

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**INDIA SIGNS LOAN AGREEMENT WITH ADB WORTH \$63.3 MILLION FOR
IMPROVING URBAN SERVICES AND STRENGTHENING MUNICIPAL AND
PROJECT MANAGEMENT CAPACITY IN SEVERAL TOWNS IN NORTH
KARNATAKA**

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The Government of India signed an agreement with Asian Development Bank (ADB) today for a \$63.3 million loan for improving urban services and strengthening municipal and project management capacity in several towns in North Karnataka. The agreement is for the 4th Project under the overall facility of \$270 million for the North Karnataka Urban Sector Investment Program.

The fourth and last tranche of loan under the North Karnataka Urban Sector Investment Program will help upgrade infrastructure, including expansion of the potable water systems to provide continuous water supply (24X7) with private sector participation in 12 towns (*Basavakalyan, Bellary, Bidar, Gadag-Betegeri, Gokak, Haveri, Hospet, Nipanni, Raichur, Shahabad, Sindhanur and Yadgir*); completion of sewerage networks in 3 towns (*Haveri, Hospet and Raichur*), and improvements to the road network in 2 towns (*Badami and Ilkal*).

Shri Tarun Bajaj, Joint Secretary, Department of Economic Affairs, Ministry of Finance signed the agreement on behalf of the Government of India and Ms. M. Teresa Kho, Country Director of ADB's India Resident Mission, signed the agreement on behalf of ADB. The project agreement was also signed by Shri D. Chandrashekaraiah, Joint Director (Planning), Urban Development Department, Government of Karnataka on behalf of the Government of Karnataka and Shri Arifulla Shariff, Executive Director, Karnataka Urban Infrastructure Development & Finance Corporation Limited (KUIDFC) on behalf of KUIDFC.

Speaking on the occasion, Shri Bajaj said that the project will help upgrade water supply network, expand sewerage infrastructure and improve roads in total of 14 towns of North Karnataka. He said that this will help the State improve quality of life in these deprived areas of Karnataka. He added that in order to maximize efficiency gains and ensure adequate operation and maintenance during initial years, water utility operators will be engaged through a performance based management contracts to design and construct sections of the distribution networks, provide metered connections and operate and maintain the facilities. The program will support municipal governance program, leading to better municipal service through the use of geographic information systems for property tax mapping and utility mapping, as well as assist the Government of Karnataka to establish a heritage planning cell under the Town Planning Department, for conservation of heritage structures and sites in the State.

Ms. M. Teresa Kho, Country Director, ADB's India Resident Mission said that the project will assist the implementation of public-private partnership and performance based contracting through capacity development programs and direct support for contract execution and monitoring. She further said that the project will also provide assistance to connect beneficiaries to sewer networks by providing training and certification for plumbers, generating in this way local service and employment.

The complete investment program aims to improve basic urban services for at least 4.3 million people living in 25 North Karnataka towns by providing them with improved water supply, cleaner environmental conditions, safer and faster urban transportation, and other public facilities. These physical improvements will enhance their living conditions and equip the selected ULBs with infrastructure assets to provide services of a reasonable quality for their residents, and thereby address the current imbalance between north Karnataka and the rest of the state.
