

Project Summary

Project Overview	
Project Name	Madhya Pradesh Major District Roads Project
Country	India
Sector	Renewable Energy; Sustainable Development
Approval Date (by the Board)	22 November 2016
Closing Date	31 March 2021
Total Project Cost	USD 500 million
Loan Amount	USD 350 million
Borrower	Government of India
Implementation Agency	MP Road Development Corporation Ltd.

I. Introduction

Despite having the second largest road network in the world, India still has many states with poor connectivity and unsafe road conditions. Madhya Pradesh is one of those states. Madhya Pradesh is the second largest state in India, yet it remains underdeveloped with per capita income about 37% lower than the national average. Poor road infrastructure further impairs the state's growth. Only 21 of more than 200 national highways cross through the state. About 90% of the state highways are either standard single lane or even narrower than that. The business community is concerned with the road infrastructure and has indicated in several surveys that the lack of adequate transport infrastructure is the major impediment to accelerating the economic development of the state. In this context, the Project Financing Facility is designed to improve Madhya Pradesh's connectivity and boost the local economy. This is in alignment with the New Development Bank's (NDB) objective to promote infrastructure and sustainable development.

II. Project Description

The objective of the NDB's Project Financing Facility is to support the projects for improving Madhya Pradesh state's connectivity of the current rural interior and achieving a larger coverage of the national highway and state highway. The loan from the NDB will be on-lent to the Government of Madhya Pradesh for upgrading the state's Major District Roads, with construction of associated bridges and railway-overhead-bridges.

Not less than 1,500 km of Major District Roads in Madhya Pradesh will be upgraded to intermediate lane width, with 5.5m wide carriageway. These roads will have the well-functioning conditions for all-weather access. Standard signage, pedestrian crossings and other safety features will be designed. Travel time is estimated to be reduced by 25%.

III. Environmental and Social Aspects

The project contributes to developing the road infrastructure for Madhya Pradesh. Enhanced connectivity helps provide a supporting infrastructure for the state's economic development. Road accidents will be reduced with upgraded safety.

NDB's due diligence on environmental and social aspects found no land acquisition or resettlement is required, all upgrades are done to existing roads. The local ecological system will not be impacted.

IV. Financials

The total cost of the project is estimated to be USD 500.0 million. The NDB will finance USD 350.0 million, accounting for 70% of the total cost. The rest will be financed by the Government of Madhya Pradesh.

Financier	Amount (\$ million)
New Development Bank	350.0
Government of Madhya Pradesh	150.0

V. Implementation

The project is estimated to be implemented over 4 years. The Government of Madhya Pradesh will be the Executing Agency for the project. MP Road Development Corporation Ltd. will be the Implementation Agency with a central Project Implementation Unit set up for this project. Contractors for the project will be selected through a competitive and transparent bidding process.



VI. Contact

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