

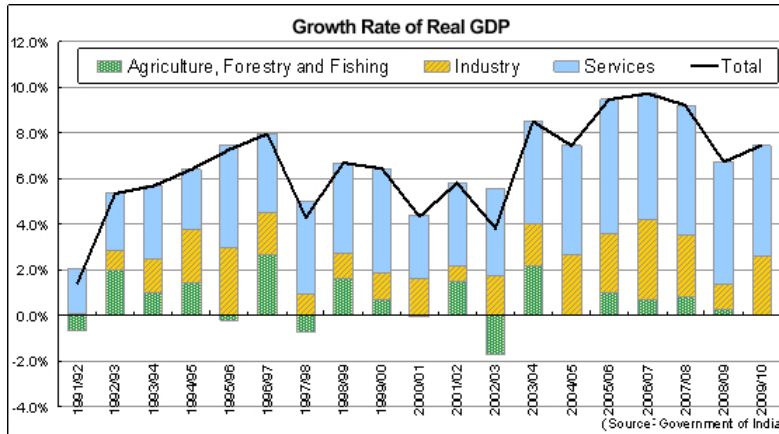
JICA signed Japanese ODA Loan Agreements for the First Half of Fiscal Year 2010 with India — Supporting an Environmentally Harmonious Development Model and Biodiversity in Rapidly Growing India —

1. Today, the Japan International Cooperation Agency (JICA) signed loan agreements with the Government of India to provide three Japanese ODA Loan Projects for the first half of Fiscal Year 2010, total of which amounted to 46,401 billion Japanese Yen.

2. Given the rapidly increasing population and growing environmental burden in Asia, much attention is being focused on "green growth," a concept of developing the economy while creating a low-carbon society. Having launched economic reforms in 1991, India has achieved an annual economic growth rate between 4 and 9 percent, standing out as one of the remarkable BRIC countries. It is predicted that India will attain high economic growth rate of 9 percent in fiscal 2010 as well, having demonstrated a swift recovery from the global economic crisis. At the same time, there is a big challenge for India to achieve growth targets while ameliorating the environmental burden. JICA is therefore providing assistance through Japanese ODA loans to support a model of development which is environmentally harmonious and preserves the nation's biodiversity.



Signing Ceremony



3. The United Nations declared 2010 to be the "International Year of Biodiversity," and Japan hosted the 10th Meeting of the Conference of the Parties to the Convention on Biological Diversity (COP10) in October of that year. The commitment of Japan and India to biodiversity conservation, including India's upcoming role as the host nation of the next conference (COP11) in 2012, has been drawing an increasing global interest, and the Government of India is actively implementing biodiversity and forest conservation projects through its national action plans.

4. There are 34 regions (Biodiversity, Hot-Spot) in the world which, despite having a high level of biodiversity, are in critical danger of being destroyed.^[1] One such hotspot is the Western Ghats Mountain Range in southern India, an area of abundant biodiversity inhabited by a wide range of endemic flora and fauna. The Tamil Nadu Biodiversity Conservation and Greening Project, whose target region includes the Western Ghats, will provide assistance for biodiversity conservation and tree planting activities. Specifically, the project will provide assistance for a diverse range of activities, including habitat management by removing invasive and exotic species as well as strengthening the monitoring systems for fires, poaching and other threats. Other activities targeted for assistance include strengthening the institutional capacity to manage protected areas, ecologically sustainable development for people living in or on fringes of forests, and developing ecotourism.

5. Meanwhile, the large cities in India, in particular, continue to struggle with myriad problems related to the availability of quality water supply. The current service deliveries cannot keep up with the demand of drinking water, which continues to rise due to the increased population and more economic activities supporting the higher growth rate. The sewer coverage rate is mere 28 percent in urban areas. Untreated sewage flows into rivers, which causes water-borne diseases, odors and other health hazards to local residents threatening their living environment. Under the Yamuna Action Plan Project (III), the Yamuna river water quality shall be improved by sewerage infrastructure modernization and rehabilitation. The Hindus visit the River Yamuna for holy bathing, as the river is believed to be most sacred like that of the River Ganga. The conservation of water, bringing change in daily habits of local residents by awareness and correlation between water quality and their habitude are critical to reduce sewage generation. In addition to the improvement of the facilities, measures to promote public participation and awareness of local residents through public outreach programs shall be taken.

