

Signing of Japanese ODA Loan Agreement with Senegal: Constructing desalination facilities and supporting expanded access to health care services for a better living environment

On November 15, the Japan International Cooperation Agency (JICA) signed loan agreements with the Government of the Republic of Senegal in Dakar to provide Japanese ODA loans of up to a total of 35,903 billion yen for assistance for two projects.

Since gaining independence in 1960, the Republic of Senegal has maintained a stable civilian government without a coup d'état. As a gateway to countries in the interior of West Africa, Senegal is a key location for the intraregional flow of goods and economic activity. On the economic front, the expanding public-private investment in such areas as agriculture, fisheries, energy, infrastructure and the mining industry has contributed to economic growth in the country. Supported by favorable agricultural production, the real GDP growth rate of Senegal has risen steadily from 2.8 percent in 2013 to 4.7 percent in 2014 and 6.5 percent in 2015 (IMF, 2016).

In February 2014, the Government of Senegal established the Emerging Senegal Plan, prioritizing strategies toward becoming a newly emerging nation by 2035 and aiming for an economic growth rate of more than seven percent starting in 2020. Three pillars of the plan toward meeting these objectives are: 1) strengthening growing industries and promoting economic structural reform through development to create wealth and employment (including strengthening exports and promoting investment), 2) improving the living environment, ensuring social security and sustainable growth, and 3) strengthening peace, stability, governance, freedoms and human protections while maximizing the national potential for development.

The characteristics of the Japanese ODA loans provided by these agreements are described below.

(1) Strengthening the water supply capacity through a desalination project in the Dakar Metropolitan Area

Some 80 percent of Senegal's industrial activities are concentrated in the Dakar Metropolitan Area, which is home to a rapidly growing population of approximately 3.1 million people (2013), or more than 20 percent of the country's population, on only about 0.3 percent of the land. The demand for water is growing rapidly in proportion to the rising population, and the current water supply cannot meet the maximum daily demand. With the population expected to grow even further, increasing the water supply is a priority. The Mamelles Sea Water Desalination Project will construct a new desalination plant (production capacity: 50,000 cubic meters of water per day) in Dakar, capital city of Senegal, the first such facility in the country, and will also improve the urban water pipe network. By diversifying the water supply resources and strengthening the water supply capacity, this project aims to improve the living environment for people in the Dakar Metropolitan Area.

(2) Promotion of universal health coverage in Senegal

In accordance with the United Nations Millennium Development Goals (MDGs) for 2015, the Government of Senegal has advanced measures in the health sector, including reducing the HIV infection rate and the under-five mortality rate. However, as of 2015, the under-five mortality rate (MDG4) was 47 per 1,000 births and the maternal mortality rate (MDG5) was 315 per 100,000 births, falling short of the MDGs of 44 (MDG4) and 127 (MDG5), respectively. There are also disparities in these statistics by region and economic level. Factors behind the lack of improvement in these indices include the challenge of physical access, particularly in rural areas where the few health care facilities that exist are often far away from users, and the challenge of economic access in which users of health care services cannot afford to pay for medical treatment. The objective of the Universal Health Coverage Support Program is to improve physical and economic access to health care services by promoting the establishment of health-related strategies such as financial policies providing financial support towards the achievement of universal health coverage under which everyone can receive appropriate preventative care, treatment, rehabilitation and other necessary health care services when needed at an affordable cost.

Reference

Terms and Amounts of Loans

	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Mamelles Sea Water Desalination Project	27,463	0.70	0.01	30	10	General, untied
Universal Health Coverage Support Program	8,440	0.01	—	40	10	General, untied
Total	35,903					

