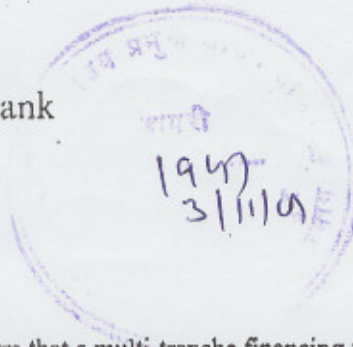




Asian Development Bank



Board of Directors

31st October 2007

Handwritten notes: ~~DJ. PD(T)~~, ~~5-11-07~~

Dear Shri Samant,

I am happy to inform that a multi-tranche financing facility for a loan of USD 273 million for Rajasthan Urban Sector Development Investment Program was discussed and approved by the Board of Directors today. There was wide support for ongoing urban sector reforms in India. However, some of the Directors raised concerns relating to sustainability of political will and community's willingness for required tariff increase to ensure adequate cost recovery by the urban local bodies. Suggestions were also made for more efforts for strengthening capacity of urban local bodies and improving quality at entry of the projects. There was also a suggestion that care should be taken that the benefits of the project should reach the slum areas.

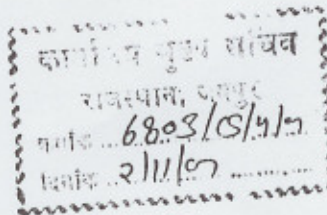
With regards,

Yours sincerely,

Ashok K Lahiri
(Ashok K Lahiri)

Shri D C Samant
Chief Secretary
Government of Rajasthan
Government Secretariat
Main Building
Jaipur 302 005
Rajasthan
India

Handwritten: 2/11/07
PSU



Handwritten notes: PA, copy to, (1) Secy (USG), (2) Secy - Plan, (3) PD, AVIDP, 2/11

Ashok K. Lahiri
Executive Director
for Afghanistan, Bangladesh, Bhutan,
India, Lao PDR, Tajikistan, Turkmenistan

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