

Project Summary for Public Disclosure
(after approval of NDB financing)

Project Name	Madhya Pradesh Major District Roads II Project
Country	The Republic of India
Type	Sovereign
Area of Operation	Transport Infrastructure
Financing Approval Date	18 September 2018
Total Project Cost	USD 500 million
Initial Limit of NDB Financing	USD 350 million
Current Limit of NDB Financing	USD 350 million
Borrower	The Republic of India
Project Entity	Madhya Pradesh Public Works Department
Project Context	<p>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 dominant mode of transportation in India. Addressing 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.</p>
Project Description	<p>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.</p>
Project Objective	<p>The objective of the Project is to improve connectivity of Madhya Pradesh's rural interior. The Project complements the MP Roads I Project financed by NDB in 2016 and will maximize</p>

	<p>the benefits of the MP Roads I Project by further removing the bottlenecks and smoothing the traffic flows. 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.</p>								
Implementation Arrangements	<p>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.</p>								
Environmental and Social Information	<p>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.</p>								
Financing	<p>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.</p> <table border="1" data-bbox="593 1541 1437 1713"> <thead> <tr> <th data-bbox="593 1541 997 1585">Source of Fund</th> <th data-bbox="1003 1541 1437 1585">Amount (USD million)</th> </tr> </thead> <tbody> <tr> <td data-bbox="593 1594 997 1630">NDB</td> <td data-bbox="1003 1594 1437 1630">350</td> </tr> <tr> <td data-bbox="593 1639 997 1713">Government of Madhya Pradesh</td> <td data-bbox="1003 1639 1437 1713">150</td> </tr> </tbody> </table>			Source of Fund	Amount (USD million)	NDB	350	Government of Madhya Pradesh	150
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