

## Signing of Japanese ODA Loan Agreements with India: Supporting human resource training, manufacturing and nation-building to open the way to a new era

On September 15, the Japan International Cooperation Agency (JICA) signed loan agreements with the Government of India in Delhi to provide Japanese ODA loans of up to a total of 144.254 billion yen for four projects.

One of the projects is the Construction of Training Institute for High Speed Rail, which is to make use of the Japanese Shinkansen technology and know-how, to create a system in order to train human resources for operation and maintenance of a high speed railway (approximately 500 kilometers) planned for construction between Mumbai and Ahmedabad in West Central India. Another project is to strengthen a transportation network by procurement of electric locomotives, which is to be provided as the dedicated freight corridor to connect Delhi and Mumbai. There are other projects to be implemented in Gujarat State in West Central India, which are to improve investment climate to promote the Make in India policy and to accelerate sustainable development of the shipping industry in consideration of the environment, worker safety and sanitation. JICA provides comprehensive support for socioeconomic development in India through these projects.

The four projects under the loan agreements are described below.

- (1) Project for the Construction of Training Institute for Mumbai – Ahmedabad High Speed Rail (loan amount: 10.453 billion yen)
- (2) Dedicated Freight Corridor Project (Procurement of Electric Locomotives) (loan amount: 108.456 billion yen)
- (3) Gujarat Investment Promotion Program (loan amount: 16.825 billion yen)
- (4) Project for Upgradation of Environmental Management for Ship Recycling in Alang and Sosiya in Gujarat (loan amount: 8.52 billion yen)



signing ceremony

Details for the projects are provided below.

- (1) Project for the Construction of Training Institute for Mumbai – Ahmedabad High Speed Rail

### (a) Objective and Summary

The project will provide training facilities to develop human resources engaged in the operation and maintenance of high speed rail in Gujarat State in West Central India and will enhance the training system, thereby contributing to efficient management and maintenance of high speed rail and safe and pleasant transportation.

### (b) Background and Necessity

Private vehicles and buses account for 85 percent of the transportation means that connect Mumbai, Maharashtra State, which is the second largest city in India, and Ahmedabad, Gujarat State, which has achieved rapid development in recent years as an industrial and commercial city. Both states have high growth rates, which exceed the average rate of India overall, and higher-income households are inclined to use airplanes and other such transportation means to travel long distances in a short amount of time. Because of such factors, it is expected that a high speed railway capable of transporting a large number of passengers in a short time and running at high frequency will play an important role in the transportation system. Multiple high speed railways have therefore been planned for construction in India, and agreement was reached, as issued in a joint Japan-India statement in December 2015, to utilize Japanese high speed rail technology and experience for a route between Mumbai and Ahmedabad and further study related financial and technical assistance can be provided. Since this would be the first high speed railway in India, it is necessary to train human resources in management and maintenance before the inauguration of the railway.

### (c) Executing Agency

National High Speed Rail Corporation Limited  
Address: 2nd Floor, Asia Bhawan, Road No. 205, Sector 9, Dwarka, New Delhi. 110077  
Phone: +91-11-2373-4540, fax: +91-11-2373-4542

### (d) Planned Implementation Schedule

1. Completion of project: September 2020 – when the facilities are put into service
2. Issuing of letters of invitation for consulting services (including construction supervision): Hiring procedure underway
3. Tender announcement of initial procurement package for international competitive bidding on project construction: Construction of Training Line with Slab Track for Mumbai Ahmedabad High Speed Railway Project  
Release date: May 2017 (already released)
4. JICA Information Service  
For information about the procurement schedule, please contact the party at the address listed below.  
Contact Point for Railway Sector, JICA India Office  
Address: 16th Floor, Hindustan Times House, 18-20, Kasturba Gandhi Marg, New Delhi 110001, India  
Phone: +91-11-4909-7000, fax: +91-11-4909-7001 to -7004

- (2) Dedicated Freight Corridor Project (Procurement of Electric Locomotives)

### (a) Objective and Summary

The project will introduce high-output, high speed locomotives on the dedicated freight railway slated for construction by the Government of India to connect the National Capital Region (Delhi) and the western coast (Mumbai). The project will increase the freight transportation capacity and make the logistics network more efficient, thereby contributing to better connectivity between these industrial centers and strengthening industrial competitiveness.

### (b) Background and Necessity

The rail lines called the "Golden Quadrilateral" connect Delhi, the capital city and leading region for consumption and production in India; Mumbai, the gateway port for trade; Kolkata in the northeast; and Chennai in the southeast. Together, these railways handle approximately 58 percent of the freight transportation volume in the country. However, an increase in the transportation volume of container freight, agricultural products and mineral resources is expected in conjunction with economic growth and a rising population in the future particularly along the interval connecting Delhi and Mumbai. To meet this demand, a high-output, high speed transportation network is needed with strengthened transportation capacity. The preparation and enhancement of a large-volume transportation railway with better environmental considerations than road transportation is essential to meet the freight transportation demand expected with the future high-growth rate from the perspectives of making the logistics network more efficient and reducing greenhouse gas emissions.

