JICA Extends Loan of 81 Billion Yen for Infrastructure Development in India

The Japan International Cooperation Agency (JICA) has signed a loan agreement with the Government of India providing a Japanese ODA loan of up to 84 billion Yen for implementation of Mumbai-Metro Line 3 Project and Tamil Nadu Investment Promotion Programme.

Mumbai Metro Line-3 Project

On September 17, 2013 JICA signed an agreement with Government of India providing a loan amount of 71 billion Yen (Rs. 4,700 crore approximately) to be used for the construction of completely underground 33.5 km Line 3 of Mumbai Metro. Besides the construction of the rail line, funds would be used for construction of subways, rolling stock procurement and consulting services. The loan carries a concessional interest rate of 1.40% to be repaid in 30 years including 10 years of grace period. The executing agency for this project is Mumbai Metro Rail Corporation. The expected date of completion of the project is 2019.

Mumbai, the financial capital of India over the years has been seriously impaired by lack of efficient public transport. This project will help in improving the physical transport in the city, acting as a catalyst for the economic growth of the city and the state.

The population density of Mumbai is more than 20,694 people per square kilometer, making the city one of the densest in the world. The growth in registered vehicles has also been very rapid with the numbers increasing from 1.03 million in 2000 to more than 1.80 million in 2012. Given this background, the city suffers from serious traffic congestion with the average speed on major city roads being less than 15 kilometers per hour.

Due to lack of availability of land in the Mumbai Metropolitan Region, it is difficult to expand the road network and local trains are already overloaded, so building a mass rapid transit system is the need of the hour.

Mumbai Metro Line 3 will be the first underground metro in the city. This line will connect the financial centre of the city with the residential areas with an expected ridership of 16.99 lakh (almost equivalent to that of Delhi Metro in 2011) by year 2031.

Tamil Nadu Investment Promotion Programme (TNIPP)

On November 12, 2013 JICA signed an agreement with Government of India providing loan up to 13 billion Yen (Rs 829 crore approximately) for the Tamil Nadu Investment Promotion Programme. This is the first ever program loan (policy based lending) provided by JICA to India.

The objective of the Tamil Nadu Investment Promotion Programme is to support policy implementation to improve investment climate in Tamil Nadu, thereby easing business hurdles for foreign investors.

Under this Programme, during FY 2013-15, JICA and the Government of Tamil Nadu will jointly monitor the progress and achievements of the predefined policy actions, which are aligned with the State’s long term strategic policy “Vision Tamil Nadu 2023”.

The policy actions includes improvement of investment application process, human resource development, development of road infrastructure, power supply, water and sewerage systems for factories and industrial zones in Chennai metropolitan area.
National Workshop on Non-Revenue Water (NRW) Reduction in Goa, Sept 5-6, 2013

Non-Revenue Water (NRW) is water that has been produced but is either not billed or “lost” before it reaches the customer

By Mihir Sorti, Senior Development Specialist

India today is urbanizing rapidly and it is expected that nearly half of India’s population would be living in urban areas by the year 2030. The biggest challenge in the water sector today is NRW. As cities are expanding, demand for additional water is growing exponentially. However, as supply is limited due to scarcity of potable water resources, it is imperative to focus on reduction of NRW. Studies reveal that most of the Indian cities have very high levels of NRW (up to as high as 40-50%) whereas NRW is just 6% in Tokyo. This means that around half of the water is being physically wasted and monetarily not accounted for. This un-accounted for water also leads to a huge financial strain on our urban local bodies, water utilities/Jal boards affecting their financial viability.

The problem of NRW cannot be looked at from a uni-dimensional perspective. It is multifaceted in its complexity which renders NRW reduction a very challenging and formidable task. It covers social, technical, managerial, political and financial aspects which require a range of expertise and capacity seldom available with water utilities.

In view of this, JICA has now been instrumental in promoting the component of NRW reduction through its ODA Loans as well as various Technical Cooperation projects. It has been JICA’s endeavor not only to reduce NRW levels but also to build capacity of various utilities in implementing sustainable NRW reduction strategies. The training of 30 engineers in Japan from Public Water Department, Goa under the auspices of JICA Technical Cooperation on NRW reduction in Goa is a case in point.

The first day of the workshop focused on encouraging cross-learning among different water utilities, sharing of best practices and possibility of replicating methods and techniques of NRW reduction so as to institutionalize these practices within the water utilities. The presentations were made by various water utilities from Goa, Kerala, Jaipur, Bangalore and Delhi on their NRW experiences.

