

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**GOVERNMENT OF INDIA AND ASIAN DEVELOPMENT BANK SIGN \$120 MILLION
LOAN AGREEMENT TO MODERNIZE IRRIGATION AND IMPROVE WATER
MANAGEMENT IN ODISHA**

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The Government of India and the Asian Development Bank (ADB) signed a \$120 million loan agreement here today to improve the irrigation and water management infrastructure in Odisha.

The loan is the second tranche of a \$157.5 million financing facility under the Orissa Integrated Irrigated Agriculture and Water Management Investment Program. The financing will be used for modernizing seven irrigation subprojects resulting in improved irrigation in over 100,000 hectares, and strengthening of Water User Associations (WUAs) and the institutional capacity of Odisha's Department of Water Resources. The selected areas for the investment program are the Baitarani, Brahmani, Budhabalanga, and Subernarekha river basins and part of the Mahanadi delta.

Mr. Raj Kumar, Joint Secretary (Multilateral Institutions), Department of Economic Affairs and Ms. M. Teresa Kho, Country Director, ADB's India Resident Mission signed the loan agreement on behalf of Government of India and ADB respectively. A separate project agreement was signed by Sh. P.K. Jena, Principal Secretary, Water Resource Department of Government of Odisha.

Speaking on the occasion, Shri Raj Kumar said that agriculture is a priority sector for India and especially for Odisha because of its high potential to generate jobs and contribute to inclusive and sustainable economic growth. He said that the project aims to improve existing irrigation infrastructure, operation and maintenance, and water use efficiency that will lead to higher agricultural productivity.

Ms. M. Teresa Kho, Country Director, ADB's India Resident Mission said that the investment program has already demonstrated the value of participatory irrigation management and will continue to support the WUAs to manage the planning, construction, and operation and maintenance of irrigation systems as an equal partner of the government.

The Second Tranche Loan from ADB's ordinary capital resources has a 20-year term. The State of Odisha, acting through its Department of Water Resources, is responsible for implementing the tranche 2 activities and overall program, which are both due for completion by September 2018.
