

## **Government of India and ADB Sign \$346 Million loan to improve State Highways in Karnataka**

The Asian Development Bank (ADB) and the Government of India signed a \$346 million loan to finance improvement of over 400 kilometers of state highways that will enhance connectivity and access to economic centers across 12 districts in Karnataka.

State highways provide a crucial link to population and economic centers, and support for the development of the state highway network in Karnataka through this project will promote economic activities and foster inclusiveness.

An ongoing road improvement project financed by ADB with a loan of \$315 million is under implementation, which involves upgradation of about 615 kilometers of state roads. The new loan will continue ADB support to the Government of Karnataka's state-wide road improvement program, and will also help stabilize and deepen institutional capacity, and improve road safety.

This KSHIP-III project will upgrade about 419 kilometers of state highways to two- and four-lane with paved shoulders, and will reconstruct, widen, and strengthen culverts and bridges. The project features the use of hybrid-annuity contracts to increase the participation of the private sector and improve the quality and sustainability of road assets with performance-based maintenance period of 7 years, post-construction.

The project will also carry out a road safety audit to identify and mitigate critical accident blackspots across the state highway network and strengthen the institutional capacity of the Karnataka Public Works, Ports, and Inland Water Transport Department.

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Warm regards,

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