

Signing of a Japanese ODA Loan Agreement with Arab Republic of Egypt

–The first ODA loan for Egypt after the "Arab Spring" "Greater Cairo Metro Line No.4 Phase 1 Project"–

1. Today, the Japan International Cooperation Agency (JICA) signed the agreement with the government of Arab Republic of Egypt for a Japanese ODA loan of up to 32.717 billion yen for "Greater Cairo Metro Line No.4 Phase 1 Project"^[1].
2. The purpose of this project is to contribute to the improvement of Egyptian economy by constructing a metro which connects the center of Cairo and the pyramid district (16 stations, about 17 kilometers) to respond to the increasing traffic demand and to reduce the worsening traffic congestion.
3. JICA is supporting the development and of the new Egypt after revolution of January 25th, 2011. This project, which contributes to continuous growth and job creation through the improvement of urban transportation, will be the first ODA loan project provided to the Egypt after the "Arab Spring". This project adopts Special Terms for Economic Partnership (STEP) (Note 1) for the first time in Egypt based on the request from Egyptian government, and it is expected that the project will help to transfer Japanese technologies in metro construction, railway operations and maintenance, through partnership between Japanese and Egyptian companies. The loan will be allocated to construction works of the metro tunnel, construction of the stations and workshop's buildings, procurement of electromechanical equipment, signal and communication facilities, rolling stock, and other related works for the project in addition to the supervisory consulting services (assistance for bidding and management of implementation).



Mrs. Sadako Ogata, President of JICA and H.E. Dr. Galal Moustafa Mohamed Said, Minister of Transport shook hands, after signing a loan agreement.

The detailed design will be prepared with technical cooperation of JICA.

4. Greater Cairo Region is the center of politics and economy of Egypt with a population of about 17 million (which is almost 25 percent of the whole Egypt). It is estimated that the population growth rate of over 2 percent per year will continue in the future, and that the population will reach 20 million in 2022. The road maintenance and improvement are not catching up with the increase in the amount of traffic which accompanies a rapid increase in population and economic development, and traffic jam has become a chronic problem. Therefore, decrease of traffic congestion is an urgent issue in present Greater Cairo Region, and the enforcement of a new policy to address this issue is strongly needed.
5. In such circumstances, this project includes a function of mass public transportation, which, as a traffic system for reducing dependency on road traffic, expects 1 million 350 thousand users a day in the first year, 1.87 million users in 2027, and 2.5 million users in 2050, and it is expected to largely contribute to the reduction of the traffic congestion in Greater Cairo Region. In Cairo, where many tourists visit every year, this project is attracting much attention as a "Tourism" line which connects the center of Cairo and the pyramid district in 30 minutes or less.

Note

[1] Special Terms for Economic Partnership (STEP) is a scheme created to promote development assistance with a distinct Japanese profile through technology transfer utilizing the advanced Japanese technology and knowhow to developing countries.

Reference

1. Terms and Amounts of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment (years)	Grace Period (years)	Procurement
		Project	Consulting services			
Greater Cairo Metro Line No.4 Phase 1 Project	32,717	0.2*	0.01	40*	10*	Tied*

*STEP is applied.

2. Project Summaries

Greater Cairo Metro Line No.4 Phase 1 Project

Implementing Organization

National Authority for Tunnels (NAT), Ministry of Transport of Egypt
Address: Ramses Building Ramses Square, Cairo, Egypt
Phone: +20-2-2574-2968. FAX: +20-2-2574-2950

Planned Implementation Schedule

- (i) Completion of project: 2020 – when the facilities go into service
- (ii) Issuing of letters of invitation for consulting services (supervision of construction etc.): second quarter of 2012
- (iii) Tender announcement of initial procurement package for international competitive bidding on project construction: This will be discussed in the detailed design which will be prepared by technical assistance of JICA.