6. To maximize the effects of cooperation, JICA will apply a holistic approach by incorporating a technical cooperation project and a Japanese ODA Loan. Under the Himachal Pradesh Crop Diversification Promotion Project, the cultivation of high-value products will be promoted with an aim of increasing income for farmers. Specifically, the Japanese ODA loan will be implemented to develop agricultural infrastructures such as small-scale irrigation facilities and access farm roads, while the technical cooperation project will focus on capacity building at a selected model district in the State. Experts dispatched from Japan will provide technical guidance to agricultural extension officers and farmers, on such skills as vegetable cultivation, processing and marketing. The agriculture extension officers trained by Japanese experts will bear the role of disseminating the new skills in the target sites of the ODA Loan Project, as well as in other regions. By providing holistic cooperation combining such infrastructure development and technical guidance, it is anticipated that a production and distribution system will be established that can address the changing demand for high-value vegetables and fruits in Delhi and other major cities in India. It is expected that the two projects should work in close contact and collaboration with each other, exchanging and sharing information and outputs to maximize the synergetic effects of technical cooperation and a Japanese ODA loan.

Reference

1. Terms and Amounts of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period / deferment period (years)	Procurement
		Project	Consulting services		
(1) Himachal Pradesh Crop Diversification Promotion Project	5,001	1.40	0.01	30/10	Untied
(2) Tamil Nadu Biodiversity Conservation and Greening Project	8,829	0.65*	0.01	40/10	
(3) Yamuna Action Plan Project (III)	32,571	0.65*	0.01	40/10	
Total	46,401				

(*) To actively assist the approach to environmental issues in developing countries, preferential terms are applied to environmental projects (0.65% per year interest with a repayment period of 40 years and a grace period of 10 years)

2. Project Summaries

(1) Himachal Pradesh Crop Diversification Promotion Project

Background and Necessity

With rapidly increasing middle-class income groups in Delhi and other major cities in India, the middle class is quickly rising, which is expected to result in a rapid increase in demand for raw produce including high-value vegetables. Located approximately 350 kilometers to the north of Delhi, Himachal Pradesh is a hilly state at the foot of the Western Himalayas, ranging from 350 meters to beyond 7,000 meters in altitude. Nearly 70% of the working population in the state is engaged in agriculture,

Utilizing the cool climate and the geographical advantage of proximity to Delhi and other major cities, farmers will be able to increase their income by producing and selling value-added crops such as off-season vegetables to urban consumers.

Also, only 20% of the cultivable area has irrigation facilities, and the rest has to depend on the rain-fed cultivation. Thus majority of the farmers in the state remain engaged in traditional cultivation of food grains, and only limited number of farmers who have irrigation facilities are able to produce vegetables. Also, only 60 percent of the roads can be used year-round for shipping crops, which means that crops must be delivered on foot when roads are not available. This is not only an extra burden for farmers, but also a severe impediment to farmers in improving their income, since the prices are affected with the damaged products during transportation.

To improve these circumstances, agricultural infrastructure, such as irrigation facilities and access farm roads will be developed, which, along with technical guidance to farmers on vegetable cultivation, are expected to improve farm income when the cultivation of cash crops such as cauliflowers and peas will be widespread.

Objective and Summary

The objective of the project is to promote sustainable crop diversification in Himachal Pradesh by development and rehabilitation of minor irrigation facilities and access farm roads, as well as by improvement of extension services including promotion of vegetable cultivation, thereby contributing to improvement of livelihood of farmers in Himachal Pradesh.

The project is to promote crop diversification in approximately 210 communities located in the selected five target districts in the State of Himachal Pradesh, through development of infrastructure, such as small-scale irrigation facilities and access roads, as well as through the Technical Cooperation Project will provide training on such skills as vegetable cultivation, food processing, marketing, operation and maintenance of irrigation facilities. Also, the institutional capacity to promote crop diversification will be strengthened, through the training for agriculture extension officers and farmers.

The funding for this project will be allocated to the development of infrastructure, such as small-scale irrigation facilities, strengthening of the institutional capacity of the Department of Agriculture, and consulting services.

Executing Agency

Department of Agriculture, Government of Himachal Pradesh
Address: Krishi Bhavan, Shimla-171005 Himachal Pradesh
Phone: +91 (0177) 283-0620

Planned Implementation Schedule

- (i) Completion of project: March 2018 – with completion of farmer assistance activities
- (ii) Issuance of letters of invitation for consulting services (including construction monitoring): March 2011
- (iii) Tender announcement of initial procurement package for international competitive bidding on project construction: There will be no procurement in this project by international competitive bidding, but procurement of contractors for project implementation will be carried out through local competitive bidding.

