

**PRESS INFORMATION BUREAU
GOVERNMENT OF INDIA**

**GOVERNMENT OF INDIA SIGNED AN AGREEMENT WITH ADB FOR A \$60
MILLION LOAN FOR NORTH KARNATAKA URBAN SECTOR INVESTMENT
PROGRAM**

New Delhi: July 19, 2013

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Government of India signed an agreement with Asian Development Bank (ADB) today for a **\$60 million** loan for improving urban services and strengthen municipal and project management capacity in several towns in North Karnataka. The agreement is for the 3rd Project under the overall facility of **\$270 million for the North Karnataka Urban Sector Investment Program (NKUSIP)**.

The third tranche loan under the North Karnataka Urban Sector Investment Program will develop sewerage networks in six towns, and help the rehabilitation and expansion of potable water systems in two more towns. More than 100,000 households will benefit from the improvements.

Shri Nilaya Mitash, Joint Secretary, Department of Economic Affairs, Ministry of Finance signed the agreement on behalf of Government of India and Mr. Hun Kim, Country Director of ADB's India Resident Mission, signed the agreement on behalf of ADB. The project agreement was signed by Shri P. N. Sreenivasachary, Principal Secretary, Urban Development Department, Government of Karnataka on behalf of Government of Karnataka and Shri Darpan Jain, Managing Director, Karnataka Urban Infrastructure Development & Finance Corporation Limited (KUIDFC) on behalf of KUIDFC.

Speaking on the occasion, Shri Nilaya Mitash said that the project will support the State in its endeavor to improve quality of life in towns (Bidar, Davanagere, Dharwad, Gadag-Betegeri, Gulbarga, Jamkhandi, Sindhanur and Yadgir) in North Karnataka and promote economic growth. The project will improve access to better urban services in the eight targeted urban local bodies, he added.

Mr. Kim said that the project will assist implementing the State's reform agenda through the execution of property and utility mapping subprojects using geographic information systems and the establishment of the Heritage Planning Cell. He said that it will also provide assistance to enhance billing and collection efficiencies in program towns.

This 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 an interest rate to be determined in accordance with ADB's LIBOR-based lending facility. The Government of Karnataka will provide counterpart funds of \$41.6 million for a total project investment cost of \$101.6 million under this tranche.

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. In 2012, ADB assistance totaled \$21.6 billion, including co-financing of \$8.3 billion.
