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PRESS RELEASE

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The French Embassy and Agence Française de Développement (French Development Agency – AFD) sign 110-million-euro Project Financing Agreement with BMRCL for Financing Phase I of Bangalore Metro Project

Bengaluru, 5 March 2013

The French Embassy in India, AFD and **the Bangalore Metro Rail Corporation Ltd** signed a Project Financing Agreement in Bengaluru on March 5, 2013.
The signing took place in the presence of **Shri SV RANGANATH**, Chief Secretary of Karnataka, and **Mr Eric Lavertu**, French General Consul in Bengaluru, between **Ms Aude Flogny**, AFD Regional Director for South Asia, and **M.N. Sivasailam**, Managing Director of the Bangalore Metro Rail Corporation Ltd.

The financing, which amounts to 110 million euros, has been earmarked for a long-term Credit Facility Agreement between AFD and the Government of India, which was signed on February 14, 2013 in New Delhi. The funding aims at supporting the implementation of Phase I of the Bangalore Metro Project, in partnership with the Government of Karnataka, the Asian Development Bank (ADB) and the Japanese International Cooperation Agency (JICA). Other Indian financial institutions, such as the Housing and Urban Development Corporation (HUDCo) and the Indian Infrastructure and Finance Company Ltd. (IIFCL) are also contributing to the funding of the project.

The first phase of this metro project consists of two lines totalling 42.3 km and 40 stations, and was partially commissioned in October 2011. The lines will crisscross the city from North to South and East to West. All along the 40 stations, passengers will use a state-of-the-art ticketing system, with user-friendly signage and passenger information system. By end-2014, the existing system will transport 1.2 million passengers per day and, by 2021, 1.9 million passengers per day.

In addition to easing traffic congestion in this city of 8.5 million inhabitants, the project will contribute to reducing pollution and greenhouse gas emissions equivalent to about 7 million tons of CO_2 within 30 years. Bengaluru, considered as the third most populous city of India, has become a Global Technological Hub, where about 500 multinational companies are represented.

Phase II of the project, currently under final approval of the Government of India, will cover a stretch of 72 Km. It will consist of extensions of the East-West and North-South lines of Phase-I and the construction of two new lines.

This project reaffirms the resolve of the Governments of India and France to strengthen their partnership in the urban infrastructure sector.

About BMRCL

Please see BMRCL website: http://bmrc.co.in/

About AFD

The AFD in India is a branch of the Embassy of France in India. The Agence Française de Développement (AFD) is a public development bank and bilateral agency, represented in more than 60 French Embassies. Under the authority of the French Ministry of Foreign Affairs and the Ministry of Finance, it has been working towards poverty alleviation and supporting economic growth in emerging and developing countries, as well as French overseas communities, for nearly seventy years. In January 2008, India and France signed an intergovernmental agreement sealing a strategic partnership to tackle global issues. In September 2008, the Department of Economic Affairs (Ministry of Finance - GoI) and AFD signed an initial Memorandum of Understanding outlining the main areas and the framework of AFD's action in India, focusing in particular on promoting energy efficiency and renewable energy, and preserving biodiversity. An update of this MoU is under negotiation so as to give greater importance to the infrastructure sector.

Since this date, AFD has already provided credit lines to SIDBI (to enhance energy efficiency within Indian MSMEs) and IREDA (to increase the share of renewables in the Indian energy mix).

The AFD Board has also approved other operations over the past two years: support to sustainable management of forested areas in Assam (54 million euros); support to IDBI Bank for infrastructure projects (150 million euros); and support for revamping the water supply system of the city of Jodhpur (94 million euros).

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