(2) Tamil Nadu Biodiversity Conservation and Greening Project

Background and Necessity

The state of Tamil Nadu is located in the southern part of India and in the Western Ghats Mountain Range which is one of the biodiversity hotspots and with 28 protected areas and 553 endemic species. In addition to 230 red-listed species, many problems are reported, such as man-animal conflict. Among the impoverished residents today struggling to meet their livelihood needs, many are so heavily dependent on forest resources that they have no choice but to turn to deforestation to make a living.

In Tamil Nadu, long-term afforestation projects supported by the Japanese ODA loans have been implemented, and these projects have contributed to increasing the forest and tree cover. However, the forest cover is still only 22 percent, much below the national target of 33 percent.

Given these circumstances, it is urgent to manage protected areas and forests properly for sustainable forest management system and to improve the livelihoods of people living in forest and on forest fringes while conserving the region's biodiversity.

Objective and Summary

The objective of the project is to strengthen biodiversity conservation by improving ecosystem and the management capacity as well as undertaking tree planting outside the recorded forest areas, thereby contributing to environmental conservation and harmonized socio-economic development of Tamil Nadu. Additionally, the tree planting activities are expected to have the effect of reducing greenhouse gases.

In order to conserve the biodiversity in this state with its many precious endemic species, this project will conserve the ecosystem (by removing invasive and exotic species), strengthen the monitoring systems for fires, poaching, and other threats, establish fences and trenches to reduce man-animal conflict, improve the livelihood of people living in or on fringes of forests, and carry out community-based ecotourism.

The funding for this project will be allocated to biodiversity conservation activities, tree planting activities outside the recorded forested areas on private farm lands, institutional capacity development of the Department for Forest, and consulting services.

Executing Agency

Department of Forest, Government of Tamil Nadu
Address: Panagal Building, No.1, Jeehis Road, Saidapet, Chennai 600015, India
Phone: +91 (44) 2436-4957

Planned Implementation Schedule

- (i) Completion of project: March 2019 – with completion of biodiversity conservation activities
- (ii) Issuing of letters of invitation for consulting services (including construction monitoring): March 2011
- (iii) Tender announcement for initial procurement package for international competitive bidding on project construction: There will be no procurement in this project through international competitive bidding, but procurement for the project implementation will be carried out through local competitive bidding.

(3) Yamuna Action Plan Project (III)

Background and Necessity

Considering the rapid increase in India's urban population, ensuring stable supply of safe drinking water, improving sanitation conditions of the poor, improvement in the living standards, and improvement of the water quality of major rivers by pollution prevention are all the pressing issues, which must be addressed in response to the environmental problems in India. In the nation's capital of Delhi, the tremendous increase in the population due to the rapid urbanization in the recent years and resulting in huge sewage generation, severe water pollution in the River Yamuna, sanitation and health issues for local residents in river basin cities, and improving sewerage infrastructure for the better living conditions are pressing issues. The water quality improvement of the River Yamuna in Yamuna Action Plan under the National River Conservation Plan of the Government of India, which has been initiated by the National River Conservation Directorate, Ministry of Environment and Forests is very vital. This project is third successive project under the Yamuna Action Plan after the implementation of the first project in 1992 and the second in 2003. The main aim of the project is to bring about more effective results through modernization and rehabilitation of sewerage facilities specifically in the National Capital Territory of Delhi, a capital city along the River Yamuna contributing biggest pollution load to the River.

Objective and Summary

The objective of the project is to improve the water quality in River Yamuna by modernization of sewage treatment plant, rehabilitation and replacement of the existing sewerage system and by implementing public outreach activities in National Capital Territory of Delhi, thereby contributing to improvement of public health conditions for inhabitants.

This project will improve the operational efficiency of existing sewerage facilities (mainly sewage treatment plants and sewer lines) in the National Capital Territory of Delhi through modernization, rehabilitation and replacement, and construction of new facilities for treated sewage recycle to be used in power plants, washing of buses and trains, gardening etc., which would also result in conservation of the precious drinking water.

The funding for this project will be allocated to the modernization, rehabilitation and replacement of sewerage facilities, the construction of treated sewage recycle and supply facilities, residents awareness and informational activities, and consulting services.

Executing Agency

Delhi Jal Board (DJB)
Address: Varunalaya Ph-II, Jhandewalan, Karol Bagh, New Delhi, 110005, India
Phone: +91 (11) 2351-6261

Planned Implementation Schedule

- (i) Completion of project: April 2017 – when the facilities created are put into service
- (ii) Issuing of letters of invitation for consulting services (including construction monitoring): June 2011
- (iii) Tender announcement of initial procurement package for international competitive bidding: July 2012

Note

[1] Specified by Conservation International, an international NGO