### (c) Executing Agency

Ministry of Railways  
Address: Rail Bhavan, Raisaina Road, New Delhi 110001, India  
Phone: +91-11-2338-9101, fax: +91-11-2338-2389

### Dedicated Freight Corridor Corporation of India Limited

Address: Pragati Maidan Metro Station Building Complex, New Delhi 11001, India  
Phone: +91-11-2345-4650, fax: +91-11-2345-4701

(d) Planned Implementation Schedule

1. Completion of project: March 2025 – when all of the electric locomotives are delivered
2. Issuing of letters of invitation for consulting services (including project supervision): No hiring of consultants is planned for this project.
3. Tender announcement of initial procurement package for international competitive bidding on project construction: Procurement of Electric Locomotives  
Release date: August 2017 (already released)

(3) Gujarat Investment Promotion Program

(a) Objective and Summary

The program will facilitate the improvement of policies and systems for promoting private investment, industrial development and skill development, while at the same time quickly advancing the improvement of infrastructure including roads, energy and water services in Gujarat State in West Central India. These initiatives will enhance the investment climate in the state, thereby contributing to an increase in private investment in the state including foreign direct investments.

(b) Background and Necessity

Located at a key junction for India and the Middle East, Gujarat leads India in economic growth. The state accounts for 19 percent the country's exports, and the ports in the state collectively handle around 41 percent of India's total maritime cargo. In August 2009, the government of Gujarat launched its development vision, titled "Blueprint for Infrastructure Development 2020 (BIG 2020)," and the state is building an economy with world-class infrastructure and creating a preferred destination for domestic and international investments.

In order to accelerate investment of the domestic and international private sectors in the state, and to realize sustainable economic growth, not only the development of high quality infrastructure but also the implementation of an industrial policy for attracting more investments is essential.

(c) Executing Agency

Finance Department, Government of Gujarat  
Address: Block No. 4, 5th Floor, Sardar Patel Bhavan, Sachivalaya, Gandhinagar 382010, Gujarat, India  
Phone: +91-79-2325-0611, fax: +91-79-2325-0605

(d) Planned Implementation Schedule

1. Completion of program: June 2019 – with completion of the loan disbursement
2. Issuing of letters of invitation for consulting services (including construction supervision): No hiring of consultants is planned for this program.
3. Tender announcement of initial procurement package for international competitive bidding on project construction: International competitive bidding for construction is not planned for this program.

(4) Project for Upgradation of Environmental Management for Ship Recycling in Alang and Sosiya in Gujarat

(a) Objective and Summary

The project will improve facilities related to ship recycling in Alang and Sosiya in Gujarat State and introduce ship recycling methods that conform to international conventions. These measures will improve environmental, labor safety and sanitation management in ship recycling, thereby contributing to environmental conservation and sustainable economic development in the state.

(b) Background and Necessity

Ship recycling, which is one of the ship industries, involves the dismantling of ships whose service life has ended and the recycling of reusable materials such as steel from wrecks. India is the world's top recycler in terms of ship volume, handling 12.236 million tons of material from 2014 to 2015, accounting for 26 percent of the entire world. The volume notwithstanding, the dismantling of ships in India faces problems such as: 1) serious accidents including explosions and fires due to flammable gases, and workers falling from high places, 2) environmental pollution from oils, chemical substances, heavy metals and the like used in ships, and 3) damage to worker health due to the poor labor environment. In order to address such problems in ship recycling, not only the improvements of recycling facilities, but also improved ship management throughout the shipbuilding and operation periods, is essential. In 2009, the Hong Kong International Convention for the Safe and Environmentally Sound Recycling of Ships, 2009, was adopted as an international framework for which the Government of Japan was a leading advocate. In 2013, India enacted the Shipbreaking Code and has been independently advancing efforts to update measures to reduce the environmental burden and improve labor safety. However, in order to bring the industry into compliance with the Hong Kong Convention, which has a higher environmental and labor sanitation standards, improvements to the facilities as well as the introduction and dissemination of thorough recycling that integrates the environment, labor safety and sanitation are essential.

(c) Executing Agency

Gujarat Maritime Board  
Address: Sagar Bhavan, Sector 10-A, Chh Road, Gandhinagar 382010, Gujarat, India  
Phone: +91-79-2323-8346, fax: +91-79-2323-4703

(d) Planned Implementation Schedule

1. Completion of project: March 2022 – when the facilities are put into service
2. Issuing of letters of invitation for consulting services (including detailed design work): September 2017
3. Tender announcement of initial procurement package for international competitive bidding on project construction: Ship Recycling Yards Upgrading  
Release date: July 2019

Terms and Amounts of Loans

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Project for the Construction of Training Institute for Mumbai-Ahmedabad High Speed Rail	10,453	0.1	0.1	50	15	Tied
Dedicated Freight Corridor Project (Procurement of Electric Locomotives)	108,456	Yen LIBOR + 10 bp	N/A	30	10	General untied
Gujarat Investment Promotion Program	16,825	0.6	N/A	15	5	General untied
Project for Upgradation of Environmental Management for Ship Recycling in Alang and Sosiya in Gujarat	8,520	1.2	0.01	30	10	General untied
Total	144,254					