

Signing of Japanese ODA Loan Agreement with the Government of India

—Addressing Increasing Traffic Demand in Bihar —

On January 30, the Japan International Cooperation Agency (JICA) signed a Japanese ODA loan agreement with the Government of India to provide up to 21.426 billion yen for "Bihar National Highway Improvement Project (Phase 2)" at New Delhi, India.

The State of Bihar is known as one of the poorest states in India and has long fallen behind national overall economic development. While Indian national economy achieved an annual average of over 6% real GDP growth during 1990-1999, Bihar recorded, during the same period, an annual average of 3.5% real GSDP (Gross State Domestic Product) growth. Since 2000, the state, however, has shown a sharp economic growth and marked the highest GSDP growth ratio of all Indian states in FY2010 (14.8%) and FY2011 (13.1%). This rapid economic catch-up has been calling an increasing traffic demand: the number of vehicles in Bihar increased from 1.02 million in FY2002 to 2.67 million in FY2011. On the other hand, the road length per 1 million people is only 12.6 kilometers, which is far behind the national average of 38.8 kilometers.

Under "Bihar National Highway Improvement Project (Phase2)", it is proposed to widen National Highway 82 (Gaya-Biharshariff) into 4-lane as well as construct 3 bypasses circumventing congested areas (Manpur, Wazirganj and Tungi), thus properly addressing the increasing traffic demand in Bihar.

The Project is also planned to improve connection between "East-West Corridor1" and "Golden Quadrilateral2" within the state, both of which are promoted by Ministry of Road, Transport & Highways (MoRTH) as parts of National Highways Development Project (NHDP).

Moreover, located along the National Highway 82 are some of important historical sites in India: such as Nalanda University—one of the world's oldest universities—and Rajgir—one of the four holy places of Buddhism in India. By drastically improving access to such sites from the nearby World Heritage Site at Bodhi Gaya, the project will contribute to the tourism industry in Bihar. The project route runs through the construction site of the new campus proposed under Indian Government's "The Revival Plan of Nalanda University," as well.

Notes:

- Under "East-West Corridor" project, 4,000 kilometers expressway from Porbandar (Gujarat) to Silchar (Assam) is being constructed. As of October 2013, 86.5% of the whole route is completed.
- The Golden Quadrilateral connects the four major cities (Mumbai, Delhi, Kolkata and Chennai) in the shape of a diamond. Part of National Highway 2 (Delhi - Kolkata, 1,453km) passes through the State of Bihar.

(Reference)

- Terms and Amounts of Loans

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Bihar National Highway Improvement Project (Phase 2)	21,426	1.40	0.01	30	10	General untied

2. Executing Agency

Bihar State Road Development Corporation

Address: RCD Central Mechanical Workshop Campus, Sheikhpura, Patna - 800014

Phone: +91-61-2222-6711

3. Planned Implementation Schedule

(i) Completion of project: February 2019 – when the facilities are put into service

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

(iii) Tender announcement of initial procurement package for international competitive bidding on project construction:

Procurement package title: Construction Works of National Highway 82

Release date: February 2014