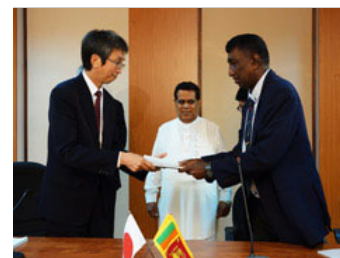


Signing of Japanese ODA Loan Agreement with Sri Lanka: Improving the passenger handling capacity and promoting economic activities through upgrading an international airport

On March 24, the Japan International Cooperation Agency (JICA) signed a Japanese ODA loan agreement with the Government of the Democratic Socialist Republic of Sri Lanka to provide a Japanese ODA loan of up to 45.428 billion yen for assistance for the Bandaranaike International Airport Development Project Phase 2 (II).

Since conflict came to an end in 2009 after more than 25 years, Sri Lanka has achieved economic growth averaging six percent per year, driven by service industries, including tourism. Although the Government of Sri Lanka has set the objective of becoming an upper-middle income country, the country faces on-going economic infrastructure challenges in sectors such as transportation. In addition, it has become increasingly important to take environmental considerations into account when developing such infrastructure.

At the Bandaranaike International Airport, which is the gateway to Greater Colombo (the administrative and economic center of Sri Lanka), the number of passengers handled per year reached 7.31 million in 2013, substantially exceeding its capacity of six million passengers. Particularly during peak hours, the airport suffers from the lag in passenger services such as long lines to reach check-in counters and insufficient capacity at the baggage claim area. Airport expansion is therefore a priority.



Signing ceremony

The Bandaranaike International Airport Development Project Phase 2 (II) is a continuation of the Bandaranaike International Airport Development Project Phase 2 for which a loan was signed in 2012. Special Terms for Economic Partnership (STEP) apply to both stages of the project. Japanese technologies in the areas of solar energy generation and energy-saving technology that includes LED illumination will be utilized in both projects, based on the Japanese Eco-Airport* concept. Through these two Japanese ODA loans, a new passenger terminal and other facilities will be built to create an environmentally-friendly airport with the aims of meeting the rising demand for services and improving convenience and safety. The loan funds will be used to extend the terminal and parking apron, as well as to construct access roads, and for various consulting services.

JICA will continue to support Sri Lanka in building an inclusive society toward becoming an upper-middle income country by utilizing JICA's modalities of assistance: technical cooperation, grant aid and Japanese ODA loans.

* According to the "Eco-Airport Guidelines" by the Japan Civil Aviation Bureau (March 2014), an Eco-Airport: 1) is built with a perspective of the global environment in mind, 2) coexists with the regional environment, and 3) is sustainable and contributes to the formation of a society that is low-carbon, recycles and lives in harmony with nature.

Reference

Terms and Amount of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Bandaranaike International Airport Development Project Phase 2 (II)	45,428	0.1*	0.01	40	10	Japan tied

* Special Terms for Economic Partnership apply.

Executing Agency

Airport and Aviation Services (Sri Lanka) Ltd.
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Planned Implementation Schedule

- (i) Completion of project: November 2019 – when the facilities are put into service
- (ii) Issuing of letters of invitation for consulting services (including construction monitoring): contracted
- (iii) Tender announcement of initial procurement package for international competitive bidding on project construction: March 2016 (Apron, Taxiways)

JICA Contact Information

For further information about the procurement schedule, please contact the party listed below.
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