

ASIAN DEVELOPMENT BANK

COUNTRY STRATEGY AND PROGRAM UPDATE (2002–2004)

INDIA

August 2001

CURRENCY EQUIVALENTS
(as of 30 June 2001)

Currency Unit	–	Rupees (Rs)
Rs1.00	=	\$0.021259
\$1.00	=	Rs47.04

ABBREVIATIONS

ADB	–	Asian Development Bank
CSP	–	country strategy and program
ESW	–	economic and sector work
GDP	–	gross domestic product
IMD	–	India Millenium Deposit
INRM	–	India Resident Mission
NDA	–	National Democratic Alliance
NSS	–	National Sample Survey
RETA	–	regional technical assistance
TA	–	technical assistance

NOTES

- (i) The fiscal year (FY) of the Government ends on 31 March. FY before a calendar year denotes the year in which the fiscal year ends. For example, FY2000 begins on 1 April 2000 and ends on 31 March 2001.
- (ii) In this report, "\$" refers to US dollars.

CONTENTS

	Page
I. DEVELOPMENT SITUATION	1
A. Recent Political and Social Developments	1
B. Economic Assessment and Outlook	1
C. Implication for the Country Strategy and Program	2
II. IMPLEMENTATION OF THE COUNTRY STRATEGY AND PROGRAM	3
A. Poverty Reduction	3
B. Thematic Priorities	3
III. PORTFOLIO MANAGEMENT ISSUES	6
A. Portfolio Performance Implementation	6
B. Counterpart Funding	6
C. Monitoring and Evaluation	7
IV. COUNTRY PERFORMANCE AND LENDING LEVELS	7
A. Lending Level Proposed	7
B. Loan Program	7
C. Technical Assistance and Economic and Sector Work Program	8
D. Summary of Changes	8
APPENDIXES	9

I. DEVELOPMENT SITUATION

A. Recent Political and Social Developments

1. India remains under the G7¹ partial sanction regime following its nuclear testing in May 1998 and for not yet being a signatory to the Comprehensive Test Ban Treaty.
2. The present Government, the National Democratic Alliance (NDA) led by the Bharatiya Janata Party, is a coalition of 25 parties, many of which are regional or caste-based. State elections in five Indian states and union territories (Assam, Kerala, Pondicherry, Tamil Nadu, and West Bengal) were held on 10 May 2001. The elections were regarded as a test of the political strength of the national and regional parties, especially those belonging to the NDA. Indeed, results indicate a generally strong anti-incumbency vote, with gains by the opposition Congress Party in three of the states, including Kerala and Assam. The incumbent Communist Party has maintained its lead in West Bengal.
3. In late 2000, Madhya Pradesh, Uttar Pradesh, and Bihar states were bifurcated to create three new states: Chhattisgarh, Uttaranchal, and Jharkhand. As a result, India now has 28 states rather than 25. Chhattisgarh has about 30 percent of Madhya Pradesh's former territory, 26 percent of the population and, although industrially more backward, has 40 percent of the mineral wealth. The new state will also be assigned a substantial portion of existing power-generating capacity, making Chhattisgarh a power-surplus state.

B. Economic Assessment and Outlook

4. Real gross domestic product (GDP) grew at estimated 5.2 percent in fiscal year (FY) 2001 reflecting growth of 0.2 percent in agriculture, 5.6 percent in industry, and 7.7 percent in services (Appendix 1). Although still comparatively high, economic growth was below expectation reflecting unfavourable monsoon in some of the regions, and the sluggish industrial sector. Annual wholesale price (WPI) inflation slowed to 4.9 percent (point-to-point basis) in FY2001, compared with 6.8 percent a year ago, mainly due to a moderation in petroleum prices and excess industrial capacity, although on an annual average basis it exceeded last year's level. Excluding fuel price changes, inflation was 2.6 percent. Meanwhile, consumer price inflation was below WPI changes, at 2.5 percent point-to-point (3.8 percent on average basis). Money supply (measured by M3) grew by 16.2 percent as against 14.6 percent a year ago, reflecting large inflows of India Millennium Deposits (IMD)—five-year deposits from nonresident Indians; net of IMD inflows, monetary expansion was 13.9 percent.
5. The balance-of-payments position remained comfortable during the fiscal year, with slight improvement in the trade balance, a manageable current account deficit, and increasing foreign exchange reserves. Exports grew by 20 and 15 percent during the first and second half of FY2001, respectively, while a moderate increase in nonfuel imports helped contain overall imports. Reserves exceeded \$40 billion, or about eight months of import equivalent by end-March 2001. Notwithstanding, marked external fluctuations from May to mid-August 2000—high oil prices, combined with successive increases in US and European interest rates and lower capital inflows—led to a decline in India's foreign assets by \$2.5 billion and a 5 percent depreciation of the rupee against the US dollar in the early part of FY2001. Meanwhile, the second half of FY2001 saw a sharp turnaround, with foreign assets increasing by \$7 billion (including \$5.5 billion from the IMD scheme of the State Bank of India), and more orderly exchange rate movements.

