

April 11, 2014

Signing of a Japanese ODA Loan Agreement with the Government of India

—Support for Forestry Management, together with Recovery of the Disaster-Stricken Areas in the State of Uttarakhand —

On April 11, the Japan International Cooperation Agency (JICA) signed a Japanese ODA loan agreement with the Government of India in New Delhi to provide up to 11,390 million yen for "Uttarakhand Forest Resource Management Project."

The Project aims to restore the forest in the State of Uttarakhand by supporting afforestation and other forest management activities with community participation, as well as providing income-generating activities for local people. Besides, in June 2013, heavy monsoon rains triggered devastating floods and landslides, resulting in 6,000 people missing or dead. The project also aims to reduce the risk of further disasters through mitigation measures for landslides, as well as to restore damaged infrastructure such as forest roads.

Uttarakhand, one of the states in India, has the Himalayas to the north and abundant forest lands and water resources. However, the forests in the state are being degraded due to increasing population pressure. The decadal population growth rate in the state from 2001 to 2011 was 18.8 percent, exceeding the national average of 17.6 percent. The population in rural villages in Uttarakhand, which account for more than 70 percent of the total, underwent a particularly large increase, nearly doubling from 1981 to 2011. Since the majority of the rural population depends on forest resources for their livelihoods, increases in the human population and livestock numbers heighten the demands for fuel wood and animal fodder. Under this demand, the gathering of firewood and slash-and-burn practices to develop pastures overexploit forest resources, damaging about 2,000 hectares of forest every year. It is estimated that the amount of degraded forestland increased by 150,000 hectares between 2005 and 2011, reaching 80 percent of the total forest area in the state. To attain sustainable forest resource management, it is therefore imperative to cooperate with local residents by improving their livelihoods.

Besides, in June 2013, heavy rains caused abnormally large floods and landslides in Uttarakhand, affecting 4,200 villages located mainly in the northern part of the state and leaving approximately 6,000 people dead or missing. In rural areas, road and electricity infrastructure was destroyed, as well as public facilities such as schools and hospitals, embankments, forests and agricultural lands. This affected in particular those in need because of their vulnerability to external risks. To avoid further damage in the future, it is therefore important to mitigate and prevent disasters such as landslides and slope failures.

This project aims to: 1) enhance forest management through participatory forest management activities, 2) improve the economic and social well-being of the area through regional development and livelihood improvement, and 3) strengthen key organizations such as the Uttarakhand Forest Department. 4) In addition, the project will conduct recovery and disaster mitigation operations in the areas affected by the disaster. Through these activities, the project will promote sustainable forest management, thereby contributing to environmental preservation, harmonized socioeconomic development, as well as climate change mitigation and adaptation in the area. Funds from the loan will be allocated to forest restoration activities, regional development and livelihood improvement. Other work will include the capacity building of key organizations, disaster recovery and mitigation activities, and consulting services.

(Reference)

1. Terms and amounts of loans

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Uttarakhand Forest Resource Management Project	11,390	0.30	0.01	40	10	General untied

2. Executing Agency

Forest Department, Government of Uttarakhand
Address: 85 Rajpur Road, Dehradun, Uttarakhand, 248001, India
Phone: +91-13-5274-6934, fax: +91-13-5274-1630

3. Planned Implementation Schedule

(i) Completion of project: March 2022 – when all activities are completed

(ii) Issuing of letters of invitation for consulting services (including construction supervision): May, 2014

(iii) Tender announcement of initial procurement package for international competitive bidding on project construction: No international competitive tendering is planned (all tendering is planned to be local competitive bidding)