

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

India Signs Loan Agreement with the World Bank for USD 250 Million for "First Programmatic Electricity distribution Reform Development Policy Loan for Rajasthan"

New Delhi, March 31, 2016

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An agreement for IBRD Credit of USD 250 Million from World Bank for "First Programmatic Electricity distribution Reform Development Policy Loan For Rajasthan" here today by Shri Raj Kumar, Joint Secretary (MI), Department of Economic Affairs on behalf of the Government of India and Mr. Onno Ruhl, Country Director, World Bank (India) on behalf of the World Bank. The Program Implementing Entity Agreement was signed by Mr. Sanjay Malhotra, Principal Secretary, Department of Energy, Government of Rajasthan on behalf of Government of Rajasthan, and the Country Director (India) on behalf of the World Bank.

The project size is USD 250 million, and the total amount will be financed by the Bank.

The objective of the proposed programmatic operation is to support the Government of Rajasthan (GoR)'s program for the turnaround of the distribution sector in Rajasthan under the 24x7 Power for All program. This first operation lays the foundations for legislative changes and institutional reforms to improve the sector's governance, supports the financial restructuring of the sector, and back sanctions necessary to improve operational performance. The main areas of the GoR program that are supported by the proposed operation are: (a) Strengthening Governance in the Rajasthan Electricity Distribution Sector; (b) Financial Restructuring and Recovery; and (c) Improving Operational Performance' of Distribution Utilities. The project has been designed. as a result based financing programme, under which funds will be released only on achievement of agreed results/indicators.
