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**GOVERNMENT OF INDIA (GOI), ASIAN DEVELOPMENT BANK (ADB) AND STATES OF  
TAMIL NADU AND UTTARAKHAND SIGN A \$ 43.84 MILLION LOAN AGREEMENT FOR  
THE SECOND TRANCHE OF INFRASTRUCTURE DEVELOPMENT INVESTMENT  
PROGRAM TO BOOST TOURISM IN TWO STATES**

**New Delhi: April 2, 2012**

The Government of India (GOI), Asian Development Bank (ADB) and States of Tamil Nadu and Uttarakhand today signed a **\$ 43.84 million** loan agreement for the second tranche of **Infrastructure Development Investment Program for Tourism**. This agreement aims to enhance tourism environment in Tamil Nadu and Uttarakhand States with a view to draw increased volume of national and international tourists. The Program was approved in 2010 for \$ 250 million as multi-tranche financing facility to assist in developing tourism-related infrastructure in the four participating states - Himachal Pradesh, Punjab, Uttarakhand and Tamil Nadu. The First Tranche for \$ 43.42 million involving states of Punjab and Himachal Pradesh is under implementation.

The objective of Tranche-II under the Investment Program is to support the up-gradation and construction of tourist facilities through improvement of urban infrastructure and connectivity to the tourist attractions in the participating states of Uttarakhand and Tamil Nadu. The program will promote sustainable development of tourism with a provision of levying appropriate fees or user charges to pursue cost recovery.

The loan portion of the Tamil Nadu State would flow on back-to-back basis to the State Govt. while loan portion of the Uttarakhand State would flow in the ratio of 90 (grant) : 10( loan) as Uttarakhand is a special category state.

The signatories were Shri Venu Rajamony, Joint Secretary (Multilateral Institutions), Department of Economic Affairs, Ministry of Finance, on behalf of the Government of India, and Shri Narhari Rao, ADB Deputy Country Director for India. Shri V.K. Jeyakodi, Principal Secretary, Tourism and Culture Department on behalf of Government of Tamil Nadu and Dr. S. S. Sandhu, Secretary, Tourism Department on behalf of Government of Uttarakhand.

Speaking on the occasion, Shri Rajamony said that the Project includes development of eco-tourism, boat house areas, tourist support infrastructure & beach resort complex in various cities of Tamil Nadu and development of gardens, fountains & water support facilities along banks of Ganga canal and adventure tourism centres/tourism support infrastructure in various cities of Uttarakhand. He further added that upgrading urban infrastructure and improving water supply, sanitation and solid waste management will improve the experience of travelers, potentially leading to longer stays and a greater likelihood of exploring local communities. Shri Rajamony said that the Program will enhance economic growth and provision of livelihood opportunities for local communities including women through sustainable development of tourism infrastructure with a focus on preservation and development of natural and cultural heritage and incidental services. The program will promote private sector participation through use of unutilized/underutilized heritage sites/buildings and promotion of adventure/eco-tourism and thus, will serve as an effective bridge between the local community and the private sector, Shri Rajamony added.

Shri Narhari Rao, ADB Deputy Country Director for India said that the project will improve basic infrastructure around natural and cultural heritage sites to enhance quality of tourism attraction and strengthen participation by local communities in tourism-related economic activities. This will provide new livelihoods and incomes, particularly for poor, rural dwellers.

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