

March 16, 2010

Japanese ODA Loan Signed with Peru

Toward Improved Access to Safe Water for Residents in the Lima Metropolitan Marginal Areas

1. On March 15, 2010, JICA (President: Sadako Ogata) signed a Japanese ODA loan agreement with the Republic of Peru to provide up to 9.301 billion yen for the Lima Marginal Areas Sanitary Improvement Project (II).

2. Under this project, a water purification plant will be constructed along with a water supply and sewerage system. This will result in improved access to safe water, properly disposed sewage and a more sanitary living environment for residents around the Lima Metropolitan Area. The funds of the loan will be allocated to the construction of the purification plant and related facilities as well as to consulting services.

3. Belonging to a desert climate, the Lima Metropolitan Area has the largest population in Peru (approximately 8.5 million people) and with an on-going problem of water shortages during the dry season, ensuring water resources is of the utmost importance. Although the Peruvian government is working to explore new water resources in the Andes Mountains in the nation's hinterland, the existing water purification plants do not have any excess water purification capacity, such that there would not be adequate capacity even if additional water resources should be secured in the future. In recent years, there has been an inflow of low-income people from rural areas into the Lima Metropolitan Area, resulting in rapid urbanization in surrounding areas, and the population and size of those residential areas is expected to continue growing. Due to the lack of adequate water supply and sewerage infrastructure, many residents must resort to using poor-quality water delivered by private water supply trucks and simple water storage the water quality of which is difficult to control.

4. Faced with these conditions, the current administration has made access to safe water for the poor its top priority under its Agua para Todos (Water for All) program, and the construction of water purification plants, water supply networks and a sewerage system is an urgent task. JICA has been contributing to the improvement of water supply and sanitation, which is one of critical development issues in Peru, by integrating various projects. The area targeted in this project for the water supply plant includes an area where a water supply system is already being built under another Japanese ODA loan. [1]

5. With regards to water and sanitation, one of the Millennium Development Goals is to, "Halve, by 2015, the proportion of people without sustainable access to safe drinking water and basic sanitation." JICA is to continue supporting this issue, one that the international community has come together to address.

(Reference)

[1] North Lima Metropolitan Area Water Supply and Sewerage Optimization Project (I): <http://www.jica.go.jp/english/news/press/2009/090929.html>



signing ceremony

Reference

1. Term and Amount of Loan

Project Name	Amount (Mil. Yen)	Interest Rate (% per annum)		Repayment Period (years)	Grace Period (years)	Procurement	
		Project	Consulting services			Project	Consulting services
Lima Marginal Areas Sanitary Improvement Project (II)	9,301	1.4	0.01	25	7	Untied	Untied

2. Executing Agency

Servicio de Agua Potable y Alcantarillado de Lima (SEDAPAL or the Lima Water and Sewerage Service Company)

Address: Planta la Atarjea, Autopista Ramiro Prialé No. 210, El Agustino, Lima 10, Peru

Tel/fax: +51 (1) 317-3007, +51 (1) 362-5148

3. Planned Implementation Schedule

(1) Completion of project: May 2012 (including completion of construction and consulting services)

(2) Mailing of letters of invitation for consulting services, including work monitoring: Hired

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