

Signing of Japanese ODA Loan Agreement with India: Providing water supply and sewerage infrastructure to contribute to industrial stimulation in the Silicon Valley of India and improvements in the living environment of residents

On January 24, 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 45 billion yen for the Bengaluru Water Supply and Sewerage Project (Phase 3) (I).

The project will provide water supply facilities that use the Cauvery River as a water source and sewerage facilities in the Bengaluru metropolitan area* in the southern Indian state of Karnataka. This will make it possible to provide stable water and sewerage services to meet the rapidly rising demand, contributing to a sanitary living environment and stimulating industrial activities in the region. The loan funds will be allocated to the construction of a water treatment plant, water transmission pipes, distribution reservoirs, sewerage treatment plants and other such facilities, as well as to consulting services (including detailed design work, bidding assistance and construction supervision).

Called the Silicon Valley of India, the Bengaluru metropolitan area, which is the target area of the project, is the core region of the software industry in India. The population of the region is 8.5 million, and 90 Japanese companies have offices there as of March 2017. The metropolitan area has expanded and undergone an increase in population accompanying rapid industrial development, but the water supply and sewerage infrastructure has not kept pace with the continuing rise in the need for water, leading to the challenges of a chronic shortage of water and an unsanitary living environment.

The project will provide a water treatment plant and water transmission facilities to take the water from the Cauvery River, approximately 70 kilometers from the Bengaluru metropolitan area, to increase the water supply and meet the rising demand for water. The project will also provide a water distribution network so that the water can be distributed to districts where water supply services are not currently available, as well as providing sewerage treatment plants and other related facilities. It is expected that these measures will contribute to further industrial stimulation and sanitation improvements in the living environment of residents.

Support for water supply and sewerage infrastructure has been provided in the Bengaluru metropolitan area through the Bangalore Water Supply and Sewerage Project (loan agreement signed in January 1996 for up to 28.452 billion yen), Phase 2 (I) of the project (loan agreement signed in March 2005 for up to 41.997 billion yen) and Phase 2 (II) of the project (loan agreement signed in March 2006 for up to 28.358 billion yen). Despite this support, the demand for water has risen rapidly with the population growth and expansion of the metropolitan area in recent years, necessitating further infrastructure and Phase 3.

* Although the name of the city changed from Bangalore to Bengaluru in 2006, the executing agency of the project retains the name "Bangalore."

1. Terms and Amount of Loan

Project title	Amount (million yen)	Annual interest rate (%)		Repayment period (years)	Grace period (years)	Procurement
		Project	Consulting services			
Bengaluru Water Supply and Sewerage Project (Phase 3) (I)	45,000	(Portions other than the sewerage) 1.50 (Sewerage portion) 1.30	0.01	30	10	General, untied

Note: Preferential terms apply to the sewerage portion since it will contribute to addressing global environmental problems and climate change.

2. Executing Agency

Bangalore Water Supply and Sewerage Board
Address: Cauvery Bhavan, Kempegowda Road, Bengaluru, 560009, India
Phone: +91-80-2294-5102, fax: +91-80-2294-5102

3. Planned Implementation Schedule

- (1) Completion of project: November 2024 – when all of the facilities are put into service
- (2) Issuing of letters of invitation for consulting services (including detailed design work): February 2018
- (3) Tender announcement of initial procurement package for international competitive bidding on project construction:
Design, Manufacture, Supply, Installation, Testing and Commissioning of Water Treatment Plant
Release date: December 2019



signing ceremony