The second day session included a hands-on Training exercise at one of the JICA technical cooperation pilot site in Margaon for operational staff to understand the nuances of leak detection, replacement and repair, creation of district meter area etc.

The interactions and the deliberations at the workshop were helpful in enhancing the participants’ understanding of the challenges and constraints in NRW reduction. The workshop was also instrumental in dissemination of best practices in NRW reduction and in emphasizing the need for concerted action towards NRW reduction.
Inauguration of Ajanta and Ellora Visitor Centres

By Yui Nakamura, Programme Specialist

The two Rs. 115 crore tourist visitor centres near to one of the oldest UNESCO World Heritage Sites and popular tourist destinations in India, namely, Ajanta and Ellora caves, were inaugurated on September 16, 2013 by Dr. K. Chiranjeevi, Union Tourism Minister, Mr. Prithviraj Chavan, Maharashtra Chief Minister, and Mr. Chhagan Bhujbal, Minister for Public Works and Tourism, Government of Maharashtra. The inauguration function was also attended by Mr. Kiyoshi Asako, the Consul General of Japan at Mumbai, Mr. Tomohide Ichiguchi, JICA India Senior Representative, and Consul General of Korea and Thailand amongst several national and state level political leaders.

Ajanta Visitor Centre (AVC) and Ellora Visitor Centre (EVc) are the key milestones of Ajanta Ellora Conservation and Tourism Development Project (AEDP), which has been funded by JICA. The project aims at conserving and preserving monuments and natural resources, improving the infrastructure and visitor management and providing training for developing higher quality of tourism. In order to accommodate increasing number of tourists from all around the world and enhance their experience by providing world class facilities, both centres are expected to serve as recreation centers as well as the one-stop location for all information, both historical & cultural, on the importance of these heritage sites through audiovisual media, cave replicas, various exhibitions and events and other amenities such as retail shops and restaurants.

“JICA has funded significant part of Ajanta Ellora Conservation and Tourism Development Project (AEDP), aimed at conserving and preserving monuments and natural resources, improving the infrastructure and visitor management and providing training for higher quality of tourism.”

Inauguration ceremony of Ajanta and Ellora Visitor Centres
Q: Could you introduce your background and elaborate activities under this project?

A: I am a Civil Engineer by qualification. I have worked with Ministry of Land, Infrastructure and Tourism in Japan. Currently, I am working as the Chief Advisor for Highway-Expressway Policy of this project.

In recent years, India has significantly developed new highways and expressways under the National Highway Development Program (NHDP). Meanwhile, the issues related to operations management and maintenance of the existing roads still tends to be overlooked. Both administrators and private operators have little experience in these field. In response to these growing needs, the technical cooperation project was started with the support of JICA in January 2013. In this project, I, in addition to another Japanese expert, play a major role in giving advice to MoRTH as well as National Highway Authority of India (NHAI) in developing operator performance evaluation in bidding, OMM guidelines and good practices.

Q: How is your experience of working with MoRTH?

A: My experience of working with MoRTH has been very fruitful. I have visited various sites in Bihar, Goa, Kerala and many other States in order to observe toll operations maintenance and pavement work. During my visit to some of these places I observed some of the serious problems like deterioration of bridges and structure of highways.

MoRTH is trying to introduce operation evaluation systems in India. The purpose of performance evaluation is to assess the capabilities of the operator in order to maintain the quality and structure of the roads. MoRTH and NHAI are working towards operator performance evaluation manual and I will be playing a key role in this area.

Q: How do you see the opportunities and challenges of road and transportation sector?

A: There are lots of opportunities in the road and transportation sector in India. Infrastructure development is a significant key for the economic development of India.

In India the highway and expressway bidding process is very different from Japan. Evaluation system is an important factor for bidding and it is very difficult to select the contractors for the construction of roads. In India cost plays the pivotal role in bidding whereas in Japan along with the price a proper operator performance evaluation is done in order to maintain the quality of the roads.

Q: Can you share major activities conducted under this project?

A: We have conducted many activities with MoRTH like technology transfer from Japan for pavement work on bridges and introduction of maintenance technology and country focused training in Japan. MoRTH, NHAI, and State Governments sent their officers to Japan for training. They visited highways in Japan, attended meetings, information was exchanged on operation systems, technologies, road technologies, systems, maintenance and technologies. Japan and India are very different in terms of climatic conditions as well as topographically. Therefore, the technology and techniques that are implemented in Japan needs to be modified while adapting in India to suit the Indian conditions and are practical to implement.