

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

Project Name	Andhra Pradesh Road Sector
Country	The Republic of India
Type	Sovereign
Area of Operation	Transport Infrastructure
Concept Approval Date	26 April 2019
Financing Approval Date	12 September 2019
Total Project Cost	USD 924 million
Initial Limit of NDB Financing	USD 646 million
Current Limit of NDB Financing	USD 646 million
Borrower	The Republic of India
Project Entity	The Government of Andhra Pradesh
Project Context	<p>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.</p>
Project Description	<p>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 1,231 km of state highways from single/intermediate lane to double lane; and ii) constructing 236 bridges in the state highways network. The components of the Andhra Pradesh Mandal Connectivity and Rural Connectivity Improvement Project include: i) widening approximately 1,297 km of district roads from</p>

	single/intermediate lane to double lane; and ii) constructing 233 bridges in the district roads network. The two Projects will be implemented over a period of five years from 2020 to 2024.		
Project Objective	The Projects shall improve connectivity to socioeconomic centers, enhance transport efficiency, and strengthen road safety for the road users in the State and thus positively impact the socio-economic development of the State.		
Implementation Arrangements	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.		
Environmental and Social Information	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.		
Financing	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.		
	Source of Fund		Amount (USD million)
	NDB		646
	Government of Andhra Pradesh		278
Contacts	NDB	Borrower	Project Entity
	Indian Regional Office	Ministry of Finance of Government of India	Roads and Buildings Department, Government of Andhra Pradesh

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