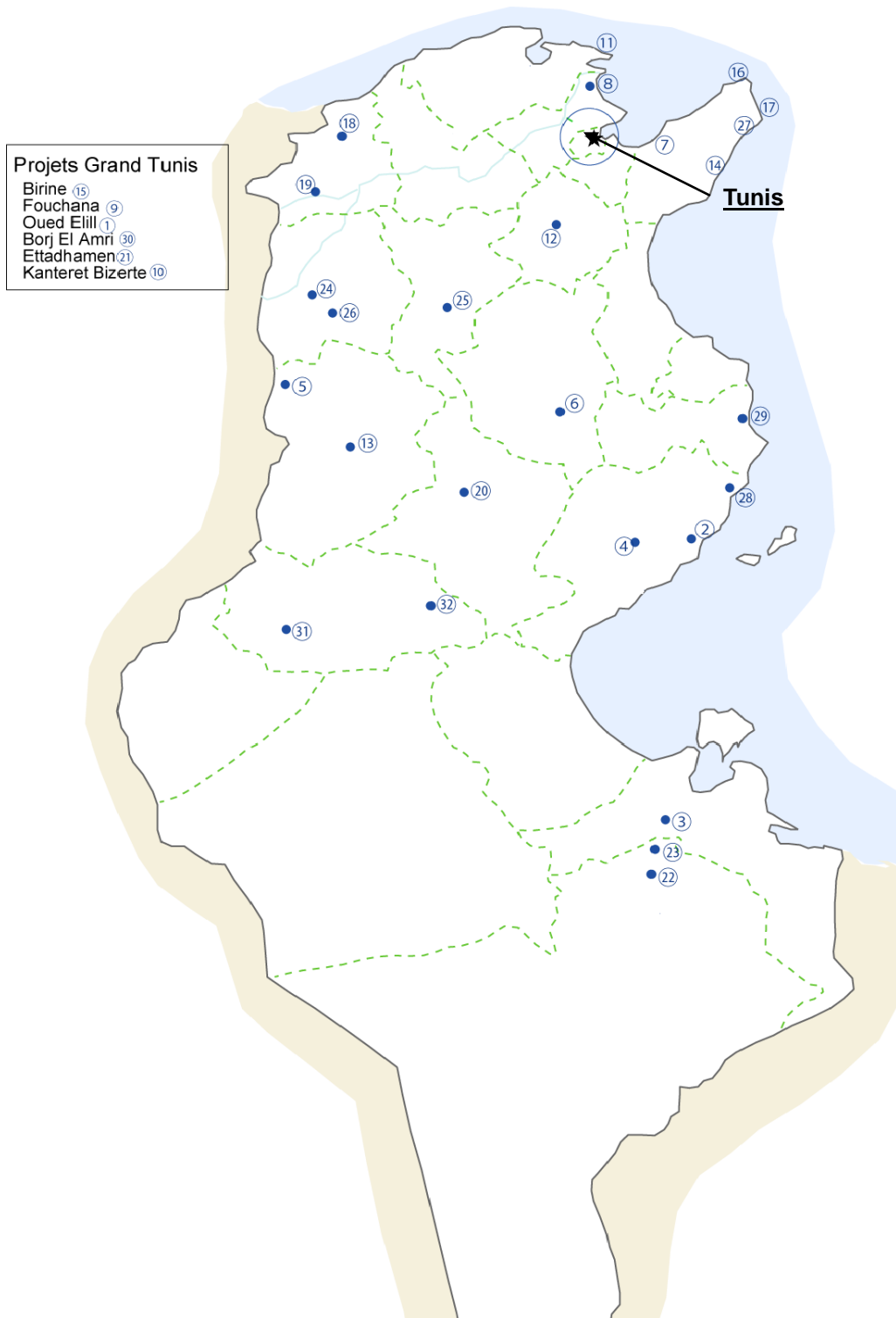
Map



Note) EIB : *European Investment Bank*, AfDB : *African Development Bank*

Local Cities Water Supply Network Improvement Project:

Map



| | | | | | | |
|---------------------------|----|---------------------|----|-----------------------|----|------------------|
| Metropolitan Tunis | 1 | Oued Ellil | 9 | Fouchana | 10 | kanteret Bizerte |
| | 15 | Birine | 21 | Ettadhamen | 30 | Borj El Amri |
| Nord | 7 | Korbous | 8 | Rive Sud de Bizerte | 11 | Rafraf |
| | 12 | Fahs | 14 | Ressources du Cap Bon | 16 | Haouaria |
| | 17 | Forages Dar Chichou | 18 | Beni Mtir | 19 | Oued Mliz |
| | 24 | Tajerouine | 25 | Makthar | 26 | Jrissa |
| | 27 | Complexe Melloul | | | | |
| Centre | 5 | Hydra | 6 | Bouhajla | 13 | Kasserine |
| | 29 | Ksour Essef | | | | |
| Sud | 2 | Sfax | 3 | Medenine | 4 | Agareb-Skhira |
| | 20 | Souk Jedid | 22 | Ghomrassen | 23 | Bir Lahmar |
| | 28 | Jbéniana | 31 | Métlaoui | 32 | Sned |