

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**GOVERNMENT OF INDIA AND ADB SIGN A LOAN AGREEMENT
WORTH \$31 MILLION TO IMPROVE WATER AVAILABILITY IN SELECTED
RIVER BASINS IN KARNATAKA AND IMPROVED WATER EFFICIENCY IN
IRRIGATION**

New Delhi May 7, 2015
Vaisakha 17, 1937

The Asian Development Bank (ADB) and the Government of India signed here today a \$31 million loan to boost water availability in selected river basins in Karnataka through implementation of Integrated Water Resources Management (IWRM) and improved water efficiency in irrigation.

The loan is the first tranche of the US \$ 150 million Karnataka Integrated and Sustainable Water Resources Management Investment Program approved by ADB in 2014. The program will improve irrigation efficiency in three river basins in the state, saving 1,700 million cubic meters of water that could be used on an additional 160,000 hectares of farmland. Farming this additional land could increase farm incomes by about 50% and benefit about 1.5 million people.

Shri Raj Kumar, Joint Secretary (Multilateral Institutions), Department of Economic Affairs, in the Ministry of Finance, who signed the agreement on behalf of Government of India said that Karnataka is water-stressed, with increasing demand from urban and industrial sectors. The investment program will improve water availability to meet competing water demand in selected river basins.

Ms M Teresa Kho, Country Director of ADB in India, who signed the loan on behalf of ADB said that the tranche 1 loan will help modernize the Gondi irrigation system. Besides, the loan will help train and certify over 200 Water Resources Department (WRD) staff in integrated water resources management and build capacities of water users cooperative societies, she added.

The program aims at institutional strengthening of IWRM systems and will bring in international best practices of monitoring and evaluation, sub-basin planning, performance benchmarking and policy analysis. Through this project, Advanced Centre for IWRM (AC-IWRM) will be developed into a sub-regional accredited institute to provide certification in the field of IWRM.

ADB's loan of US \$ 31 million will cover about 65% of the total project cost of US \$ 48 million, with the state government of Karnataka providing the balance of US \$ 17 million. It is expected to be completed by March, 2019.
