

**PRESS INFORMATION BUREAU  
GOVERNMENT OF INDIA**

\*\*\*\*\*

**INDIA SIGNS LEGAL AGREEMENT WITH THE WORLD BANK FOR IBRD LOAN OF US\$ 400 MILLION FOR TAMILNADU SUSTAINABLE URBAN DEVELOPMENT PROJECT**

**New Delhi, June 4, 2015**  
**Jyaistha 14, 1937**

The Loan and Project Agreements for World Bank (IBRD) assistance of US\$ 400 million for Tamil Nadu Sustainable Urban Development Project were signed between the Government of India/ Government of Tamil Nadu and World Bank here yesterday.

The Loan Agreement was signed by Shri Raj Kumar, Joint Secretary, Department of Economic Affairs, Ministry of Finance on behalf of Government of India and Mr. Onno Ruhl, Country Director, World Bank (India) on behalf of the World Bank. The Project Agreements were signed by Shri Praveen P. Nair, Deputy Secretary, Municipal Administration and Water Supply Department, Govt. of Tamil Nadu on behalf of the State Government and Smt. Anita Praveen, Principal Secretary/ Chairperson and Managing Director, Tamil Nadu Urban Infrastructure Financing Services Ltd. (TNUIFSL) on behalf of TNUIFSL and Tamil Nadu Urban Development Fund. Mr. Onno Ruhl signed both Project Agreements on behalf of the World Bank.

The objective of the project is to improve urban services in participating Urban Local Bodies (ULBs) in a financially sustainable manner and to pilot improved urban management practices in selected cities. The total project size is US\$ 600 million, out of which World Bank support is US\$ 400 million.

The project consists of following three main components:

- Investment in Urban Services. The project will support improvement in range of urban services, including water, sewerage, municipal solid waste, urban transportation, sewerage management and storm water drainage. The project also envisages creation of a reserve fund to provide credit enhancements for municipal bonds and other market based Loan instruments issued by ULBs.
- Result Based Grants for Urban Governance: The project will provide results-based grants to eligible ULBs to implement new urban-management models that strengthen governance and financial sustainability.
- Urban Sector Technical Assistance: The project will support strengthening the capacity of ULBs and urban sector officials.

\*\*\*\*\*