

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**INDIA AND ADB SIGN US \$300 MILLION LOAN AGREEMENT TO HELP IMPROVE
ROAD CONNECTIVITY ALONG KEY CORRIDORS IN CHHATTISGARH**

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Government of India (GoI) and Asian Development Bank (ADB) signed here today an agreement for a US \$300 million loan to help improve road connectivity along key corridors in the State of Chhattisgarh.

The Project has been approved with an objective to improve more than 900 kilometers of State roads, in line with the Chhattisgarh Road Master Plan, involving upgradation of roads sections and strengthening culverts and bridges.

The signatories were Shri Nilaya Mitash, Joint Secretary (Multilateral Institutions), Department of Economic Affairs, Ministry of Finance, on behalf of Government of India (GoI); and Ms. M. Teresa Kho, Country Director, India Resident Mission, ADB on behalf of ADB. The Project agreement was signed by Shri R. K Goel, Project Director, Chhattisgarh Public Works Department on behalf of the Government of Chhattisgarh.

Speaking on the occasion, Shri Mitash said that the project targets key corridors in Chhattisgarh and will significantly contribute to improving road connectivity in the state. He said that technical assistance grants of \$1 million from ADB and UK's Department for International Development (DFID) will help improve Chhattisgarh's road maintenance management capabilities. Shri Mitash further said that the project also has components to build the capacity of the road agency in contract and project management, as well as to introduce a road asset management system in the State, which will help in planning for better road maintenance.

Ms M. Teresa Kho, Country Director, India Resident Mission, ADB said that low quality roads undermine the benefits of the state's rich mineral and coal deposits, holding back new economic opportunities and access to social amenities, especially for minority groups. She said that State highways form part of the important core road network in the state, and improvements in road connectivity will result in direct and indirect economic opportunities for people in project areas, who will benefit from faster travel times, lower costs, improved safety, and improved links to markets and basic services.

The loan will be funded from ADB's ordinary capital resources. It has a principal repayment period of 20 years, and annual interest set in accordance with ADB's LIBOR-based lending facility. The Government of Chhattisgarh will provide counterpart finance of about \$128 million to cover the estimated total project cost of \$428 million.
