

INDIA AND ADB SIGNS \$110 MILLION LOAN TO IMPROVE RURAL CONNECTIVITY IN MADHYA PRADESH

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Ministry of Finance

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Government of India and Asian Development Bank (ADB) today signed a \$110 million loan to finance the upgrade of 2,800 kilometers all-weather rural roads in the State of Madhya Pradesh under the Prime Minister's Rural Roads Program (PMGSY).

Tranche 2 loan is part of the \$500 million Second Rural Connectivity investment Program for India approved by the ADB Board in December 2017. The overall program is aimed at improving rural connectivity, facilitating safer and more efficient access to livelihood and socio-economic opportunities for rural communities through improvements to about 12,000 kilometers rural roads across the states of Assam, Chhattisgarh, Madhya Pradesh, Odisha, and West Bengal. Tranche 1 loan of \$250 million is currently under implementation in the 5 project states, upgrading over 6,000 km of rural roads.

The signatories to the Second Rural Connectivity Investment Programme were Mr. Sameer Kumar Khare, Additional Secretary, Department of Economic Affairs in the Ministry of Finance, who signed on behalf of the Government of India; and Mr. Kenichi Yokoyama, Country Director of ADB's India Resident Mission, who signed for ADB.

"The tranche 2 of the project will provide continued assistance to the PMGSY by upgrading rural roads in Madhya Pradesh that will support the Government's long term goal to achieve inclusive economic growth in rural India. It will give a big boost to the country's rural connectivity initiative," said Mr. Khare after signing the loan agreement.

"The loan will improve mobility for self-employment and livelihood opportunities in rural areas by improving access to district centers," said Mr. Yokoyama. "The project will continue to support the Government's drive for innovative approaches to reduce costs, conserve non-renewable natural resources, and promote the use of waste materials in rural road construction."

In view of increased rainfall and storm surges in Madhya Pradesh, the road designs take into account these climate risks with measures such as greater elevation of road embankments and slope protection. Women were extensively consulted during the project design and will gain some key benefits, including improved access to healthcare, livelihoods and schooling.

ADB is committed to achieving a prosperous, inclusive, resilient, and sustainable Asia and the Pacific, while sustaining its efforts to eradicate extreme poverty. Established in 1966, it is owned by 67 members---48 from the region. In 2017, ADB operations totalled \$32.2 billion' including \$11.9 billion in co-financing.

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