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**INDIA SIGNS LOAN AGREEMENT WITH ADB WORTH US\$ 315 MILLION FOR
KARNATAKA STATE HIGHWAY IMPROVEMENT PROJECT**

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Government of India and the Asian Development Bank (ADB) today signed a \$315 million loan agreement for the Karnataka State Highway Improvement Project. This is the first loan assistance from ADB in the state of Karnataka designed to upgrade roads.

The signatories of the loan were Shri Venu Rajamony, Joint Secretary (Multilateral Institutions), Department of Economic Affairs, Ministry of Finance, on behalf of the Government of India, and Shri Prodyut Dutt, Officer-in-Charge, ADB's India Resident Mission. The project agreement was signed by Shri Subhash Chandra Khuntia, Principal Secretary, Public works, Ports and Inland Water Transport Department on behalf of the Government of Karnataka and Shri Dutt.

The project will help rehabilitate and upgrade about 615 km of state highways identified from the core road network of the state. It will also strengthen the capacity of the Public Works Department (PWD) of the Government of Karnataka (GOK) to develop, operate, and maintain the state road network. Road improvement works will include the upgrading of existing roads to two lanes; construction of bypasses; strengthening of culverts and bridges; and construction of new bridges and drainage structures.

The loan will help the PWD supervise the implementation of civil works and support the establishment and operation of the Planning and Road Asset Management Centre (PRAMC). A Capacity Development Technical Assistance (CDTA) of \$1.5 million is also attached to this loan. This is designed to strengthen PWD's capacity in asset management and road safety to ensure safe and sustainable road development.

Speaking on the occasion, Shri Venu Rajamony, Joint Secretary said that the Government has been supporting infrastructure investment

that would accelerate economic growth. This project will not only ease the stress on physical infrastructure that has been placed in recent years, but also contribute to capacity building and enable transfer of best practices in asset management.

Shri Prodyut Dutt, Officer-in-Charge, ADB's India Resident Mission said that the ADB supports road sector development as a core infrastructure operation to facilitate sustainable economic growth in India, which has been incorporated in the Country Partnership Strategy (2009-2012). We are pleased to extend development assistance to the transport sector in one of the most progressive states of India, he said.

India is one of the founding members of the Asian Development Bank (ADB) established in 1966. ADB is engaged in promoting economic and social progress of its developing member countries (DMCs) in the Asia Pacific Region. India started accessing loan assistance from ADB in 1986. A total of 144 loans amounting to \$ 23.25 billion and 313 technical assistance (TA) projects amounting to \$232.5 million have been accessed on cumulative basis. The ongoing projects are 67 (\$ 10.34 billion) and TA projects are 79 (\$ 79.62 million).

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