

Signing of Japanese ODA Loan Agreement with the Republic of Iraq

— Port Sector Rehabilitation for Khor Al Zubayr Port —

On February 16, The Japan International Cooperation Agency (JICA) concluded a Japanese ODA loan agreement with the Republic of Iraq to provide a loan of up to 39.118 billion yen for the Port Sector Rehabilitation Project (Phase II), at the Ministry of Finance, Baghdad. This is the 20th loan agreement under the Japanese ODA loan to Iraq, which brings Japan's cumulative commitments to this country to over 4.4 billion dollars.

The objective of the Phase II project is to recover the functions of the Iraqi port system, by rehabilitation works related mainly to the Khor Al Zubayr Port (KZP), following the rehabilitation of the Umm Qasr Port (UQP) having been implemented under the Phase I of this project.

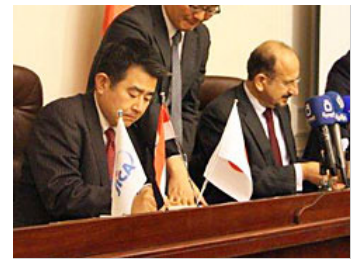
For Iraq, with coastal line of 48km only, rehabilitation of the UQP and KZP is vital to its national economy, as those two are the major ports that handle heavy cargoes required for the various reconstruction projects across the country.

The on-going Phase I Project, started in 2008, is covering rehabilitation works for the UQP. It has been progressing smoothly to be completed in a few months' time, thanks to the outstanding project management by the General Company for Ports of Iraq (GCPI).

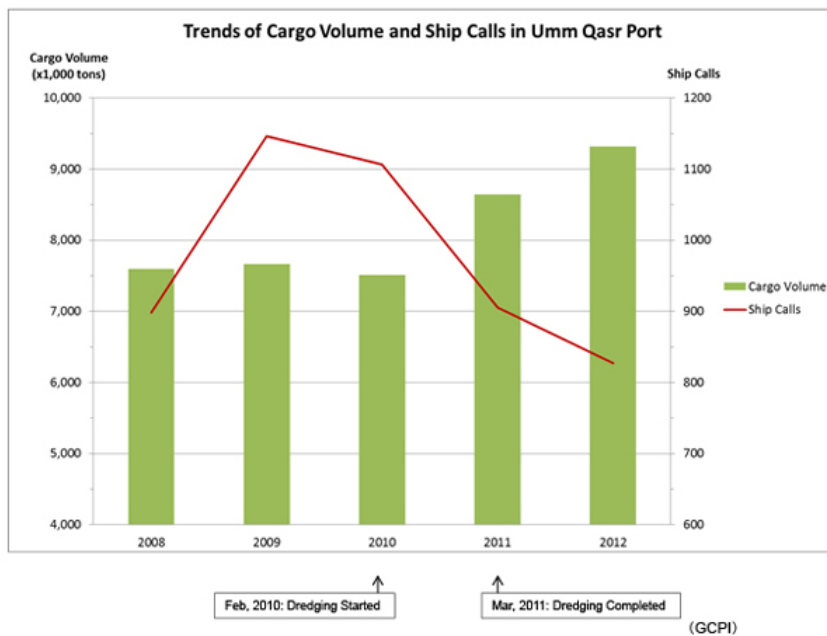
Captain Hussain, the GCPI Team Leader for the Phase I says "After a remarkable achievements in the Phase I, the actual enhancement of the services meeting the increasing volume of cargo handled in the UQP. Now, thanks to the good progress of the Phase I, larger ships are being handled, resulting in increasing proficiency in international commerce (see photos). We are happy to have the Phase II with a support by new Japanese ODA Loan for the KZP. GCPI is fully geared to apply expertise acquired from the implementation of the Phase I with JICA, in order to execute successfully new projects in the area of the KZP such as dredging, wreck removal, civil and utility works".

The Phase II Loan, extended in light of the success of the Phase I, is in accordance with the Special Terms for Economic Partnership (STEP)⁽¹⁾, where Japanese advanced technologies are to be utilized. It is expected that the advanced technologies will be applied to civil works for rapid and safe construction. It also reflects the high expectation of Iraqi government to the Japanese firms, many of which had contributed for infrastructure projects during 70s-80s and been still remembered by many.

⁽¹⁾ These special Japanese ODA loan terms were established to provide greater visibility of Japanese aid through the transfer of technology and expertise to developing countries.



Signing ceremony



Restore Function of Waterway to the Umm Qasr Port



Dredging
(Completed in March, 2011)



Shipwreck Removal
(Completed in March, 2013)

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Port Sector Rehabilitation Project (Phase II)	39,118	0.65/0.2**	0.01	40	10	Untied*/ Japan tied**

* Consulting services are not included.

** Special Terms for Economic Partnership (STEP) apply to the project.

2. Executing Agency

MOT:Ministry of Transport

Address: MOT Building, Baghdad, Iraq

GCPI: General Company for Ports of Iraq

Address: GCPI Building, Ma'qil, Basrah, Iraq

Web: <http://www.scp.gov.iq/en/>

3. Planned Implementation Schedule

(i) Completion of project: January 2020 – with completion of the construction work

(ii) Tender announcement of initial procurement package for international competitive bidding on project construction:

Procurement package title: Civil works and Related Equipment

Release date: September 2014