¹ A bill was introduced in April 2001 in the United States (US) Congress to lift the US sanctions on India and Pakistan.

6. The Government fiscal deficit, which had surged to 5.4 percent of GDP in FY2000, declined to 5.1 percent in FY2001, due to strengthening of direct tax revenue collection resulting from a broadening of the tax base, an increase in dividend taxes and higher corporate tax collection, as well as reduction in current expenditure. For medium-term fiscal management, a Fiscal Responsibility and Budget Management Bill was introduced in Parliament in December 2000 stipulating gradual phasing out of revenue deficit over a five-year period. In line with this Bill, the FY2002 budget sets a fiscal deficit target of 4.7 percent of GDP. The budget also addresses important measures for further reforms: (i) downsizing the Government by reducing staff in six ministries as recommended by the Expenditure Review Commission; (ii) labor market reforms allowing companies to lay off staff and use short-term contract labor; and (iii) reduction in customs tariffs.

7. States' fiscal situation remains precarious, with fiscal deficit above 4 percent and a further surge in outstanding debt. In view of the potential fiscal crisis, the Government concluded memorandums of understanding with 13 states, detailing reform programs and financial assistance. Although individual memorandums were drawn up, a set of common objectives has emerged: (i) downsizing state governments; (ii) compressing current expenditure; (iii) mobilizing additional resources; and (iv) public sector divestment and restructuring. The memorandum of understanding process complements reform efforts supported by ADB and other funders through public resource management programs.

8. India's medium-term economic success depends on the Government's ability to address the country's structural weaknesses, particularly in infrastructure and public finance. As India continues to suffer from gross inequities in the delivery of basic education and health services, support for social infrastructure and human development must be strengthened to make the reform process sustainable. In key areas, particularly power and roads, investments have failed to keep pace with developments in the overall economy and have thus emerged as a major impediment to sustainable poverty reduction. Given the enormous resources required to improve infrastructure, central and state governments need to (i) promote private sector participation; (ii) strengthen policy coordination among different government agencies in implementing large infrastructure projects; and (iii) foster availability of long-term funding. These measures should be complemented by others to make public resource management more efficient, particularly by strengthening tax and nontax revenues, including by (i) raising utility prices, (ii) rationalizing expenditures and curtailing subsidies, and (iii) restructuring and divesting public sector enterprises. State government fiscal reforms must also reallocate resources to growth-inducing and socially productive investments to strengthen the states' capacity to deliver economic and social services and thereby foster socioeconomic development.

C. Implication for the Country Strategy and Program

9. The relatively stable macroeconomic and political situation, notwithstanding recent political events, will enable implementation of the country strategy and program (CSP). The Government is implementing its reform agenda and fully supports the contribution of ADB's assistance as reflected in the medium-term program. However, ADB's lending to India for social sectors—particularly direct poverty interventions—has been constrained by India's strong emphasis on external sustainability and the cost of funding, and its access to World Bank concessional funds without access to ADB's concessional resources. Instead, ADB contributes to poverty reduction primarily by supporting higher and sustainable pro-poor economic growth and the integration of social dimensions, especially through state-level operations. A review of the country strategy will explore possibilities for expanding its lending program into sectors with more direct impact on poverty.

II. IMPLEMENTATION OF THE COUNTRY STRATEGY AND PROGRAM

A. Poverty Reduction

10. The latest National Sample Survey (NSS) 2000 reveals a sharp decline in the percentage of the population below the poverty line, from 36 percent in 1993/94 to 26 percent.² Of the rural population, 27 percent was poor, compared with 23.6 percent of the urban population. This improvement is also reflected in ADB's focal states (Gujarat, Kerala, and Madhya Pradesh). For example, poverty in Gujarat declined from 24 percent in 1993/94 to 14 percent in 1999/2000; in Kerala, from 27 to 12.7 percent; and in Madhya Pradesh, from 43 to 37.4 percent.

