

GOVERNMENT OF INDIA  
MINISTRY OF FINANCE  
DEPARTMENT OF ECONOMIC AFFAIRS

LOK SABHA  
UNSTARRED QUESTION NO. 5025  
TO BE ANSWERED ON 16<sup>TH</sup> DECEMBER, 2016

**FOREIGN LOAN TO ANDHRA PRADESH**

**5025. SHRI JAYADEV GALLA:**

Will the Minister of FINANCE be pleased to state:

- (a) whether the Government is aware that Asian Development Bank (ADB) has sanctioned loans for various institutions/developmental projects including construction of new capital in Andhra Pradesh;
- (b) If so, the details thereof; and
- (c) the details of the funds sanctioned for the purpose along with the number of instalments and the time period by which the said amount is likely to be released?

**ANSWER**  
**MINISTER OF STATE FOR FINANCE IN THE MINISTRY OF FINANCE**  
**(SHRI ARJUN RAM MEGHWAL)**

- (a) The Board of Asian Development Bank (ADB) has approved a project named "Visakhapatnam- Chennai Industrial Corridor Development Program" (VCICDP) in September 2016 to be implemented in the State of Andhra Pradesh. The VCICDP comprises a multitranche financing facility (MFF), a grant, a policy-based loan (PBL), and a technical assistance. No loan has been sanctioned by the ADB for construction of the new capital in Andhra Pradesh.
- (b) The details of the project referred to at (a) above are as follows:
  - 1) \$500 million two-tranche MFF to build key infrastructure,

- 2) \$125 million two-tranche PBL to support policy reforms and institutional development in the state,
  - 3) \$5 million grant from the multi-donor Urban Climate Change Resilience Trust Fund that is managed by ADB to build climate change resilient infrastructure in Visakhapatnam,
  - 4) \$1 million technical assistance to help the Andhra Pradesh local government implement policy reforms,
  - 5) Government of Andhra Pradesh to provide a counterpart fund of \$215 million for the project,
  - 6) Project 1 of the MFF comprises a loan for \$245 million and a grant for \$5 million. The completion date is June, 2023.
- (c) The project is currently under the stage of preparation. Disbursement of loan and implementation of the project would start after signing of the legal agreement.

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