

Probable Date of Board Presentation :
Not Applicable

FOR INFORMATION

MEMORANDUM

TO : THE BOARD OF DIRECTORS

FROM : Cecilia AKINTOMIDE
Ag. Secretary General

SUBJECT : MOROCCO : PROJECT TO UPDATE THE DRINKING WATER
SUPPLY SYSTEM IN THE RABAT-CASABLABCA COASTAL
AREA

ADVANCE PROCUREMENT ACTION FOR GOODS, WORKS
AND SERVICES *

Please find attached hereto, the above-mentioned document.

Attch.

cc.: The President

***Questions on this document should be referred to:**

Mr. S. JALLOW
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AFRICAN DEVELOPMENT BANK



KINGDOM OF MOROCCO

**PROJECT TO UPGRADE THE DRINKING WATER SUPPLY SYSTEM
IN THE RABAT-CASABLANCA COASTAL AREA**

Advance Procurement Action for Goods, Works and Services

INFORMATION NOTE FOR THE BOARD OF DIRECTORS

**WATER AND SANITATION DEPARTMENT (OWAS)
OWAS.2 DIVISION,
January 2010**

Project Context

1.1 Under its 2008-2012 investment plan, Morocco's *Office National de l'Eau Potable* (ONEP) envisages the implementation of a new project to improve the drinking water supply in the Rabat-Casablanca coastal area as well as surrounding urban and rural centers, to cover potable water needs up 2030. The existing water supply system in the project area will start becoming saturated from 2013. The total cost of the project is estimated at approximately MAD 2 730 billion, the equivalent of UA 220 million, for a 4-year implementation period (2010-2013). The Bank received from the Moroccan Ministry of the Economy and Finance (MEF) an official request dated 7 August 2009, for the financing of this new drinking water supply project.

1.2 Preliminary and final engineering studies and an environmental impact assessment have been conducted for the project. A preparation mission was fielded in July 2009 and a pre-appraisal mission in October 2009. Both mission teams noted the urgent need for implementation of certain project components, in respect of which ONEP wishes to proceed with Advance Procurement Action (APA). ONEP submitted a request dated 16 October 2009 for the use of this procedure under the sub-component involving renewal of the existing BR1 and BR2 pipes and the «technical support» component.

1.3 The project is consistent with the second pillar of Morocco's CSP (relating to development and infrastructure upgrading) and also with the third element of the ONEP strategy, in that it seeks to ensure the continual and reliable functioning of the existing infrastructure. It will make it possible to strengthen and secure the production and supply of drinking water in several interlinked Moroccan cities and centers whose populations are expected to exceed 8 million inhabitants by 2030.

2. Project Objectives and Description

2.1 Project Objectives: The sectoral aim of the project is to improve the socio-economic and health conditions of the populations concerned while the specific objective is to strengthen the potable water production and supply system of the Rabat-Casablanca coastal zone and urban and rural centers in the environs.

2.2 Project Description: The project consists in strengthening and securing the drinking water supply to the towns and cities located in the stretch from Rabat to Casablanca (Rabat, Casablanca, Tamesna, Temara, Mohammedia, Bouznika, Benslimane, etc), as well as nearby urban and rural centers, whose facilities are expected to be saturated by 2013. The project comprises the following components:

- A – Strengthening the DWS system along the Rabat- Casablanca coastal strip:
 - Construction of a new raw water pumping station with a capacity of 5 m³/s;
 - Installation of a new raw water delivery pipe;
 - Construction of a new treatment plant with a capacity of 5 m³/s;
 - Installation of a new BR3 treated water supply pipe;
 - Renovation of the two existing treated water supply pipes (BR1 and BR2).

B – Technical support for the project: Studies, works control and supervision.

2.3 Project Cost: The project cost, exclusive of taxes and duty, is estimated at UA 220 million, with UA 167 million in foreign exchange and UA 53 million in local currency.

3. Project Status of Preparation

3.1 Studies conducted concerning the different project components during the period 2007 to 2009 confirmed the project's technical feasibility and economic viability. The preliminary and final engineering designs cover the various technical and financial aspects of the proposed operation. An environmental and social impact assessment has also been conducted concerning the project.

3.2 The project implementation schedule spans 48 months and new water supply installations are scheduled for commissioning in 2013. The Advanced Procurement Action is warranted in view of the deterioration of the BR1 and BR2 pipes, specifically the repeated fracturing, and the need for a technical support mission at the start of the project preparation activities.

Rehabilitation of Existing BR1 and BR2 Pipes: The 2 BR1 and BR2 pipes supply safe water to Casablanca and several other urban centers located along the way to Rabat. The BR1 was commissioned in 1974 and the BR2 in 1983, and both have undergone repeated repair work since 1993. To put an end to the repeated cracking, ONEP plans to replace some of the pre-stressed concrete sections with iron piping. This renewal of the 2 existing pipes to allow for improved water canalization and a more reliable water supply up to Casablanca has become a matter of extreme urgency, especially with the decreasing water volume observed in the Casablanca distribution network in the summer of 2009.

Technical Support to the Project: Past experience has confirmed the need for the Engineering Consultant's mission at the start of the project preparation activities. This has been corroborated by the recommendations of different project completion reports, leading ONEP to reiterate its request for authorization to invite proposals for this backstopping service based on the Advance Procurement procedure.

3.3 The advance procurement requested by ONEP, which is the project borrower and executing agency, is justified by the pressing situation with regard to the existing water pipes, specifically the repeated breaking observed for five years now. Rapid conduct of the works for renewal of the BR1 and BR2 pipes will make it possible to improve their functioning and ensure a reliable water supply along the Rabat–Casablanca corridor, pending full implementation of the project components, and avoid aggravation of the water scarcity witnessed in Casablanca in summer 2009. In addition, the technical mission will ensure timely commencement of the various preparation activities and thereby optimize the project scheduling and implementation.

4. Conclusion

4.1 The project will make it possible to strengthen and secure drinking water production in the most important hub area of the country, where the existing water system is expected to be saturated in the next 3 years. The advance procurement requested by ONEP is justified by the urgent need to start up activities and, to the extent possible, stave off drinking water shortages in sensitive areas like Casablanca. The Advance Procurement Action requested for the technical support is further justified by the fact that the consultant's presence will be required to prepare the preliminary project activities.

4.2 The different Bank units concerned have considered the ONEP request for advanced procurement of goods and works for the sub-components relating to renovation of the existing BR1 and BR2 mains and recruitment of the Engineer Consultant to provide the technical

support for the project. Based on their concurring views, the Bank has authorized ONEP to use the APA procedure for the said activities (at an estimated cost of UA 8.1 million, which is approximately 3.7% of the total project cost), provided the relevant Bank rules and procedures are respected.

4.3 In addition, ONEP has been advised that such authorization does not in any way commit the Bank to grant the loan requested for this project. ONEP has substantial experience in the application of Bank rules and procedures for procurement of goods, works and services. This experience, acquired in the implementation of previous water supply and sanitation projects financed by the Bank in Morocco, offers a guarantee of the smooth conduct of the procurement process.

4.4 The Board is thus requested to note the Advance Procurement Action (APA) approved by the Bank.