

Signing of Japanese ODA Loan Agreement with India: Rehabilitating irrigation facilities to contribute to improving the livelihoods of farmers

On December 13, the Japan International Cooperation Agency (JICA) signed a loan agreement with the Government of India in Delhi to provide a Japanese ODA loan of up to 21.297 billion yen for the Andhra Pradesh Irrigation and Livelihood Improvement Project (Phase 2) (I).

The project will rehabilitate deteriorating irrigation facilities covering approximately 160,000 hectares in Andhra Pradesh State ("AP") and support the creation of a comprehensive farming association system for commercial farm associations. These measures will expand the amount of land under irrigation, improve agricultural productivity and build the marketing capacity of farmers, thereby improving the livelihoods of farmers and building an agricultural value chain in the target area. The loan funds will be allocated to the rehabilitation of irrigation facilities and to consulting services (including bidding assistance, construction supervision and technical guidance for farming).

Agriculture thrives in AP (population: 49.57 million people), which is located on the Deccan Plateau in South India. With more than 60 percent of its population engaged in agriculture, the state boasts the top production volume of any state in India in such crops as tomatoes, okra, papayas and corn. AP also has more than 5,700 food processing facilities, the highest number in the country, five seaports and four airports, and thus has favorable conditions for constructing a value chain from the production of crops to production and transportation. While agriculture is thus positioned as a potentially major industry that could support economic development in the state, harvest yields are unstable due to inadequate irrigation facilities and a resulting lack of agricultural water, and quality is also a challenge as harvested products are at risk of damage because crop management and post-harvest processing are inadequate. Without stable quality and quantity, crop harvests cannot form the foundation of a value chain. In order to stabilize agricultural product yields and add high value, an environment with such infrastructure must be established from the production stage through processing and distribution.

It is expected that the project will expand the irrigated land area, improve agricultural productivity and strengthen the marketing capacity of farmers, which will contribute to improved livelihoods for farmers and the creation of an agricultural value chain.

1. Terms and Amount of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Andhra Pradesh Irrigation and Livelihood Improvement Project (Phase 2) (I)	21,297	1.40	0.01	30	10	General, untied

2. Executing Agency

Water Resources Department, Government of Andhra Pradesh

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Phone: +91-86-6257-2746, fax: N/A

3. Planned Implementation Schedule

(1) Completion of project: December 2024 – with completion of all project activities

(2) Issuing of letters of invitation for consulting services (including project supervision): Hiring Procedure Underway

(3) Tender announcement of initial procurement package for international competitive bidding on project construction: Domestic procurement is already scheduled, and international competitive bidding for procurement is not planned for this project.



signing ceremony