

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

Project Name	Bihar Rural Roads Project
Country	The Republic of India
Type	Sovereign
Area of Operation	Transport Infrastructure
Financing Approval Date	28 May 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	Bihar Rural Road Development Agency
Project Context	<p>India's infrastructure remains one of the key constraints that hinder the economic development. It is estimated by the Government of India that the cumulative infrastructure investment gap will be still large. Especially in the rural area, development of basic transportation infrastructure such as access of rural roads to local economic centers is critical to improve productivity in agriculture and related economic activities, which the majority of the rural population depends on for their livelihoods. Proper road network can facilitate not only transport, but also trade, social integration and economic development in the local economies, benefiting the national economy as a whole. In the state of Bihar, the gap of road infrastructure development is pronounced. Development of rural roads is under the Government of Bihar's development strategy for sustainable growth through both state level and national level programs. In this context, the Project is designed with financing from NDB to support rural roads development in the state of Bihar to improve connectivity and facilitate socio-economic development. The Project is in close alignment with NDB's mandate of supporting sustainable infrastructure development.</p>
Project Description	<p>The Project will be implemented under the state sponsored program known as <i>Mukhya Mantri Gram Sampark Yojana</i> of the Government of Bihar (GoB). The scheme aims to construct 37,908 km of rural roads in the state, providing connectivity to habitations with population between 250 and 499 that are not covered under the PMGSY program. NDB's loan will be used to</p>

	construct a total of 4,000 km of rural roads spread across 26 districts in the state, which will benefit about 3,400 habitations.		
Project Objective	The objective of the Project is helping the State of Bihar to enhance local connectivity and improve the state's transportation infrastructure through constructing and upgrading rural roads with total length of 4,000 km, spreading across 26 districts in the state. The NDB will support the Project through a Multi-tranche Financing Facility with a total loan amount of USD 350 million. The rural roads proposed for NDB's loan were selected under the Mukhya Mantri Gram Sampark Yojana Program by the Government of Bihar, using a prioritization matrix with parameters including: i) total beneficiary population; ii) traffic on the road; iii) connectivity to national highways, state highways and district roads; iv) connectivity to socio-economic centers and district headquarters.		
Implementation Arrangements	The Project is being implemented in multiple tranches. Tranche-I and II are completed, and Tranche-III is under implementation. The procurement for the Project will be conducted through a competitive and transparent bidding process.		
Environmental and Social Information	The Project will bring benefits of improved connectivity and access to economic, social and educational centers for the rural population of Bihar, therefore enhancing farm productivity, and increasing income and economic growth for the populace in the interior regions of the state of Bihar. The Project is categorized as "B" in accordance with the NDB Environment and Social Framework with limited adverse social and environmental impacts. The adverse impacts are site specific and temporary.		
Financing	The total cost of the Project is estimated to be USD 500 million. NDB will support the Project through a Multi-tranche Financing Facility with an amount of USD 350 million. The balance of USD 150 million will be provided by the Government of Bihar.		
	Source of Fund	Amount (USD million)	
	NDB	350	
	GoB	150	
Contacts	NDB	Borrower	Project Entity

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