

# Urban City Water Supply Project



Purification plant constructed under this project (Solapur)

### Outline of Loan Agreement

Loan Amount / Disbursed Amount	6,788 million yen / 4,207 million yen
Loan Agreement	January 1992
Terms & Conditions	Interest rate 2.6% p.a. Repayment period 30 years (Grace period 10 years)
Final Disbursement Date	March 2000

### Project Outline

Water supply facilities were constructed in the two cities of New Bombay and Solapur in the state of Maharashtra, to promote the efficient operation of water supply services, while meeting the demand created by population growth in the area.

### Results and Evaluation

Through this project, in New Bombay and Solapur, water supply systems capable of supplying 150,000m<sup>3</sup>/day and 80,000m<sup>3</sup>/day respectively were constructed. The New Bombay Project was completed after approximately eight years in delays due to the long time spent on the land acquisition required for the project. Water supply is approximately 20,000m<sup>3</sup>/day from the fact that not much time has elapsed since the commencement of its operation of the water supply facilities and problems over wholesale price with distributors. As the Solapur Project has also been lagging in the construction of water distribution network of Solapur city (not financed by ODA loan), and the average supply has been approximately 45,000m<sup>3</sup>/day. Along with progress in the negotiation in prices with distributors and the construction of the distribution network, it is expected that the volume of water supply will gradually increase for both projects.

Although there have been no significant problems with the operation and maintenance of this project, for further developments in sustainability in the New Bombay and Solapur projects, for the former project it is vital to undertake remedial actions tackling non revenue water while aiming for the expansion of water supply capacity, and for the latter, in conjunction with the early completion of the distribution network, it is necessary to promote improvements in the financial status of the entire water supply business of Solapur Municipal Corporation, which is in responsible for the operation and maintenance of the facilities.