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ADB $100 MILLION LOAN TO PROVIDE SUSTAINABLE URBAN SERVICES IN FIVE UTTARAKHAND TOWNS

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Government of India today signed an agreement for a $100 million loan with Asian Development Bank (ADB) as second tranche of Uttarakhand Urban Sector Development Investment Program which will support rehabilitation and expansion of basic urban infrastructure in five major urban centers of Uttarakhand and ensure sustainable municipal service delivery.

The project will supplement the urban infrastructure program already initiated under the first tranche in **Dehradun, Haridwar** and **Nainital** and will be extended to cover in addition **Haldwani, Roorkee** and **Ramnagar** towns specially for improving the water supply infrastructure that will benefit about 800,000 residents. A comprehensive sewerage system will also be developed under the project, which will provide improved sanitation facilities to about 100,000 residents of Roorkee town.

The documents were signed by Dr. Anup Wadhawan, Joint Secretary, Department of Economic Affairs on behalf of Government of India, Mr. Hun Kim, Country Director of ADB's India Resident Mission on behalf of ADB and Mr. M.H. Khan, Secretary (UD) on behalf of Government of Uttarakhand. Smt. Radhika Jha, Project Director and Dr. Anwar A. Khan, Deputy Program Director from Uttarakhand Government were the part of loan signing team.

Speaking on the occasion, Dr. Wadhawan said that it is important for urban infrastructure to keep pace with population levels and its future growth. The project will address this objective and help alleviate infrastructure deficiencies, tap economic potential, and improve the living environment.

Mr. Hun Kim, Country Director of ADB on the occasion said that the project will improve the quality life and employment opportunities for the people living in five project towns. It will also improve the ability of participating institutions to manage sector reforms and deliver better services. The contribution of tourism in the state economy is significant, so upgrades to key infrastructure will also help draw visitors and generate more employment opportunities.

The second tranche loan from the ADB's Ordinary Capital Resources has a 25-year term including a grace period of five years, commitment charges of 0.15% and interest rate to be determined in accordance with ADB's LIBOR-based lending facility. The Government of India will provide counterpart funds of $42.86 million for a total second tranche project investment cost of $142.86 million.

ADB, based in Manila, is dedicated to reducing poverty in Asia and the Pacific through inclusive economic growth, environmentally sustainable growth, and regional integration. Established in 1966, it is owned by 67 members – 48 from the region.

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