

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**INDIA AND ADB SIGN \$125.2 MILLION ADB LOAN FOR IMPROVING ROADS IN
NORTH-EASTERN REGION OF INDIA**

New Delhi, February 18, 2014
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The Government of India and Asian Development Bank (ADB) signed here yesterday a \$125.2 million loan that will continue upgrading roads in the North Eastern region of India.

The North Eastern States Roads Investment Program is designed to reconstruct roads in the northeastern states of Assam, Manipur, Mizoram, Tripura, Meghalaya, and Sikkim, thereby reducing their isolation and opening up badly needed growth and development opportunities. Improvements include widening existing sections of roads, strengthening pavements, raising embankments, and providing permanent structures at river crossings.

The signatories to the loan were Shri Nilaya Mitash, Joint Secretary (Multilateral Institutions), Department of Economic Affairs, Ministry of Finance, on behalf of the Government of India and Ms. M. Teresa Kho, Country Director (INRM), on behalf of ADB. The project agreements were signed by Shri K. Guite, Director, MDoNER, Shri J.N. Sharma, Secretary, PWD, Govt. of Assam, Shri R.R. Rashmi, Additional Chief Secretary, Govt. of Manipur, Shri Ranbir Singh, Resident Commissioner, Mizoram and Shri Sukamal Bhattacharjee, Addl. Chief Engineer, PWD & Nodal Officer NESRIP, Govt. of Tripura.

Speaking on the occasion, Shri Mitash said that better roads in the region will also significantly improve connectivity that will not only help people but also improve investment in the region.

Ms M. Teresa Kho, Country Director of ADB's India Resident Mission said that by upgrading these roads we will be able to improve mobility and accessibility for many communities that will help provide new economic opportunities, boost growth and reduce poverty.

The project is expected to be completed by 30 September 2019 with improvements to more than 236 km of roads in Assam, Manipur, Mizoram and Tripura states.

The loan agreement for the first phase of the project, covering around 200 kilometers of state roads in the states of Assam, Meghalaya and Sikkim, was signed in July 2012.

The second tranche from the ordinary capital resources of ADB has a 25-year term including a grace period of 5 years, commitment charge of 0.15% per year (on un-drawn

balance), Maturity Premium of 0.10% (by straight line method) and interest rate to be determined in accordance with ADB's LIBOR-based lending facility. The loan of \$125.2 million from ADB's ordinary capital resources makes up to 79.7% of the total project cost of almost \$157.2 million, with the central and state governments providing counterpart finance of \$32 million.
