



Ministry of Finance

# Government of India and the Asian Development Bank (ADB) Sign \$275 Million Loan for Upgrading Urban Services in 64 Small Towns in Madhya Pradesh

Posted On: 20 JUN 2017 5:26PM by PIB Delhi

The Asian Development Bank (ADB) and the Government of India signed a \$275 million loan on 19th June, 2017 for improving urban services in 64 small towns in the State of Madhya Pradesh.

The signatories to the loan agreement for the Madhya Pradesh Urban Service Improvement Project included Raj Kumar, Joint Secretary, Multilateral Institutions, Department of Economic Affairs, Ministry of Finance, who signed on behalf of the Government of India, and Mr. L. B. Sondjaja, Deputy Country Director of ADB's India Resident Mission, who signed for ADB. The project agreement was signed by Mr. Vivek Aggarwal, Secretary, Urban Development & Housing Department on behalf of the Government of Madhya Pradesh.

"Madhya Pradesh needs substantial investments to keep pace with rapid urbanization. Availability of continuous piped water supply is vital for improving the urban infrastructure, and it will facilitate improved access to safe drinking water for residents in the project area", said Mr. Raj Kumar.

"ADB's continued support to the State's urban development, through this project, will improve further the quality, coverage, efficiency, and sustainability of urban service delivery, stabilize and deepen institutional capacity, and improve long term water service management," said Mr. Sondjaja. "A key element of the project is the use of design-build-operate contracts including 10-years operation and maintenance to ensure better sustainability of the water service operation and financial viability."

The project will develop sustainable, inclusive, and climate-resilient water supply in 64 small and medium-sized towns, and integrated storm water and sewerage infrastructure in two heritage towns of Khajuraho and Rajnagar. The project supports the State Government's priority to develop urban infrastructure. Previous ADB urban investments in the state have improved access to safe drinking water for more than 5 million residents in 4 major cities.

Along with ADB's loan, the Government of Madhya Pradesh will provide counterpart support of \$124 million. The project will run for almost five years with an expected completion date of June 2022.

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