

ISABEL M. GUERRERO  
Vice President  
South Asia

October 9, 2012

Mr. Arvind Mayaram  
Secretary  
Department of Economic Affairs  
Ministry of Finance  
New Delhi

Mr. B. K. Patnaik  
Chief Secretary & Chief Development Commissioner  
Government of Orissa  
Secretariat  
Bhubaneswar  
Orissa

Dear Mr. Mayaram and Mr. Patnaik:

***India: Orissa State Roads Project (Loan No. 7577-IN)  
Notice of Lifting Suspension of Disbursement***

We refer to the Loan Agreement for the above-referenced Project (the Project) between India (the Borrower) and the International Bank for Reconstruction and Development (the Bank) dated January 27, 2009 (the Loan Agreement), and the Project Agreement of the same date between the Bank and the State of Orissa (the Project Agreement). We also refer to the Bank's letter dated May 27, 2011, regarding suspension of disbursements and the outcome of the last implementation support mission in July 2012 as reflected in the attached aide memoire.

We are pleased to inform you that, on the basis of substantial compliance of the actions required to lift the suspension and demonstration of the Borrower's commitment towards Project and its development objective, we have decided to lift the suspension of disbursement as of October 9, 2012.

We appreciate the efforts of the State Government of Orissa to improve the overall implementation of the project. Sustaining these efforts through continued support and monitoring at the highest level of the government will be critical for addressing the residual risks in implementation and the various focus areas identified by the July 2012 mission. These include: (a) continued emphasis on advancing and improvements in pre-construction activities including land acquisition and resettlement and rehabilitation assistance; (b) expediting preparation and procurement of civil works contracts and associated consultancies; (c) strengthening contract management; and (d) proper

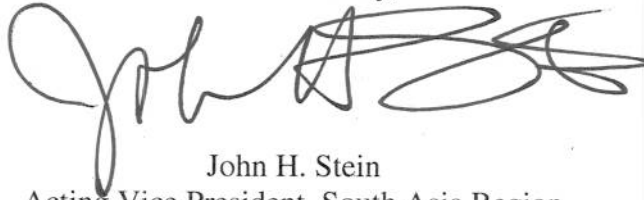
maintenance of works under contracts P01, P02 and P03, pending mobilization of the new contractor(s).

We attach great importance to full and timely completion of the action plan suggested by the mission (please refer to Annex 2 of the attached Aide Memoire) to mitigate these risks and request that you also closely monitor implementation of these actions.

Should you require any clarifications, please do not hesitate to contact Mr. Rajesh Rohatgi (email: [rrohathi@worldbank.org](mailto:rrohathi@worldbank.org)), the Bank's task team leader for the project.

With regards,

Yours sincerely,

A handwritten signature in black ink, appearing to read 'John H. Stein', with a large, stylized flourish at the end.

John H. Stein  
Acting Vice President, South Asia Region

Attachment