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**\$51.55 MILLION ADB LOAN TO TACKLE COASTAL EROSION IN
KARNATAKA AND MAHARASHTRA**

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The Government of India and the Asian Development Bank (ADB) today signed an agreement for the first tranche (\$51.55 million loan) under the \$250 million Sustainable Coastal Protection and Management Investment Programme. The programme will improve incomes and reduce poverty in coastal communities in Karnataka and Maharashtra states by addressing immediate coastal instability problems and medium-term coastal protection and management needs.

The signatories were Mr. Venu Rajamony, Joint Secretary (Multilateral Institutions), Department of Economic Affairs, Ministry of Finance, on behalf of the Government of India, and Mr. Hun Kim, ADB Country Director for India. Dr. Subhash Chandra Khuntia and Mr. P.T. Goud signed the project agreements on behalf of the State Governments of Karnataka and Maharashtra.

The programme envisages to introduce environmental coastal protection in India, and to develop institutional capacity to meet the long-term needs of sustainable coastal protection and management. The first tranche loan will focus on heavily eroded coast in Karnataka (Ullal) and Maharashtra (Mirya Bay). Work under the first tranche is expected to be completed by December 2014.

Speaking on the occasion, Joint Secretary, Shri Rajamony said that effective and sustainable protection and management of the coastline is very important for the overall economic development of these coastal states especially restoring the livelihood of the people affected by coastal erosion. The investment programme will promote community and private sector participation, protect peoples' and businesses' assets and even restore business opportunities especially for the rural poor, he said. Shri Rajamony stated that the programme will introduce a range of coastal protection measures, including artificial reefs, beach nourishment, and dune management. These are cost-effective and sustainable alternatives to

conventional approaches such as sea walls or revetments that are currently used in India.

ADB Country Director for India, Mr. Hun Kim said that this innovative water sector loan not only protects the coastline from erosion with the introduction of environment friendly soft options for coastal protection but will also help in mitigating the impact of climate change. He hoped that its successful implementation will provide a model that could be replicated in other coastal states in India.

DSM/SS/GN