

ADB, India sign USD 141 loan for industrial corridor development in AP

By TIOL News Service

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Asian Development Bank (ADB) and the Government of India signed, on 23.05.2023, a USD 141.12 million loan to support the development of high-quality internal infrastructure such as roads, water supply systems and electricity distribution network in three industrial clusters in the state of Andhra Pradesh. This financing is the second tranche of the USD500 million multi-tranche financing facility (MFF) for the program approved by ADB in 2016 to build infrastructure in three industrial clusters in the Visakhapatnam and Srikalahasthi-Chittoor nodes in the state.

The ADB financing through adopting multi sectoral approach will help the state in promoting industrialization to increase the share of manufacturing in the state's gross domestic product, build competitiveness and creating jobs in the project target areas. Specifically, this financing will help strengthen industrial infrastructure in Visakhapatnam node with the development of internal infrastructure in the start-up area of the 160-hectare (ha) Rambilli and 441-ha Nakkapalli industrial clusters, widening of 13.8-kilometer (km) of the Atchuthapuramâ€“Anakapalli road and improvement of 4.4-km access road to the Nakkapalli cluster. Internal infrastructure in the proposed clusters will include internal roads, storm water drains, water supply systems, and electric power distribution systems. In Srikalahasthi-Chittoor node, the project will help develop the start-up area of the 938-ha Chittoorâ€“South industrial cluster, and improve a 9.5-km access road to the Chittoor-South industrial cluster and an 8.7-km access road to the Naidupeta industrial cluster.

Among the outputs, the project will support the state in rolling out an updated marketing action plan for investment promotion, and enhance skills of people including the socially and economically vulnerable sections. To strengthen industrial cluster resilience under extreme weather, the project will help establish a green corridor model operational guidelines and develop a disaster risk management plan. For long term sustainability, the program will formulate a plan to improve operation and maintenance of start-up industrial clusters, and will roll out a toolkit with gender-responsive and socially inclusive guidance to integrate industrial and urban planning including industry housing in areas adjacent to industrial clusters.