

October 14, 2010

## Japanese ODA Loan Signed with Brazil - Toward Environmental Improvement in the Basin of Lake Billings in the São Paulo State -

1. On October 14, the Japan International Cooperation Agency (JICA) signed a Loan Agreement with the Companhia de Saneamento Básico do Estado de São Paulo (SABESP or the Basic Sanitation Company of the State of Sao Paulo) of the Federative Republic of Brazil for up to 6.208 billion yen for the Environmental Improvement Project in the Basin of Lake Billings.

2. Under the Environmental Improvement Project in the Basin of Lake Billings, the sewer system will be improved in the north basin of the lake in São Bernardo do Campo, a city in the São Paulo State. As a result of the project, it is expected that both the quality of water supplied to the São Paulo metropolitan area and the living environment in the basin area will be improved, while preserving the surrounding natural environment. The Japanese ODA loan will be allocated to the construction of major pipes and culverts for waste water, pump stations, and an environmental center, as well as to consulting services.

3. In addition to establishing the National Sanitation Law in January 2007, Brazil has announced the Accelerated Growth Program (PAC), in which investment in the sanitation sector is specified as one of its priority policies. In the São Paulo State, SABESP has formulated a long-term plan for water supply and sewerage infrastructure in the state, including a basic policy of "transporting polluted water in the north area of Lake Billings to an existing outside sewage disposal plant". This project will support the improvement of sewerage system in the basin of the lake under that policy.

4. In Brazil, though 90 percent of houses are connected to water supply, a mere 50 percent are connected to sewerage system, and the inadequately treated sewage affects urban environments. The São Paulo State, which has the biggest population in the country, has undergone a worsening in its water supply from Lake Billings— one of the major source in the metropolitan area—since the 1970s due to industrial waste water around the basin caused by industrial development and untreated household wastewater brought on by a rapid increase in the number of residents. The state government has been involved in improving the water supply, but the influx of untreated household sewage remains contaminating the reservoir.

In the lake's watershed, vast natural forests remain in such areas as designated state and city parks as well as state preserve areas, the latter home to 13 rare species including the harpy eagle and the white-lipped peccary, the even-toed ungulate that resembles a boar. Therefore, conservation of the water of the Lake Billings is a critical issue from the perspective of environmental protection as well.

5. JICA considers the environment sector as one of the most important areas of cooperation in Brazil, and has been contributing to environmental improvements. JICA's most recent ODA loan projects for water supply and sewerage improvements include the Parana State Environmental Improvement Project (23.686 billion yen), the Northeast Water Resources Development Project (3.595 billion yen), and the Sanitation Improvement Project for Baixada Santista Metropolitan Region (21.32 billion yen), which have been completed, and the Sanitation Improvement Project for Santa Catarina Costal Region (14.426 billion yen), still in progress.

6. More than a century has passed since the first emigrants left from Japan for Brazil aboard the Kasato Maru in 1908. The Brazilian-Japanese immigrant (Nikkei) community celebrated the centennial of the crossing in 2008, and now a lot of their outstanding descendants contribute to the development of Brazil. More than half of the 1.5 million Nikkei community of Brazil are living in the São Paulo state, and it has become a familiar place where Japanese immigrants have played significant roles in the history. This project which will be executed in such a place is also expected to contribute to strengthen the friendship between Japan and Brazil.



Signing ceremony

## Reference

### 1. Terms and Amounts of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment Period (years)	Deferment period (years)	Procurement
		Project	Consulting Services			
Environmental Improvement Project in the Basin of Lake Billings	6,208	1.2	0.01	25	7	Untied

### 2. Project Summaries

#### Environmental Improvement Project in the Basin of Lake Billings

##### Executing Agency

Companhia de Saneamento Básico do Estado de São Paulo (SABESP or the Basic Sanitation Company of the State of Sao Paulo)  
Address: Rua Costa Carvalho, 300, São Paulo/SP CEP 05429-000, Brazil  
Phone/Fax: +55 (11) 3388 – 8247

##### Planned Implementation Schedule

- (i) Completion of project: July 2016, with completion of the consulting services
- (ii) Mailing of letters of invitation for consulting services: 2010, fourth quarter (including construction monitoring)
- (iii) Tender announcement for international competitive bidding on project construction:

Procurement package title: Civil Works

Release date: 2010, fourth quarter

Procurement package title: Consulting services

Release date: 2010, third quarter

##### Related Links

➤ [Project Map \(PDF/63KB\)](#)



## The State of São Paulo