11. While the proportion of population below the poverty line has dropped considerably, reflecting noticeable progress towards achieving the poverty reduction target of the International Development Goals, the absolute number of poor – although still high – has also come down to about 260 million. Substantial inter- and intrastate variations, and urban-rural disparities characterize this trend and are also reflected in the continued limited access of the poor to social services, compounding intergenerational poverty. While in other countries the bulk of the poor reside in rural areas, in India large numbers of poor live both in rural and urban areas. Urban centers such as Mumbai and Kolkata face huge challenges as the megacities continue to grow. In rural areas, agricultural laborers and small-scale farmers bear the brunt of poverty. The fundamental causes of poverty are (i) lack of access to arable land, (ii) limited opportunities for wage labor, (iii) lack of education, (iv) shortage of capital, and (v) poor management of natural resources.

12. The Government recognizes that poverty is more than lack of income. Poverty includes vulnerability, powerlessness, and social exclusion. The Government thus supports the devolution of authority and responsibility from the states to rural and urban local bodies to increase the participation of the poor in decisions that affect their lives. Strengthening institutional and decision-making processes involving civil society and the poor are Government priorities and will be reflected in the 10th Five-Year Plan (2002–2007). The High-Level Forum and Poverty Reduction Partnership Agreement will be linked with the Government's preparations for the plan to ensure that the CSP's priorities and ADB's country program are consistent with India's developmental needs as well as ADB's strategic emphasis on poverty reduction.

B. Thematic Priorities

1. Economic Growth

13. Achieving sustainable poverty reduction by generating jobs and increasing incomes through faster and broad-based economic growth remains a thematic priority. Empirical evidence in India (as in many other countries) strongly suggests that growth is essential to sustain poverty reduction. In particular, the rural poor's gains since the 1970s have been due almost entirely to growth. ADB's national poverty analysis and the recent NSS results reiterate these findings. The Government continues to implement its priority reform program, focusing on macroeconomic and structural reforms, including creating an enabling environment for private sector development, financial sector and capital market reforms, and decentralization. ADB will support key elements of the program to improve sustainable economic growth.

2. Human Development

14. The Government accords high priority to human development, but despite some improvement, the absolute levels of performance are still low compared to those of other

² The NSS 2000 results may not be fully comparable with earlier surveys due to methodological changes.

developing economies. India ranks 128th out of 174 countries in the human development index (Appendix 2). The Government's human development policies recognize education as the catalyst for better health and nutrition, socioeconomic opportunities, and natural environment. Given the strong linkages between poverty and low social development, especially in rural areas, the Government also recognizes provision of basic social services as a key element of poverty reduction. Education and social services are under state government responsibility, and ADB's assistance will be provided as part of state-level public resource management reform.

3. Gender and Development

15. While declining over the past several decades, wide gender disparities still exist. India ranks 108th out of 143 countries in the gender-related development index, or comparatively lower than the country's human development index rank, implying persistent gender bias. Gender disparities also show significant regional variations, somewhat correlated to poverty incidence.

16. ADB is undertaking a gender study as input into the CSP. To ensure better policy and institutional responses, participatory assessment of gender issues will be part of the gender situation analysis and contribute to (i) identifying decentralized and efficient implementation mechanisms to respond to the needs of women, the poor, and the disadvantaged (e.g., ethnic minorities, scheduled castes); (ii) examining alternative service delivery channels; and (iii) analyzing the gender-poverty-ethnicity nexus, including impact of gender disparities on incomes, job opportunities, access to healthcare and education, and nutrition. ADB's gender strategy for India, evolving from the gender study, may include (i) assistance to policy support, capacity building, and awareness raising; and (ii) assistance for women's empowerment in development by, for example, enhancing women's economic opportunities and status in state resource management projects.

