

Project Summary for Public Disclosure

Project Overview	
Project Name	Andhra Pradesh Road Sector Projects
Country	India
Sector	Transportation
Approval Date (by the Board)	12 September 2019
Total Project Cost	USD 924 million
Loan Amount	USD 646 million
Borrower	India
Implementation Agency	Roads and Buildings Department, Government of Andhra Pradesh

I. Introduction

The State of Andhra Pradesh has witnessed high economic growth, with its average annual GDP growth at 11.5% for the last four years. Traffic in the State has increased substantially along with its economic development. The average annual traffic growth was at 11.7% from FY2013 to FY2017. To further support the growth, Government of Andhra Pradesh has put a focus on development of industrial corridors, special investment regions, tourism centers, ports, and airports, all of which are highly dependent on good road connectivity. The current road network has not been able to meet demanded capacity induced by the rapid traffic growth. Major challenges faced by the current road network are inadequate capacity, problematic road safety, and lack of all-weather connectivity.

II. Project Description

The Andhra Pradesh Road Sector Projects are proposed to address the connectivity challenges faced by the state of Andhra Pradesh through upgrading state highways and district roads of heavy traffic, and reconstructing bridges that are obsolete. The components of the Andhra Pradesh Roads and Bridges Reconstruction Project include: i) widening approximately 1,600 km of state highways from single/intermediate lane to double lane; and ii) constructing 269 bridges in the state highways network. The components of the Andhra Pradesh Mandal Connectivity and Rural Connectivity Improvement Project include: i) widening approximately 1,400 km of district roads from

single/intermediate lane to double lane; and ii) constructing 206 bridges in the district roads network. The two Projects will be implemented over a period of five years from 2020 to 2024.

III. Environmental and Social Aspects

The positive impacts of the Projects include: (i) enhanced socioeconomic development; (ii) improved connectivity between mandal headquarters, district headquarters and adjoining mandal headquarters; (iii) improved quality of living for the connected population; (iv) enhanced productivity in the agricultural sector of the state; (v) enhanced economic growth of the state; (vi) increased rural income.

The Projects are Category “B” in line with NDB’s Environmental and Social Framework (ESF). Main environmental and social impacts include loss of habitats due to vegetation clearance, air emissions and noise, impacts on surface water quality and aquatic ecology, waste generation and disposal, land acquisition and associated displacement of people. These risks will be mitigated by implementing country system requirements and NDB’s ESF.

IV. Financials

The total cost of the two Projects is estimated to be USD 924 million. NDB will finance USD 646 million or 70% of the total cost. The remaining balance will be financed by counterpart funds from Government of Andhra Pradesh.

Financier	Amount (USD million)
New Development Bank	646
Government of Andhra Pradesh	278

V. Implementation

The two Projects are to be implemented over five years. The Roads and Buildings Department of Government of Andhra Pradesh will be the Project Implementation Agency. Procurement will be conducted in compliance with the national law and regulations, and meet the core principles of NDB’s policy.