

Japanese ODA Loan Signed with Brazil

Toward Improved Sanitation in Santa Catarina State

1. On March 31, JICA (President: Sadako Ogata) signed a Japanese ODA loan agreement with the State Water Supply and Sanitation Company of Santa Catarina (Companhia Catarinense de Águas e Saneamento) of the Federative Republic of Brazil for up to 14.426 billion yen for the Sanitation Improvement Project for Santa Catarina Coastal Region.

2. Under the Sanitation Improvement Project for Santa Catarina Coastal Region, waste water treatment plant construction and expansion will be carried out in five municipalities of Santa Catarina State. [1] It is aimed at improving sanitation and the living environment, preserving the natural environment, and developing local industry. The loan will be allocated to the construction of waste water treatment plants and pump stations, installing sewer system components such as pipes and culverts, and consulting services.

3. Past work to improve the water service and waste water infrastructure has resulted in more than a 90 percent connection rate for water, though the state of sewer connections remains low, at around 20 percent. As Santa Catarina State historically has small and medium sized cities with relatively low-density populations, individual septic tanks have been used to treat waste water rather than central treatment plants. However, with a population migration to coastal cities in recent years as well as the increase in domestic and foreign tourists to the Atlantic Coast known for their beautiful seashore, individual systems can no longer handle the volume required. Untreated waste water therefore flows both on the surface of the ground and in rivers, causing the quality of river, groundwater and ocean water to steadily decrease. This has led to concerns of the effects on public health such as outbreaks of cholera and hepatitis and on the ecosystems for mangrove forests as well as for rare animals such as the southern right whale, designated as a threatened species in Japan. There is also concern about the economic impact on major industries of Santa Catarina State because of the contaminants in the sea that may affect swimming as well as the cultivation of oysters, mussels and other seafood.

4. The State Water Supply and Sanitation Company of Santa Catarina has therefore formulated a sanitary environment program to further expand the water and sewer network. The Sanitation Improvement Project for Santa Catarina Coastal Region will expand the water treatment system in areas where sewer access lags, bringing together Japan and Brazil to tackle the issue of sanitation improvement, one of the worldwide development goals.

(Reference)

[1] Santa Catarina State is located on the Atlantic Coast in southern Brazil. With a population of six million, agriculture and livestock are major industries. JICA has been providing technical cooperation of temperate zone fruit cultivation for such fruits as apples and pears in this state for nearly 30 years. Eventually Fuji apple is now circulated with its original name and exported to Europe and other regions as one of major crops of Santa Catarina State.



Signing ceremony

Reference

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
Sanitation Improvement Project for Santa Catarina Coastal Region	14,426	1.2	0.01	25	7	Untied	Untied

Executing Agency

State Water Supply Company of Santa Catarina (Companhia Catarinense de Águas e Saneamento)
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Planned Implementation Schedule

- (1) Completion of project: March 2016 – when the facilities are put into service
 - (2) Issuing of letters of invitation for consulting services(including construction supervision): July 2010
 - (3) Tender announcement of initial procurement package for international competitive bidding on project construction:
- Procurement package title: Civil Works
Release date: July 2011