4. Good Governance

17. The Government increasingly stresses the importance of sound management for socioeconomic development. A consensus on economic reform has evolved, with support for key elements of the program maintained despite changes in government. Resources are allocated less through discretionary interventions and more by market forces. Efforts to enhance competition and encourage private investment are bearing fruit: industrial licensing was abolished; trade barriers reduced; and the power, insurance, and telecommunications sectors opened to the private sector. However, much more improvement in governance is needed if India is to utilize its full development potential. Public financial management and resource mobilization need to be strengthened, poorly targeted subsidies reduced, and bankruptcy regulations—promoting neither revival nor liquidation—revised. Delivery of essential services must be improved, and a key constraint, corruption, must be tackled.

18. Some of these problems are addressed by new initiatives: (i) devolving responsibilities and resources at the state and local levels, and enhancing accountability of economic policies through the Fiscal Responsibility and Budget Management Bill at the central level; (ii) creating an enabling environment for transparency, competition, and private sector participation in infrastructure sectors; and (iii) establishing a predictable policy, legal, and regulatory framework for the financial sector and capital markets. The Lok Pal Bill and the so-called Lokayutka laws promote accountability.³ Expedient implementation and strong enforcement of these initiatives is essential. To encourage these initiatives, ADB holds policy dialogues with the central and state governments and designs and implements public resource management programs and sectoral projects. ADB also supports

³ Lok Pal ("Keeper of the People") legislation provides a statutory ombudsman review of the actions of all public servants. In April 2001, the Union Cabinet approved submission of the Lok Pal Bill to the current session of Parliament. Lokayutka laws are Lok Pal-type legislation adopted by various states.

legal reform through TA for Support for Registration System for Secured Transactions and as part of regional TA, Accountability Mechanisms in the Asian and Pacific Region, including whistleblower protection to encourage exposure of corruption. A governance assessment will be prepared to provide the background for CSP revision.

5. Private Sector Development

19. ADB's private sector development strategy and operations will continue to support Government initiatives to develop the legal, regulatory, and institutional frameworks that will enhance and sustain private sector activities focusing on, inter alia, (i) effective governance in the public and private sectors; (ii) effective financial intermediation; (iii) expanded public-private partnerships; and (iv) regional cooperation. Lending and nonlending support will help create the enabling environment for the private sector, including sound macroeconomic management; well-functioning financial and capital markets; and adequate infrastructure. Another important reform to be supported is the restructuring and privatization of state-owned enterprises, particularly at state level. Possibilities may also be considered for credit enhancement to mobilize local currency financing for private sector projects.

6. Environmental Protection

20. The range of environmental problems confronting India is vast, and mitigation measures are expensive. A key issue is the disproportionate impact of environmental degradation on the poor, women, and the low castes. While India is mainly rural, it also has a large and rapidly growing urban population. Basic amenities such as sanitation, water supply, housing, and transport have not kept pace with urbanization, leading to significant deterioration of the quality of urban environment, where air pollution, water supply, solid waste, sanitation, and sewerage are serious problems. Natural resource-based environmental problems include deforestation, biodiversity loss, and land degradation due to erosion and salinity. Although India has elaborate statutes and regulations for environmental protection, monitoring and enforcement are weak.

21. ADB's environment strategy will support (i) improving the urban environment, focusing on air pollution programs, solid waste management, water supply, and sanitation services; (ii) awareness raising; (iii) energy efficiency with concomitant environmental benefits; and (iv) natural resource management and biodiversity conservation.

7. Regional Cooperation

22. Regional cooperation activities are gaining momentum in South Asia, offering significant potential benefits. ADB is building on bilateral partnerships to further enhance growth potential through regional cooperation between Bangladesh, Bhutan, India, and Nepal. The strategy is to proceed initially with projects involving bilateral and trilateral linkages. ADB aims to address constraints identified under past regional cooperation initiatives, and continue consultations with governments and other stakeholders on the modalities for pursuing economic cooperation under the South Asia Subregional Economic Cooperation initiative as well as private sector initiatives such as the Private Sector Forum, which represents various chambers of commerce in the four countries. Potential areas of cooperation include (i) multimodal transport and communication, (ii) energy (particularly hydropower development), (iii) trade and investment facilitation and promotion, (iv) natural resource use and environmental management, and (v) tourism.⁴

23. ADB is also working with the Government to identify high-priority projects that can be part of national programs with potentially great subregional benefits. Such initiatives include improving the north-south transport corridor in West Bengal and conserving biodiversity in the Indian

⁴ ADB is helping India organize a regional roundtable on information and communication technology in August 2001.

