

**【Press release】**

**Signing of Exchange of Notes on Japanese ODA Loan of 371.345 Billion JPY**

1. The Exchange of Notes on Japanese ODA Loan totaling JPY 371.345 billion for the projects including the following, approximately INR 21,590 crore, were signed in New Delhi on March 31<sup>st</sup>, 2017, between Mr. Kenji Hiramatsu, Ambassador of Japan to India, and Mr. S. Selvakumar, Joint Secretary, Department of Economic Affairs, Ministry of Finance, Government of India. As a result, Japanese ODA Loan commitment to India reached the all-time high in FY 2016. In addition, India is the largest recipient of Japanese ODA Loan in FY2016 as well as FY 2015 on the commitment basis.

2. Project overviews

**(1) Mumbai Trans-Harbour Link Project (I) (JPY 144.795 billion, approximately INR 8,418 crore)**

This Project will provide Japanese ODA loan to build a road bridge in Mumbai, in the state of Maharashtra. The total length of the bridge will be about 22 kms, and the bridge will connect the central area of Mumbai with Navi Mumbai. It is expected that this loan will contribute to enhancing the connectivity within this region including Navi Mumbai which is under development, thereby accelerating economic development of the region.

**(2) Delhi Eastern Peripheral Expressway Intelligent Transport Systems Installation Project (JPY 6.87 billion, approximately INR 399 crore)**

This Project will provide Japanese ODA loan to install an Intelligent Transport System (ITS) in the Delhi Eastern Peripheral Expressway which is under construction by National Highway Authority of India (NHAI). It is expected that this loan will be used to establish an efficient transport system and address the surging traffic volume, thereby leading to enhanced connectivity and industrial competitiveness.

**(3) Chennai Metro Project (V) (JPY 33.321 billion, approximately INR 1,937 crore)**

This Project will provide Japanese ODA loan to establish a Mass Rapid Transport System in the Chennai metropolitan area and its over-populated suburbs, in the state of Tamil Nadu. It is expected that this loan will

contribute to enhancing mobility of the city, mitigating congestion of the road traffic and alleviating the air pollution and the noises through addressing the increasing demands for transportation. This Project is further expected to enhance the industrial competitiveness through economic development of the region and improvement of the urban environment.

**(4) Dedicated Freight Corridor Project (Procurement of Electric Locomotives) (JPY 108.456 billion, approximately INR 6,306 crore)**

This Project will provide Japanese ODA loan for procurement of high-power and high-speed locomotives as part of the Western Dedicated Freight Corridor project which is to construct new freight railways between Delhi and Mumbai. It is expected that this Project will cater to the increasing cargo demand, and contribute to enhancing the efficiency of the logistics network, thereby leading to enhanced connectivity and industrial competitiveness.

**(5) Nagaland Forest Management Project (JPY 6.224 billion, approximately INR 362 crore)**

This Project will provide Japanese ODA loan to restore forests in areas where traditional slash-and-burn practice is prevalent, and provide villagers with other measures to improve their livelihood in the state of Nagaland. It is expected that improvement of the forest ecosystem and farmers' livelihoods will lead to a sustainable and inclusive economic development of the region.

**(6) Odisha Forestry Sector Development Project (Phase 2) (JPY 14.512 billion, approximately INR 844 crore)**

This Project will provide Japanese ODA loan to implement activities for sustainable forest management, protecting bio-diversity and community development in the state of Odisha. It is expected that this loan will contribute to conserving the forest ecosystem along with enhancing the livelihood of the local people, thereby leading to sustainable and inclusive economic development through harmonization of the environment and the local society and economy.

**(7) Andhra Pradesh Irrigation and Livelihood Improvement Project (Phase 2)(I) (JPY 21.297 billion, approximately INR 1,238 crore)**

This Project will provide Japanese ODA loan to repair old irrigation

facilities, and help the agricultural producers establish an integrated farming systems in the state of Andhra Pradesh. It is expected that this loan will contribute to expanding the actual irrigated areas, enhancing the productivity of agriculture and strengthening the farmers' marketing capacity of the farmers, thereby leading to stronger industrial competitiveness, and sustainable and inclusive economic development through better livelihood of the local farmers and the strengthened agricultural value chain.

**(8) Rajasthan Water Sector Livelihood Improvement Project (I) (JPY 13.725 billion, approximately INR 798 crore)**

This Project will provide Japanese ODA loan to rehabilitate old irrigation facilities, and support integrated farming systems based on market demand while promoting participation of female farmers in the state of Rajasthan. It is expected that the efficiency of irrigation and agricultural productivity will be increased, thereby leading to, strengthened industrial competitiveness and sustainable and inclusive economic development through better livelihood of the farmers and women's empowerment.

**(9) Tamil Nadu Investment Promotion Program (Phase 2) (JPY 22.145 billion, approximately INR 1,288 crore)**

This Project will provide Japanese ODA loan to assist improvement of policies and systems related to private investment promotion and industrial policy, and help develop infrastructure development, mainly in the areas of road, power, water and sewage in the state of Tamil Nadu. It is expected that an environment conducive for investment promotion will be prepared, thereby leading to enhanced connectivity and strengthened industrial competitiveness thorough increasing foreign direct investments to this state.

**3. Terms and Conditions of these yen loans**

**(1) For the projects mentioned in 2 (1) above:**

- (a) Rate of Interest : The applicable London inter-bank offered rate applied for six months lending in Japanese yen plus nought point one per cent (0.1%) per annum (The part concerning payments to consultants is 0.01% per annum)

(Note: If the rate is lower than nought point one per cent (0.1%), it will be nought point one per cent (0.1%) per annum)

- (b) Repayment period : Thirty (30) years including the grace period of ten (10)

years

- (c) Procurement Conditions : General untied
- (2) For the project mentioned in 2 (2), (3) and (7) above:
- (a) Rate of Interest : 1.40% per annum (The part concerning payments to consultants is 0.01% per annum)
  - (b) Repayment period : Thirty (30) years including the grace period of ten (10) years
  - (c) Procurement Conditions : General untied
- (3) For the project mentioned in 2 (4) above:
- (a) Rate of Interest : The applicable London inter-bank offered rate applied for six months lending in Japanese yen plus nought point one per cent (0.1%) per annum  
(Note: If the rate is lower than nought point one per cent (0.1%), it will be nought point one per cent (0.1%) per annum)
  - (b) Repayment period : Thirty (30) years including the grace period of ten (10) years
  - (c) Procurement Conditions : General untied
- (4) For the project mentioned in 2 (5) and (6) above:
- (a) Rate of Interest : 0.30% per annum (The part concerning payments to consultants is 0.01% per annum)
  - (b) Repayment period : Forty (40) years including the grace period of ten (10) years
  - (c) Procurement Conditions : General untied (priority term)
- (5) For the project mentioned in 2 (8) above:
- (a) Rate of Interest : 0.70% per annum (The part concerning payments to consultants is 0.01% per annum)
  - (b) Repayment period : Fifteen (15) years including the grace period of five (5) years
  - (c) Procurement Conditions : General untied
- (6) For the project mentioned in 2 (9) above:
- (a) Rate of Interest : 1.40% per annum
  - (b) Repayment period : Thirty (30) years including the grace period of ten (10) years
  - (c) Procurement Conditions : General untied

4. The loans for the projects mentioned in (3), (4), (5), (6), (7) and (8) above are being provided as part of supporting the initiative for emerging countries in the area of climate change. The Government of Japan has been cooperating and will continue to cooperate with India in the field of climate change.

