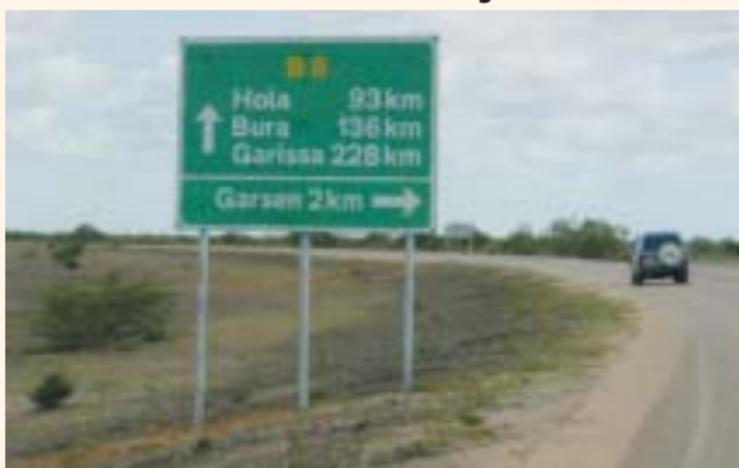


## Tana River Basin Road Construction Project (I)(II)



Project site (near Garsen)

### Outline of Loan Agreement

Loan Amount / Disbursed Amount	12,623 million yen / 12,570 million yen
Loan Agreement	April 1982/March 1990
Terms & Conditions	Interest rate 3.0% / 2.5% p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	April 1987/June 2000

### Project Outline

The project included development of the road running north-south through the Tana River Basin in eastern Kenya, with the aim of promoting development of the Tana River area.

### Results and Evaluation

The Tana River Basin contains numerous semi-arid areas and irrigation projects funded by the World Bank and ODA Loan were expected to increase agricultural productivity, expand distribution, and contribute to the development of the livestock industry.

This project covered the road running north - south through the region, and plans called for construction machinery procured via ODA Loan to be utilized by the executing agency for directly managed construction. However, although work on the northern section between Garissa - Hola (118km) proceeded as planned, budgetary shortfalls due to the deterioration of Kenya's economy resulted in the construction of the central-south section between Hola - Garsen (94km) - Malindi (105km) being delayed.

Accordingly, a Phase II ODA Loan was extended to support civil work costs enabling work to proceed; however, torrential rains and severe flooding caused by the global El Nino phenomenon in 1997, caused serious damage with on-site camps and materials being washed away.

Although this project ran into a succession of unexpected difficulties, work was completed on 234km of the road in March 1999 excluding the unpaved Hola - Garsen section. Increases in the volume of traffic have been particularly marked on the south section between Garsen - Malindi, which is expected to contribute to development of the region's economy.