

JICA signs Japanese ODA Loan Agreement with Brazil

— Helping to Improve Sanitation along the São Paulo State Coastline with the Largest Sanitation Company in Latin America —

1. Today, 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 to finance up to 19.169 billion yen for the Sanitation Improvement Project for Baixada Santista Metropolitan Region (II).

2. With the aim of improving water quality to better the living environment for residents in nine coastal cities undergoing marked development in Brazil's São Paulo State, an area central to the South American economy, this Japanese ODA loan will provide additional funding needed for sewer facility improvements and consulting services.* Japanese ODA loan will be allocated to the construction of major sewer pipes, culverts and pump stations in the target region, as well as to consulting services.

3. In Brazil, though 90 percent of urban homes have water service, only about 50 percent have a direct sewer connection, which results in inadequately treated waste water harming urban living environments. In particular, untreated wastewater has been flowing into the coastal waters and rivers in São Paulo State, the most populous state in the nation, and the degradation of the living environment for residents due to falling water quality becomes more serious with each passing year.

4. The coastal region of São Paulo State, the target area of the project, is home to the Port of Santos (the largest trade port in Brazil), an industrial region that encompasses one of the state's prominent industrial cities, such as Cubatão, and a developed resort area closest to the São Paulo city.

5. JICA considers the environment to be an important area for support in its economic cooperation to Brazil, and continues to assist the country's efforts for environmental improvements. Among water and sewer improvement projects, the Parana State Environmental Improvement Project (financing up to 23,686 million yen), the Northeast Water Resources Development Project (financing up to 3,595 million yen) and the Sanitation Improvement Project for Baixada Santista Metropolitan Region (financing up to 21,320 million yen) have already been implemented, while the Sanitation Improvement Project for Santa Catarina Coastal Region (financing up to 14,426 million yen) and the Environmental Improvement Project in the Basin of Lake Billings (financing up to 6,208 million yen) are currently in progress.

6. More than a century has passed since the first emigrants left from Japan for Brazil aboard the Kasato Maru in 1908. Today, a large number of talented individuals descended from those people are contributing to the development of Brazil. Home to more than half of the 1.5 million people that make up the ethnic Japanese community in Brazil, São Paulo State has an established history of Japanese immigration, and the cities provide a remarkable sense of familiarity for Japan. The work to be done in this area is also expected to serve to strengthen the bond of friendship between Japan and Brazil.

* This project is a supplemental loan to the Sanitation Improvement Project for Baixada Santista Metropolitan Region, whose loan agreement was signed in 2004. The project will improve water and sewer infrastructure to the Baixada Santista region along the São Paulo State coast, thereby providing stable water and sewer services to the region and contributing to an improved living environment and the preservation of the natural environment.

A review of the rapidly rising costs of materials and equipment along with a reevaluation of the design revealed that additional funding would be required to implement the project.



Signing Ceremony



Related Link

› [Map of the project site \(PDF/380KB\)](#)

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			Project	Consulting services
Sanitation Improvement Project for Baixada Santista Metropolitan Region (II)	19,169	2.5	1.8	25	7	Untied	Untied

2. Project Summaries

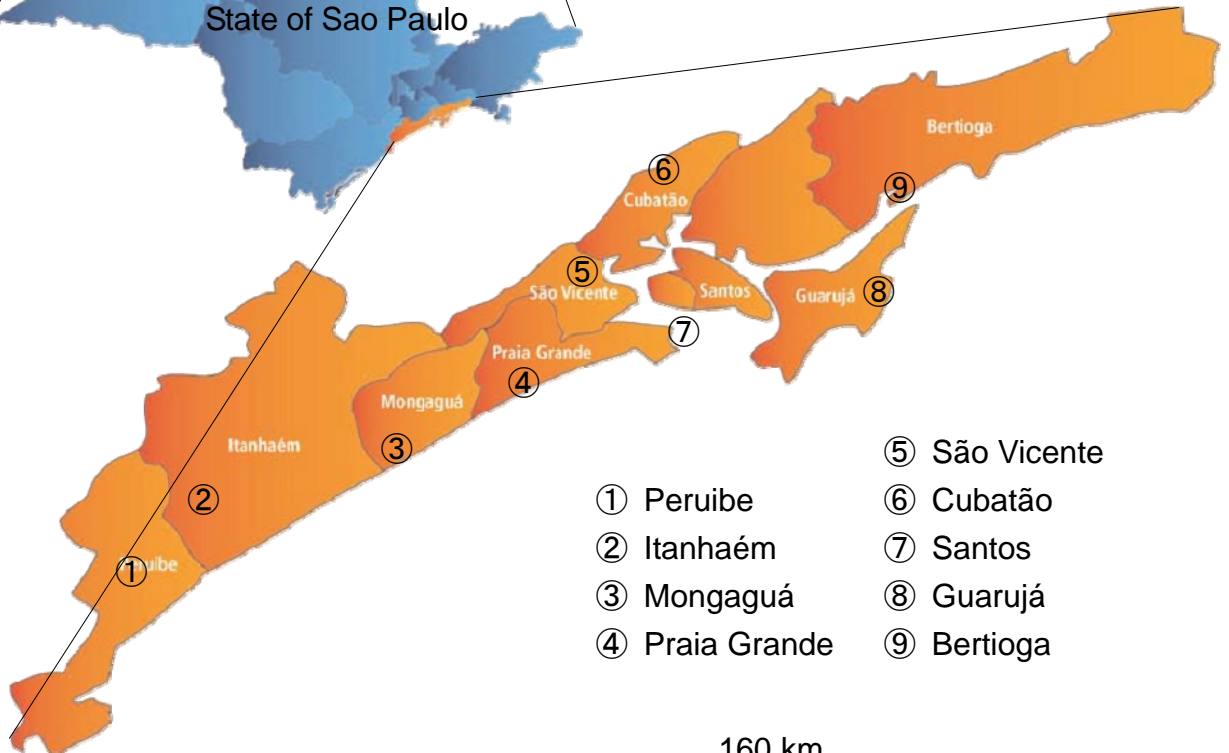
Sanitation Improvement Project for Baixada Santista Metropolitan Region (II)

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

Related Link

› [Sanitation Improvement Project for Baixada Santista Metropolitan Region](#)



- ① Peruibe
- ② Itanhaém
- ③ Mongaguá
- ④ Praia Grande
- ⑤ São Vicente
- ⑥ Cubatão
- ⑦ Santos
- ⑧ Guarujá
- ⑨ Bertioga

160 km