(1) Mamelles Sea Water Desalination Project

(a) Background and Necessity

Some 80 percent of Senegal's industrial activities are concentrated in the Dakar Metropolitan Area, which is home to a rapidly growing population of approximately 3.1 million people (2013), or more than 20 percent of the country's population, on only about 0.3 percent of the land. The demand for water is growing rapidly in proportion to the rising population, and the current water supply cannot meet the maximum daily demand. With the population expected to grow even further, increasing the water supply is a priority. Surface water and groundwater each currently accounts for about half of the water supply for the Dakar Metropolitan Area, and two of the water purification plants supplied with surface water receive their water from Lake Guiers. Due to the remote location of the lake, about 250 kilometers from the plants, there is a high risk of losing the water supply due to pipe breakage. In fact, a water main did rupture in September 2013, interrupting the supply of water from the water purification plants to Dakar Region, seriously impacting the lives of residents and economic activities in the metropolitan region for about three weeks. For the mid- to long term, groundwater use must be curbed due to excessive pumping, and top priorities for the Government of Senegal include expanding the capacity to supply water through water source diversification, water safety and water security. In addition, developing alternative water sources while reducing leaks are also urgent challenges due to the large number of leaks caused by the deterioration of water distribution pipes in Dakar.

(b) Objective and Summary

This project will construct a new desalination plant (production capacity: 50,000 cubic meters of water per day) in Dakar, capital city of Senegal, the first such facility in the country, while improving the urban water distribution network there. By diversifying the water supply resources and strengthening the water supply capacity, this project aims to improve the living environment for people in the Dakar Metropolitan Area.

(c) Executing Agency

Société Nationale des Eaux du Sénégal (SONES, or National Water Company of Senegal)

Address: Route du Front de Terre, BP: 400 Dakar

Phone : +221-33-839-78-02, fax: +221-33-832-20-38

(d) Planned Implementation Schedule

(1) Completion of project:

December 2021 – with the conclusion of the facility construction



signing ceremony

(2) Issuing of letters of invitation for consulting services (including detailed design work):

November 2016

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

Procurement package title: Package for Construction of Desalination Plant

Release date: October 2017

(2) Universal Health Coverage Support Program

(a) Background and Necessity

In accordance with the United Nations Millennium Development Goals (MDGs) for 2015, the Government of Senegal has advanced measures in the health sector, including reducing the HIV infection rate and the under-five mortality rate. However, as of 2015, the under-five mortality rate (MDG4) was 47 per 1,000 births and the maternal mortality rate (MDG5) was 315 per 100,000 births, falling short of the MDGs of 44 and 127, respectively. There are also disparities in these statistics by region and economic level. Factors behind the lack of improvement in these indices include the challenge of physical access, particularly in rural areas where the few health care facilities that exist are often far away from users, and the challenge of economic access in which users of health care services cannot afford to pay for medical treatment. With respect to the challenge of physical access, there are only 0.6 doctors and 4.2 nurses/birthing assistants per 10,000 people in Senegal, numbers that lag significantly behind the WHO recommended standard of a total of 22.8 for all three categories. Also, there are only 0.2 hospitals per 100,000 people, which is far lower than the average for Africa overall (0.8 hospitals). In addition, because medical facilities and medical workers tend to be concentrated in the metropolis area, there is regional disparity in medical care access, and only two of the 14 regions of Senegal meet the WHO recommended standard of one hospital for every 300,000 people. With respect to the challenge of financial access to the health care services, the Government of Senegal is advancing the extension of the health insurance and free medical care services for the poor, mothers and children, but only 32.6 percent of the population is covered by those medical systems.

(b) Objective and Summary

This project will promote the establishment of health-related strategies such as financial policies to provide financial support toward achieving universal health coverage under which everyone can receive appropriate preventative care, treatment, rehabilitation and other necessary health care services when needed at affordable cost. This project aims to thereby improve the physical and financial access to health care services, especially for the poor.

(c) Executing Agency

Ministry of Economy, Finance and Planning of Senegal

Address: Avenue Carde x Rue René Ndiaye, BP: 4017- Dakar

Phone: +221-33-889-26-99, fax: +221-33-822-41-95

(d) Planned Implementation Schedule

(1) Completion of project:

August 2017 – with completion of the loan disbursement

(2) Issuing of letters of invitation for consulting services (including detailed design work):

No hiring of consultants is planned for this project.

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

No construction in conjunction with tendering is planned for this project