

Signing of Japanese ODA Loan Agreement with India: Supporting public transportation infrastructure to alleviate traffic congestion and pollution

On March 4, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Government of India in New Delhi to provide Japanese ODA loans of up to a total of 102.415 billion yen for two projects.

Having achieved a high rate of economic growth exceeding nine percent between 2005 and 2007, India is the focus of attention as a BRIC (Brazil, Russia, India and China) member with exceptional growth since the 2000s. Although that economic growth decelerated in the wake of the global 2008 financial crisis, it resumed a high rate of economic growth exceeding seven percent after the formation of the Modi administration in 2014 with its emphasis on the state of the economy.

The Government of India set “faster, sustainable and more inclusive growth” as an objective in its Twelfth Five-Year Plan (fiscal years 2012–2016), the country’s national development plan. The Government also plans to spend approximately one trillion dollars in infrastructure within that five-year target period.



Signing ceremony

The characteristics of the Japanese ODA loans provided by these agreements are described below.

(1) Building an environmentally friendly urban traffic network while improving the environment

With increasing populations and industrial development, the Ahmedabad Metropolitan Region, which encompasses the city of Ahmedabad in the western Indian state of Gujarat and the surrounding area, and the Chennai Metropolitan Region, which includes the city of Chennai in the southern Indian state of Tamil Nadu with the fourth largest population in the country and the surrounding area, are seeing rising numbers of automobiles and scooters each year, causing ever-worsening urban transportation gridlock. Accompanying these deteriorating traffic conditions, both metropolitan areas suffer from worsening air pollution, noise, shaking and other traffic pollution, and immediate measures are needed. These projects will create a mass rapid transit system in each of the metropolitan areas, making major contributions toward solving these problems.

(2) User-friendly design

Both projects will incorporate universal design that takes into consideration the needs of the elderly and disabled by including elevators and tactile tiles for the blind at stations, and including adequate space for wheelchairs on train cars. Measures to create an environment that is safe for women to use will also be incorporated, including women-only cars and security cameras.

Reference

Terms and Amounts of Loans

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Ahmedabad Metro Project (I)	82,434	1.40	0.01	30	10	General, untied
Chennai Metro Project (IV)	19,981	1.40	0.01	30	10	General, untied

(1) Ahmedabad Metro Project (I)

(a) Background and Necessity

The first capital of Gujarat State when it was formed in 1960, Ahmedabad has thrived as the core of economic activities even after the capital was moved to Gandhinagar in 1970 and remains the largest city in the state. After being installed as the Chief Minister of Gujarat in 2001, current Indian Prime Minister Narendra Modi began developing proactive infrastructure investment and policies to encourage foreign investment, and the state has achieved remarkable economic growth that has included the entry of 220 Japanese companies into the economy of Gujarat as of January 2015. With the advance of urbanization that economic growth has brought, the population in Ahmedabad has risen by 63 percent from 3.42 million people in 1991 to 5.59 million people in 2011, and the number of registered vehicles has nearly tripled from 1.29 million in 2002 to 3.36 million in 2014. Due to insufficient available urban land, there is little leeway for expanding the existing railway network, traffic congestion is worsening, and there are burgeoning economic losses and serious air pollution problems. Because the population and number of automobiles is expected to continue rising, the creation of a mass rapid transit system is a priority.

(b) Objective and Summary

By constructing a mass rapid transit system in Ahmedabad, which is located in the west Indian state of Gujarat, this project will address the increasing need for transportation, thereby developing the regional economy and improving the urban environment with reduced traffic congestion and traffic pollution.

(c) Executing Agency

Metro Link Express for Gandhinagar and Ahmedabad (MEGA)

Address: Block No. 1, First Floor, Karmayogi Bhavan, Sector – 10/A, Gandhinagar – 382 010, Gujarat

Phone: +91 (79) 2680-0000, fax: +91 (79) 2685-9766

(d) Planned Implementation Schedule

1. Completion of project: November 2020 – when all of the facilities are put into service
 2. Consulting services (including construction supervision): Consultants have already been hired
 3. Tender announcement of initial procurement package for international competitive bidding on project construction: Vehicle Procurement Package – Design, Manufacture, Supply, Installation, Testing and Commissioning of Rolling Stock
- Release date: January 2016

(2) Chennai Metro Project (IV)

(a) Background and Necessity

With a population of 8.7 million people (2011), the Chennai Metropolitan Region is the fourth largest metropolitan area in India after Mumbai, Delhi and Kolkata, and is the administrative and economic core for southern India as the largest metropolitan area in the region. Indian Railways operates suburban rail connecting the center of Chennai with outlying areas and urban rail servicing areas near Chennai, but those systems are inconvenient as urban means of transportation because they do not form a network that responds to the growth in the ridership, and so there is a continuing dependency on roads for transportation. With the increase in population and income in the Chennai Metropolitan Region, the number of registered automobiles has risen dramatically, and there has been a rapid dispersion and expansion of commercial and industrial districts. These changes have caused traffic congestion to decline, resulting in an average urban driving speed for vehicles of about 15 kilometers per hour. As with other large cities in India with such conditions, Chennai faces problems such as economic loss due to traffic congestion, and adverse health effects caused by air pollution and noise from automobiles, making the creation of a mass rapid transit system necessary.

(b) Objective and Summary

By constructing a mass rapid transit system in the Chennai Metropolitan Region, which is located in the south Indian state of Tamil Nadu, this project will address the increasing need for transportation, thereby developing the regional economy and improving the urban environment with reduced traffic congestion and traffic pollution. Japanese ODA loans have been disbursed for previous stages of the project: a 21.751 billion yen loan signed in November 2008 for phase I, a 59.851 billion yen loan signed in March 2010 for phase II, and a 48.691 billion yen loan signed in March 2013 for phase III. The interval on Line 2 between Koyambedu and Alandur went into service in June 2015.

(c) Executing Agency

Chennai Metro Rail Limited (CMRL)

Address: Poonamallee High Road, Koyambedu, Chennai – 600 107

Phone: +91 (44) 2379-2149, fax: +91 (44) 2379-2202

(d) Planned Implementation Schedule

1. Completion of project: August 2016 – when the facilities are put into service
2. Consulting services (including construction supervision): Consultants have already been hired
3. Tender announcement of initial procurement package for international competitive bidding on project construction: Already contracted