

Signing of Japanese ODA Loan with the Government of India

–Improvement of National Highway in Bihar, one of the most impoverished state–

1. On February 22, the Japan International Cooperation Agency (JICA) signed a Japanese ODA loan agreement with the Government of India to provide up to 22.903 billion yen for the Bihar National Highway Improvement Project at New Delhi, India.

2. Under the Bihar National Highway Improvement Project, National Highway 83, which connects Patna to Gaya and Dobhi, will be widened into four lanes. Widening will be carried out along approximately 127 kilometers of the roadway and will also include construction of bypasses, bridges and service roads to meet the rapidly rising demand for road transportation. The loan funds will be allocated for road construction and consulting services.

3. In 2012, the National Highways in India constitute 76,818 kilometers, or about 2 percent of the total 4.11 million kilometers of national road network. However, they bear about 40 percent of transportation on the road network as a whole, and are therefore highly critical. Also, only about 23 percent of the total National Highways have four lanes. In such a scenario, improving the national highway network to meet the growing demand for road transportation is an urgent issue. In its 12th Five Year Plan, running from April 2012 to March 2017, the Government of India plans to implement improvements to the main trunk roads, mainly through the promotion of National Highways Development Project, thus contributing to the better mobility and accessibility.

4. The State of Bihar is located in eastern India and is well known for its Buddhist sites, including Bodhi Gaya, which is registered as a World Heritage Site in 2002 and known as the most sacred place for Buddhism. Though Bihar is also one of the most impoverished states of India and 53.5 percent of the State's population lives below the poverty line (2010), it has achieved remarkable economic growth in recent years. With the economic development and increase in population, the number of vehicles in Bihar increased from 1.02 million to 2.67 million from fiscal year 2002 to 2011. However, the road length per 100,000 people was only 125.85 kilometers, in comparison to an average of 387.57 for the entire India. Hence, the road network must be improved quickly to meet the rapidly growing demand for road transportation and promote economic growth in Bihar.

The ODA loan is expected to contribute to the enhancement of the investment climate for the private sector, as well as the development of the tourism.



Toshiyuki Kuroyanagi, a JICA vice president, and Rajesh Khullar, joint secretary of the Department of Economic Affairs, Ministry of Finance, Government of India, shook hands after signing.

Reference

1. Terms and Amounts of Loans

Project title	Amount (million yen)	Annual interest rate (%)		Repayment (years)	Grace period (years)	Procurement
		Project	Consulting services			
Bihar National Highway Improvement Project	22,903	1.40	0.01	30	10	General untied

2. Project Summaries

Executing Agency

National Highways Authority of India
Address: G-5&6, Sector-10, Dwarka, New Delhi 110075, India
Phone: +91 (11) 2507-4100, fax: +91 (112) 509-3507

Planned Implementation Schedule

- (i) Completion of project: May 2017 – when the facilities are put into service
- (ii) Issuing of letters of invitation for consulting services (including construction monitoring): March 2013
- (iii) Tender announcement for initial procurement package for international competitive bidding on project construction: Procurement package title: Construction Works of National Highway 83 and Road Related Facility Development
Release date: March 2013