

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**INDIA SIGNS LOAN AGREEMENT WITH ADB FOR \$300 MILLION FOR IMPROVING
REGIONAL ROAD CONNECTIVITY ALONG THE NORTH BENGAL-NORTH EASTERN
REGION (NER); ABOUT 500 KM OF ROADS TO BE CONSTRUCTED UNDER THE
PROGRAM**

New Delhi, March 26, 2015
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The Asian Development Bank (ADB) and the Government of India signed here today a \$300 million loan agreement aimed at improving the road connectivity and increasing the domestic and regional trade along the North Bengal-North Eastern Region (NER).

The loan is the first tranche under \$500 million multi-tranche South Asian Sub-regional Economic Cooperation (SASEC) Road Connectivity Investment Program. Under this program, about 500 km of roads will be constructed.

Shri Tarun Bajaj, Joint Secretary (Multilateral Institutions), Department of Economic Affairs, Ministry of Finance signed the Agreement on behalf of the Government of India while Ms. Teresa Kho, Country Director of ADB's India Resident Mission signed the Loan Agreement on behalf of ADB.

Speaking on the occasion, Shri Bajaj said that the project will improve road connectivity and efficiency of the international trade corridors by expanding roads in North Bengal and North-Eastern Region of the country. The investment on the 'last mile' connectivity will contribute to achieve the objective of regionally balanced and inclusive growth of remote and economically lagging regions, he added.

Ms. Teresa Kho, Country Director of ADB's India Resident Mission said that the improvements in road connectivity will enable efficient and safe transport within India and regionally with other SASEC member countries.

The tranche 1 project will construct two national highways totaling about 150 km in West Bengal and State roads totaling about 180 km in Manipur, extending to Myanmar. The project is expected to be completed by December 31, 2021.

ADB's loan of \$300 million makes-up nearly 71% of the total project cost of about \$425 million, with the central and state governments providing counterpart finance of about \$125 million. The loan has a 25-year repayment term, including a five-year grace period with an annual interest rate determined in accordance with ADB's LIBOR-based lending facility.
