



# India signs loan agreement with the Asian Infrastructure Investment Bank (AIIB) for Financing of US\$ 329 million for Gujarat Rural Roads Project

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The Loan and Project Agreements for Asian Infrastructure Investment Bank (AIIB) lending of US\$ 329 million for Gujarat Rural Roads Project have been signed between the Government of India/ Government of Gujarat and the AIIB today on 04.08.2017 at New Delhi.

The Loan Agreement was signed by Shri Sameer Kumar Khare, Joint Secretary (MI), Department of Economic Affairs(DEA), Ministry of Finance on behalf of the Government of India and Dr. D.J. Pandian, Vice President and Chief Investment Officer, AIIB, on behalf of the AIIB. The Project Agreement was signed between Shri A.K. Patel, Chief Engineer (Panchayat) and Additional Secretary, Roads & Building Department, Government of Gujarat on behalf of the Gujarat State Government and Dr. D.J. Pandian signed the Project Agreement on behalf of the AIIB.

The objective of the project is to improve the rural road connectivity and accessibility (by providing all weather road connectivity) to 1,060 villages in all the 33 districts in Gujarat state benefiting about 8 million people. The project will also benefit the service providers such as public transport operators, educational institutions, hospitals, local markets and traders.

The project consists of following two main components:

- i. Constructions and Up-gradation of Non-Plan Roads (NPRs): A total of 5000 km of NPRs will be constructed under this component. Besides, it is also envisaged to construct - missing links (last mile connecting to the road network); missing structures (culverts and small bridges); approach roads to educational institutions; and upgrade/ construct roads passing through tribal areas.
- ii. Up-gradation of Planned Roads: It is envisaged to upgrade existing earthen and metal roads to black top roads, resurfacing of village roads and other district roads, up-gradation of bridges to prevent flooding and subsequent isolation of flooded villages during monsoon season and widening of village roads and other district roads to ease traffic congestion.

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