

Project Summary for Public Disclosure

Project Overview	
Project Name	Madhya Pradesh Major District Roads II Project
Country	The Republic of India
Sector	Infrastructure - Transport
Approval Date (by the Board)	18 September 2018
Total Project Cost	USD 500 million
Loan Amount	USD 350 million
Borrower	The Republic of India
Implementation Agency	Madhya Pradesh Public Works Department

I. Introduction

India's strong growth story in the recent years resonates with its growth trajectory in the infrastructure sector, particularly in the road sector, as road is the dominate mode of transportation in India. Addressing gradually the road infrastructure deficiencies has been the national priority for India. For example, in India's second largest state by area, Madhya Pradesh, road infrastructure development has played an important role in the state's economic resurgence. Due to the geographical conditions of the State as a land locked state, road connectivity becomes vital for social and economic activities. After the New Development Bank (NDB) loan provided to finance Madhya Pradesh Major District Roads Project (MP Roads I Project) in 2016 for construction and upgrade of the State's Major District Roads, the second Project, Madhya Pradesh Major District Roads II Project, is designed to complement and reinforce the benefits of the first project with a similar objective to improve the road infrastructure in Madhya Pradesh. The Project is in close alignment with the NDB's objective to promote infrastructure and sustainable development.

II. Project Description

The objective of the Project is to improve Madhya Pradesh's connectivity of the current rural interior. The Project complements the MP Roads I Project financed by NDB in 2016, and will maximize the benefits of the MP Roads I Project by further removing the bottlenecks and smoothing the traffic flows.

The proposed NDB loan through the modality of Project Financing Facility will be used by the Government of India for on-lending to the State Government of Madhya Pradesh for rehabilitating Major District Roads with a total length of about 2,000 km.

III. Environmental and Social Aspects

The Project will improve road conditions and enhance transport capacity, which will lead to benefits of less travel time, reduced vehicles operating cost, reduced emissions, and improved road safety. The positive impacts of the Project also include promoting inclusive development of the rural communities of the State of Madhya Pradesh and stimulating regional economic development through improved connectivity, enhanced accessibility and increased job opportunities, which will ultimately contribute to the well-being of the connected population.

The Project has been classified as category B in accordance with NDB's Environment and Social Framework (ESF), as its impacts are temporary and site specific and can be mitigated by adherence to established environmental and social practices and requirements of India's country system. The negative impacts mainly pertain to noise generation, water and air quality deterioration, slow traffic, flora removal, potential impacts on local communities from influx of construction labor, workers and public safety, etc. However, the intensity and duration of both social and environmental impacts are expected to be minimal.

IV. Financials

The total cost of the Project is estimated to be USD 500 million. The NDB will finance USD 350 million, accounting for 70% of the total cost. The remaining balance will be financed by the Government of Madhya Pradesh.

Financier	Amount (\$ million)
New Development Bank	350
Government of Madhya Pradesh	150

V. Implementation



The Project is estimated to be implemented over 5 years. Madhya Pradesh Public Works Department will be the Project Implementation Agency. Contractors for the Project will be selected through a competitive and transparent bidding process.