Sundarbans, which may enhance cooperation between India and Bangladesh to protect and sustainably develop this globally important but fragile ecosystem.

III. PORTFOLIO MANAGEMENT ISSUES

A. Portfolio Performance Implementation

24. As of 31 December 2000, public sector operations to India totaled \$9.2 billion (10.4 percent of total ADB lending) for 55 loans (45 projects). Of this amount, \$1.1 billion, or 12 percent of approvals, have been canceled, mostly due to loan savings. Improved implementation, together with portfolio cleaning, reduced the undisbursed balance of approved loans from \$3.4 billion in 1994 to \$1.2 billion as of end-1999. This decline was accelerated by the comparatively low levels of approvals of new loans in 1998 and 1999, in the context of international economic sanctions against India. Reflecting the approval of nine loans (five projects) totaling \$1.33 billion in 2000, the undisbursed balance of loan commitments increased to \$2.5 billion by year-end. ADB's portfolio in India as of end-2000 consisted of 32 loans for a total net loan amount of \$4.5 billion. Energy projects now account for 26.9 percent of the approved amount and transport projects account for 21.4 percent, while social infrastructure projects—mainly interventions for integrated urban and environmental improvement—account for 35 percent, reflecting a noticeable change in the portfolio composition for India (Appendix 3).

25. Disbursement for public sector operations amounted to \$607 million in 1999 and \$487 million in 2000. Although the disbursement ratio (including program loans) in 2000 was 22.2 percent, and thus substantially below the 1999 ratio of 35.2 percent as a result of new loan approvals in 2000, it was above the ADB-wide average of 20.5 percent. Of the portfolio of 32 ongoing loans, 30 (or 94 percent) were rated as satisfactory or highly satisfactory in terms of development objectives, and 28 (or 88 percent) were rated the same for implementation progress. These figures reflect a substantial improvement over portfolio performance at end-1999, when only 85 and 70 percent of the ongoing loans, respectively, received such ratings.

26. Delays in implementing public sector projects have mainly been due to (i) time-consuming and hierarchical decision-making procedures, (ii) lengthy procurement approvals, and (iii) ineffective contract supervision. Measures taken to address these issues include (i) improvement of project quality at entry (in terms of project design and readiness for initiating disbursement); (ii) simplification of internal procedures and the use of standardized bidding documents to tender internationally funded projects; and (iii) creation of a central project monitoring unit in the Finance Ministry. Increased delegation of project administration to the India Resident Mission (INRM) has also enabled closer monitoring, and more expeditious follow-up, including on-site inspection, of executing agencies' project management and supervision, as well as financial management audit, including random auditing of executing agencies. INRM also conducts regular tripartite review meetings with the Department of Economic Affairs and executing agencies, and has taken the lead in the annual country portfolio performance review. The active involvement of INRM in country programming, loan and TA processing, and associated policy dialogue, ensures that portfolio performance-related issues are taken into account in ADB's ongoing and future lending and nonlending activities in India.

B. Counterpart Funding

27. Shortage of counterpart funds has not been a problem in ADB operations in India. However, transfer of funds from the Government to state governments in the context of India's devolution and fund flow mechanism has sometimes been delayed. ADB country portfolio review missions, policy dialogue, and ADB TAs have addressed this issue, and measures such as computerizing reports on external assistance flows and streamlining the approval process within

the Ministry of Finance have reduced the time needed to transfer funds from three months to about two weeks.

C. Monitoring and Evaluation

28. Project monitoring needs to be strengthened, particularly for projects with many subprojects. Attention also needs to be given to the timely establishment of effective project implementation structures, adequately staffed and with sufficient delegated financial and administrative authority. Submission of audited accounts and auditors' opinions substantially improved in 2000, and enables timely monitoring of performance. As lending to India only commenced in 1987, six projects have so far been postevaluated: three were rated as highly successful or successful, the rest as less than successful or unsuccessful. During 2000, postevaluations were completed for two telecommunications projects, both rated as unsuccessful, as well as for the Hydrocarbon Sector Program, which was rated as less than successful. Postevaluation of the telecommunications projects noted weak rationale, poor preparation, and lack of achievement of objectives. Although reforms in the hydrocarbon sector continue, the second tranche of the program loan was canceled due to noncompliance with stipulated large equity divestment. The proposed lending pipeline does not include projects in either sector.

