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## Press Release

### **Signing of Exchange of Notes on Japanese ODA Loan of 53.023 Billion JPY for the Rengali Irrigation Project (Phase 2) and Project for Pollution Abatement of River Mula-Mutha in Pune**

1. The Exchange of Notes on Japanese ODA Loan for the two projects totaling JPY 53.023 billion, approximately INR 2,760 crore, was signed in New Delhi on March 27<sup>th</sup>, 2015, between Mr. Takeshi Yagi, Ambassador of Japan to India, and Mr. Tarun Bajaj, Joint Secretary, Department of Economic Affairs, Ministry of Finance, Government of India.

#### 2. Project Overviews

##### (1) Rengali Irrigation Project (Phase 2) (33.959 Billion JPY)

Agriculture is an important sector which provides employment and income for the people in India. In the state of Odisha, more than 70% of the total workforce is engaged in agriculture sector. However, improvement of agricultural production and development of water resource for that purpose are required, since poverty in rural areas still remains as serious concern and there is a need to cope with sharp increase of population in India.

The Japanese ODA loan will be provided to install irrigation facilities, organize and build the capacity of Water Users Associations, and extend technical guidance to the farmers in the area of River Burahmani in the state of Odisha. It is expected that this loan will contribute to poverty alleviation by increasing and diversifying agricultural production and thus raising agricultural income.

(2)Project for Pollution Abatement of River Mula-Mutha in Pune (19.064 Billion JPY)

In India, increase of water usage, which derives from population expansion and economic growth, results in the discharge of sewage beyond the capacity of sewage treatment facilities. This creates a number of challenges including the pollution of river soil and ground water.

Environmental pollution in Pune city, state of Maharashtra, is being caused by the influx of untreated sewage into River Mula, River Mutha, and River Mula-Mutha, due to the limited capacity of sewage treatment. This adversely affects the health and living conditions of not only the citizens of Pune but also people living downstream of these rivers.

The Japanese ODA loan will be provided to develop sewage facility such as sewage treatment plant, sewage pipe, and public toilets for common use in Pune city. It is expected that this loan will contribute to improvement of the sanitary environment of the citizens by enhancing quality of the river water.

3. The loan for the “Project for Pollution Abatement of River Mula-Mutha in Pune” is provided as a part of supporting initiative for emerging countries over three years starting from 2013 to 2015, which was expressed in the Proactive Diplomatic Strategy for Countering Global Warming “Actions for Cool Earth: ACE” in November 2013. The Government of Japan has been cooperating and will continue to cooperate with India on the issue of climate change in order to develop fair and effective international framework by all countries.

