

January 29, 2010

Japanese ODA Loan Signed with the Independent State of Papua New Guinea Japanese Technology for Improving Sanitation and Protecting Coral Reefs

1. Today, JICA (President: Sadako Ogata) signed a Japanese ODA loan agreement with the government of Independent State of Papua New Guinea in the capital of Port Moresby for up to 8.261 billion yen for the Port Moresby Sewerage System Upgrading Project.
2. Under the project, a sewer facility will be constructed on in the coastal area of Port Moresby, capital of Papua New Guinea, and sewer services will be provided to the region, controlling the outflow of untreated sewer water into the ocean. This will improve the level of sanitation and the living environment, preserve the ocean environment and revitalize fisheries and other industries. The loan will be allocated to the construction of the sewer facilities, which includes the construction of a sewer treatment plant, access roads and outflow pipes; laying pipes; and construction of and repairs to pumps. Funds will be also allocated to consulting services to assist with bidding and constructions supervision.
3. As there is currently no sewage treatment plant in the coastal area, home to about 67,000 residents, sewer water is released into the ocean untreated. This has lead to a deterioration in sanitation and destruction of the ocean environment including bleaching of the coral reef. The sewer facility will remove pollutants from the water, ensuring a more sanitary environment and a higher level of water quality so that the coral reef can thrive.
4. The Port Moresby Sewerage System Upgrading Project is being carried out at the request of the Papua New Guinean government, and will employ advanced Japanese technology and expertise, in particular, a technique known as oxidation ditches. The oxidation ditch technique efficiently supplies oxygen to promote the breakdown of organic material by microorganisms, lowering the energy needed for plant operation as well as saving on maintenance costs. The plant operation will switch between normal and low-speed operating modes to eliminate nitrogen, which is cause nutrient enrichment being harmful to coral. This advanced technology was developed through intense research efforts aimed at making sewage treatment plants operate more efficiently, in response to the oil crises that have occurred repeatedly in Japan, where natural petroleum reserves do not exist.
5. As Papua New Guinea and all of Oceania are adjacent to Japan and commonly use the Pacific Ocean, the stability and development there is vital for the stability and prosperity of Japan. The region is also strategically critical as Oceania is an important source of fishery resources for Japan, and as well, Papua New Guinea holds mineral reserves and such energy resources as petroleum and natural gas. Additionally, Oceania provides important marine routes for transporting materials from Australia. At the Japan-Pacific Islands Forum Summit Meeting last May, a policy was established under which JICA provides support to the pacific region including the strategically important Papua New Guinea.

Reference: Loan Amount and Terms

Reference

1. Loan Amount and Terms

Project Name	Amount (Mil. Yen)	Interest Rate (% per annum)		Repayment Period (years)	Grace Period (years)	Procurement	
		Project	Consulting services			Project	Consulting services
Port Moresby Sewerage System Upgrading Project	8,261	0.2	0.01	40	10	Tied	Tied

2. Executing agency

Independent Public Business Corporation
Address: Department of Treasury, Vulupindi Haus-2nd Floor,
PO Box 542, WAIGANI, National Capital District
Tel: (675) 312-8741, Fax: (675) 312-8808

3. Planned implementation schedule

- (1) Completion of project: September 2015 – with the start of facility operation
- (2) Issuing of letters of invitation for consulting services, including work monitoring: October 2010
- (3) Tender announcement for procurement package for project construction: June 2011 (just one package)

4. JICA Contact Information

The contact information for the procurement schedule is as follows:
Contact Point for Pacific Division, Southeast Asia 1 and Pacific Department
Address: Fourth Floor, Niban-cho Center Building
5-25 Niban-cho, Chiyoda-ku, Tokyo
Tel: +81 (3) 5226-8975, Fax: +81 (3) 5226-6367