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INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT



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Bank Press Release No. 69/23 May 7, 1969 <u>Subject</u>: \$5 million loan for water supply systems in Cameroon

A loan equivalent to \$5 million, announced by the World Bank today, will finance about 70% of the cost of expanding the water supply systems in the two largest cities in Cameroon, Yaounde, the Federal capital, and Douala, the principal port and the country's main business and industrial center. The expansion will nearly double the supply of water in the two cities, which should be sufficient to meet the demand for approximately 10 years.

The loan will be made to the Societe Nationale des Eaux du Cameroun (SNEC), a semi-public corporation responsible for water supply in Yaounde and Douala and nine smaller cities. The loan will be for a term of 20 years including a three-year period of grace, with interest at 6-1/2%. It will be guaranteed by The Federal Republic of Cameroon.

Since The Federal Republic of Cameroon was established in 1961 there has been a substantial migration from rural areas to the towns and cities. Due to rapid urban growth, the country is faced with the need to expand water supply facilities in a number of towns. Because of their economic importance and recurring water shortages in Yaounde and Douala, priority has been given to expanding the systems in these cities. In both cities only about a fifth of the population live in houses supplied with water; the remainder use public taps. The expansion now being undertaken will enable SNEC to encourage new connections which it has been unable to do in the past, will assure adequate supplies for continued industrial growth, and will lessen the incidence of water-borne diseases as the cities become more crowded.

Both cities take and treat water from nearby rivers. The waters of the Dibamba River near Douala are sufficient to meet all foreseeable demands. The flow of the Mefou River, which supplies Yaounde, is low during the dry season so the project includes the construction of an earth dam to create a storage reservoir. Otherwise the works to be undertaken on the two systems are similar. At Douala they consist of an additional water treatment plant with a capacity of 22,500 cubic meters a day, reservoirs, distribution mains and ancillary facilities. At Yaounde they include an additional water treatment plant with a capacity of 16,000 cubic meters a day, a transmission line to Yaounde, and reservoirs, distribution mains and ancillary facilities.

The project is scheduled for completion by early 1971 at a total cost estimated at the equivalent of \$7 million. In addition to the Bank loan, Caisse Centrale de Cooperation Economique, a French agency, is lending the equivalent of \$1.6 million for the project. The balance, equivalent to about \$400,000, will be financed by SNEC from its own resources.