



India and ADB Sign \$350 Million Loan for Upgrading 1,500 kms of District Roads in State of Madhya Pradesh

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The Asian Development Bank (ADB) and the Government of India signed here today a \$350 million loan for improving about 1,500 kilometers of major district roads in Madhya Pradesh in line with the State's Road Development Plan.

The signatories to the Loan Agreement for the Madhya Pradesh District Connectivity Sector project were Mr. Raj Kumar, Joint Secretary (Multilateral Institutions), Department of Economic Affairs in the Ministry of Finance, Government of India 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 Shri Pramod Agrawal, Principal Secretary on behalf of Govt. of Madhya Pradesh and by Shri Piyush Kumar Chaturvedi, General Manager on behalf of Madhya Pradesh Road Development Corporation (MPRDC).

After signing the loan agreement, Mr. Raj Kumar, JS(MI) said that this project would complement the efforts of Government of Madhya Pradesh to bring about seamless road connectivity across the State by linking State Highways and Rural roads through District roads. It would provide an easier access to basic services and markets to people, Mr Kumar added.

Speaking on the occasion, Mr. Sondjaja said that ADB's continued participation in the State's Road Development, through this project, will help further the state-wide road improvement program, stabilize and deepen institutional capacity, and improve road safety and accident response initiatives. He said that a key element of the project is the use of concrete pavements to ensure better ride quality and reduce lifecycle maintenance costs.

The Project will involve upgrading roads with concrete pavements, strengthening culverts and bridges, and maintaining the improved road assets for a period of five years after construction, on a performance based payment format. The Project will also develop and introduce a cashless accident victim treatment facility in the state, and improve the accident response system.



Madhya Pradesh is the second-largest State in the country, with an area of about 308,000 square kilometers and a population of about 73 million. Agriculture still underpins the State's economy and about 70% of the people live in rural areas. The State has also been undertaking a number of development initiatives to boost industrial activity, such as the Pithampur-Dhar-Mhow Region as a key node on the Delhi-Mumbai Industrial Corridor, as well as many industrial areas and industrial growth centers. Because industrial development and agricultural production are dispersed, the road network is a vital element of the economic infrastructure.

Along with ADB's loan, the Government of Madhya Pradesh will provide counterpart support of \$150 million. The project will run for almost four years with an expected completion date of March 2021.

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