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GOVERNMENT OF INDIA**

GOVERNMENT SIGNS LOAN AGREEMENT WITH ASIAN DEVELOPMENT BANK (ADB) FOR \$273 MILLION LOAN UNDER RURAL CONNECTIVITY INVESTMENT PROGRAM FOR IMPROVING RURAL ROADS IN STATES OF ASSAM, CHHATTISGARH, MADHYA PRADESH, ODISHA AND WEST BENGAL

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The Asian Development Bank (ADB) and the Government of India signed here a \$273 million loan agreement to continue improving rural roads in the States of Assam, Chhattisgarh, Madhya Pradesh, Odisha and West Bengal.

The loan represents the third tranche, which is also the last tranche of the \$800 million financing facility under the Rural Connectivity Investment Program. The loan will help in constructing over 6,000 kilometers of all-weather rural roads in the aforesaid five States, benefiting over 4200 rural habitations.

Shri S. Selvakumar, Joint Secretary (Bilateral Cooperation), Department of Economic Affairs, Ministry of Finance signed the Loan Agreement on behalf of the Government of India while Ms Teresa Kho, Country Director signed the loan agreement for ADB.

Speaking on the occasion, Shri S. Selvakumar, Joint Secretary (Bilateral Cooperation) said that the program has supported the Government's objectives under the Pradhan Mantri Gram Sadak Yojana (PMGSY) by providing all-weather road connectivity in selected rural areas in the five states. He said that the enhanced connectivity will improve access of rural communities to markets, district headquarters, health and education facilities, and other centers of economic activity.

Ms Teresa Kho, Country Director, ADB said that it is expected that Project 3 will result in benefits similar to the previous two projects including improving and sustaining the connectivity of selected rural communities in the five States. She said that this loan will be used to make further investments as well as supporting improved road design, road safety and asset management measures, and training, with women actively involved in all aspects.

The Ministry of Rural Development (MORD) is the executing agency of the project at the central level, while the Governments of States of Assam, Chhattisgarh, Madhya Pradesh, Odisha, and West Bengal have been entrusted with overall implementation at the respective State level. The third tranche is expected to be completed by December, 2017. The implementing agencies at the State level will be the respective State Rural Roads Development Agencies.

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