

Signing of a Japanese ODA Loan Agreement with Federative Republic of Brazil –Alleviating Traffic Congestion in the Belem Metropolitan Area While Controlling Greenhouse Gas Emissions–

On September 4, the Japan International Cooperation Agency (JICA) signed a Japanese ODA loan agreement with the government of the State of Para, Brazil, to provide a loan of up to 16.411 billion yen for assistance for Belem Metropolitan Trunk Bus System Project.

By improving the trunk bus transportation system, the project will alleviate traffic congestion and air pollution in the Belem metropolitan area of State of Para in northern Brazil, which have steadily worsened, and will improve the living environment for local residents. Because this project will curb greenhouse gas emissions, it is expected to have an effect in reducing climate change. The funds of the Japanese ODA loan will be allocated to the introduction of busways (exclusive roads and lanes) through improvement of existing roads, as well as to consulting services.

The Belem metropolitan area has a population exceeding two million people, and the area is expanding from the commercial center of the municipality of Belem toward Ananindeua at the periphery, and traffic congestion grows worse each year with the increase in traffic volume of buses and passenger vehicles on arterial roadways. In the area, the bus is the only means of public transportation and the primary means of travel, but all of the 29 private bus companies operate buses on routes that use the arterial roadways bound for the city center. Lack of efficient transportation system and the excessive number of buses which occupy the arterial roadways have been the major cause of traffic congestion. Air pollution, deriving from gases such as nitrogen oxide (NOx) and carbon dioxide (CO₂), has been detected at high levels in the area, particularly along the many arterial roadways with heavy traffic, and a response is needed to alleviate the environmental burden.

Given these circumstances, the government of State of Para formulated an urban action plan "Ação Metrópole" in 2008 as a policy to mitigate traffic congestion in the Belem metropolitan area. The goal of this plan is to develop the urban transportation system by streamlining the roads as well as the bus system. Ação Metrópole was formulated based on a master plan, feasibility studies and other efforts for Belem urban transportation planning that have been supported by JICA since 1989. Of 18 routes planned for the trunk bus system under Ação Metrópole, the project will improve the three most vital routes with the loan funds. State of Para and JICA have worked together for more than two decades, and at last, their efforts are taking concrete form by this project.

This project will not only improve the traffic congestion, but reduce greenhouse gases by an estimated 50,000 tons per year, helping to alleviate climate change. The government of State of Para is considering the possibility of applying Clean Development Mechanism (CDM) scheme at some point, and if that course of action is taken, JICA intends to provide assistance to the State of Para through technical cooperation for that front and by dispatching ODA loan specialists, if necessary.



Signing ceremony (Left: Simão Robison Oliveira Jatene, Governor of the State of Para, Brazil. Right: Hideaki Domichi, JICA Senior Vice President)

Reference

1. Terms and Amounts of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment (years)	Grace Period (years)	Procurement
		Project	Consulting services			
Belem Metropolitan Trunk Bus System Project	16,411	0.50	0.01	30	10	General Untied

2. Project Summaries

Executing Agency

Estado do Pará (State of Para)
Address: Av. Gentil Bittencourt, 1539
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Belém, Pará, Brasil
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Planned Implementation Schedule

- (i) Completion of project: September 2016 – when the facilities are put into service
- (ii) Issuing of letters of invitation for consulting services (including detailed design, bidding assistance and construction monitoring): December 2012
- (iii) Tender announcement for initial procurement package for international competitive bidding on project construction:
Procurement package titles: (two package procurements are planned for this project)
Release date: August 2014