

## Signing of Japanese ODA Loan Agreement with the United Republic of Tanzania

### –Toward Doubling Rice Production through Improved Small-Scale Irrigation Systems–

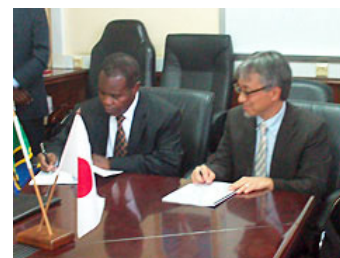
Today, the Japan International Cooperation Agency (JICA) signed a Japanese ODA loan agreement with the Government of the United Republic of Tanzania in Dar es Salaam to provide up to 3.443 billion yen for the Small Scale Irrigation Development Project.

The objectives of the project are to construct new irrigation facilities and rehabilitate existing ones throughout the Tanzania mainland, to procure the materials and equipment needed, and to improve agricultural productivity, particularly of rice, thereby improving the livelihoods of small-scale farmers and reducing poverty. The irrigation development of this project will be carried out under the Agricultural Sector Development Programme (ASDP) of Tanzania through funding to the District Irrigation Development Fund. The loan funds of the project will be allocated to public works for irrigation facility construction and rehabilitation (headworks, and main and secondary canal systems); the procurement of equipment and vehicles for designing and supervision; consulting services (detailed design work review, overall project management, and construction monitoring); and other expenses.

The agricultural sector accounts for approximately 25 percent of the gross domestic product of Tanzania and for approximately 20 percent of total exports. The sector is also important in employing more than three-fourths of the country's rural people. Due to insufficient funds, however, the high potential for agricultural and irrigation development cannot be reached, and the irrigated land is only a little over 1 percent (370,000 hectares in 2011, 2012) of the development potential (29.4 million hectares). From the viewpoint of transformation to agriculture that improves farming productivity and generates revenue through commercialization, irrigation development is a key investment for Tanzania.

Selected as one of the first group of countries in the Coalition for African Rice Development (CARD), which aims to double rice production in Africa, Tanzania formulated a National Rice Development Strategy (NRDS) in 2009. According to the NRDS, the goal is to double rice production in 10 years (to 1.963 million tons per year in 2018), and the country is aggressively promoting irrigation development toward that goal.

The agricultural sector has been one of the pillars of Japan's development cooperation to Tanzania for almost forty years. To promote irrigation development, JICA is providing technical cooperation to strengthen the seven Zonal Irrigation Technical Service Units (ZITSUs) in the country; strengthen the capacity of district irrigation engineers to formulate, implement, operate and manage projects; and improve rice production techniques by strengthening the agricultural training centers in Tanzania. In addition, through the dialogue with the Government of Tanzania and Development Partners, the regulatory framework in the agricultural sector is expected to improve.



Signing ceremony

#### Reference

##### 1. Terms and Amounts of Loans

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Small Scale Irrigation Development Project	3,443	0.01	0.01	40	10	General Untied

##### 2. Project Summaries

###### Executing Agency

Ministry of Agriculture, Food Security and Cooperatives  
Address: P.O. Box 9192, Dar es Salaam, Tanzania  
Phone: +255-22-286-2074, fax: +255-22-286-4460

##### 3. Planned Implementation Schedule

- (i) Completion of project: March 2017 – when the facilities are put into service
- (ii) Issuing of letters of invitation for consulting services (including detailed design work review and construction monitoring): June 2013
- (iii) Tender announcement of initial procurement package for international competitive bidding on project construction: No procurement through international competitive bidding is expected for this project, but procurement for subsequent project implementation through local competitive bidding is expected.