

## Signing of Japanese ODA Loan Agreement with Sri Lanka: Improving access to safe drinking water in rural areas through construction of water supply infrastructure

On November 17, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Government of the Democratic Socialist Republic of Sri Lanka to provide a Japanese ODA loan of up to 23.137 billion yen for assistance for the Anuradhapura North Water Supply Project (Phase 2).

This project will construct a water supply system in the northern part of Anuradhapura District to provide safe drinking water and increase the water supply coverage, thereby improving health conditions and the living environment in the project area. The loan funds will be allocated to the civil works and the procurement of equipment necessary for the construction of a water treatment plant, the supply and installation of water transmission and distribution pipes, and consulting services.

Since civil war ended in 2009 after more than 25 years, reconstruction efforts have gone forward and steady economic growth, driven by service industries such as tourism, has been achieved. In order to achieve sustainable "quality growth" that benefits all residents, it is important to step up efforts to address challenges the country faces, such as improving the economic infrastructure, including the power and water supply, and improving the quality of social services in rural areas.

Sri Lanka has set a target of raising the piped water supply coverage from the current national average of approximately 45 percent to 60 percent by 2020. To achieve this target, not only do existing tap water facilities need to be expanded in cities, but new tap water infrastructure needs to be constructed in rural areas, where such infrastructure is insufficient. There are also regional disparities in piped water supply coverage in the country. As an example, the northern part of Anuradhapura District, which is the target region of this project in Sri Lanka's North Central Province, has a tap water coverage of merely 26.9 percent. Moreover, this region has a high incidence of dental and skeletal fluorosis, which is caused by consuming groundwater with a high concentration of fluoride. It is also said that one of the causes of the high incidence of chronic kidney disease in the area is poor-quality groundwater. These health issues make the supply of safe drinking water to the region one of the country's highest priorities.

The Anuradhapura North Water Supply Project (Phase 2) will increase the piped water supply coverage, and decrease the fluoride concentration of drinking water in the target region by constructing new piped drinking water supply facilities that use surface water as the water source. It is expected that the project will improve the public health and living environment of the residents in the target region.

Going forward, JICA will continue to contribute to the sustainable economic growth of Sri Lanka by supporting the development of basic infrastructure utilizing its various types of assistance—technical cooperation, Japanese ODA loans and grant aid.

### Reference

#### (1) Terms and Amount of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Anuradhapura North Water Supply Project (Phase 2)	23,137	1.4	0.01	25	7	General untied

#### (2) Executing Agency

Ministry of City Planning and Water Supply

Address: No. 35, Lak Diya Medura, New Parliament Road, Pellawatta, Battaramulla, Sri Lanka

Phone: +94-11-2177240

#### (3) Planned Implementation Schedule

(i) Completion of project: March 2021 – when the facilities are put into service

(ii) Issuing of letters of invitation for consulting services: March 2017

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

Procurement package titles: Lot A – (Construction and installation of water intake equipment, a water treatment plant, ground sumps and elevated water tanks, provision and installation of electrical equipment)

Lot B – (Supply and installation of water transmission and distribution pipes)

Release date: June 2017



signing ceremony