IV. COUNTRY PERFORMANCE AND LENDING LEVELS

A. Lending Level Proposed

29. Although annual lending has averaged about \$1 billion in 1999–2000, this amount is small for India's needs. If assessed in purely dollar terms, ADB's contribution is relatively modest: it can provide less than \$1 for every \$100 India needs to invest to achieve and maintain annual growth of 7 percent—a prerequisite for sustainable poverty reduction. To maximize the development impact of ADB assistance, the 2002–2004 pipeline will build on the success achieved through (i) support for policy reform; (ii) innovation in project design, including public-private partnership; and (iii) leveraging ADB assistance with nonlending activities. The India operations have been highly innovative, with ADB taking the lead in holistic state-level operations in several key sectors, and with particular lending modalities. ADB has also brought additionality to India's development agenda by leveraging its assistance through cofinancing, development of synergy between public and private sector operations, and the strong demonstrational impact of the projects.

B. Loan Program

30. Consistent with India's developmental needs, based on the priorities enunciated in the country strategy, and taking into account ADB's strategic emphasis on poverty reduction, the lending program will focus on (i) creating conditions for accelerated growth, which are conducive for the private sector; (ii) generating jobs and increasing incomes from faster and broad-based pro-poor economic growth; and (iii) improving basic social services to enhance human development. The proposed pipeline will continue to be selective sectorally and geographically.

31. The proposed firm lending program for India during 2002–2004 consists of 16 projects totaling about \$3.7 billion, or an average of \$1.2 billion per year (Appendix 4). Projects aim at directly reducing poverty, improving allocative efficiency of resources to enhance productivity and foster economic growth, increasing private sector participation, improving environmental management, and addressing key governance issues. Sectorally, assistance will concentrate on energy, transport, and social infrastructure. Geographically, it is envisaged that over the medium term up to half the annual lending will be made available for state-level operations. Poverty intervention projects, in accordance with ADB's new classification, constitute about 31 percent of the lending pipeline (in terms of lending volume and number of projects) over the program period. The contribution to poverty reduction may be further strengthened through modification and/or

augmentation of the proposed pipeline with poverty-focused interventions as part of the country strategy revision, taking into account possible alternative funding arrangements to enhance concessionality of ADB assistance. In conjunction with ADB's lending program, ADB will continue to actively pursue cofinancing from official and commercial sources to address the important thematic priorities for ADB's India operations.

C. Technical Assistance and Economic and Sector Work Program

32. The focus of the TA program is on (i) institutional strengthening and capacity building to develop effective sectoral, institutional, and regulatory frameworks; (ii) policy support; (iii) ADB's strategic focus; and (iv) project preparation. The TA program also reflects the expanding state operations and the strengthening of the poverty focus of ADB's India program. Continuing earlier ADB support provided under a regional TA, it further envisages assistance for the Government's reform of secured transactions laws. For 2002–2004, 30 TAs for about \$20 million have been identified, 13 of which are project preparatory TAs. The TA program will be supported with cofinancing resources. Project selection briefs and TA concept papers are in Appendix 6.

33. The ESW program forms the basis for ADB's strategic support to India. Macroeconomic analysis, particularly fiscal sustainability analysis, will be complemented by sector studies linked to ADB's proposed lending operations over the next few years. The studies will be on (i) institutional and regulatory frameworks for urban services, and updating of urban sector strategy; (ii) financial sector strategy, with focus on preventing financial sector vulnerabilities, and on developing the long-term debt market; (iii) evolving a programmatic approach to road sector development; and (iv) capacity building for efficient public sector management at national and state levels and for local government resource mobilization. Governance assessment, private sector assessment, and review of gender issues through participatory consultation are also being undertaken in 2001. Following completion of the national poverty analysis, a participatory poverty assessment at the state level and sector work on reducing poverty in urban areas are ongoing, and will be the basis for state-level poverty reduction strategies which, together with the sector strategies, will feed into the CSP review. The ESW program for 2002–2004 is in Appendix 5.

D. Summary of Changes

34. Reflecting the progress in policy dialogue and loan processing, the 2001 lending program differs from the corresponding program as reflected in the Country Assistance Plan 2001–2003 as follows: advancing the Private Sector Infrastructure Facility at State Level and the Madhya Pradesh Power Sector Development Program to 2001 (firm); and postponing Power Finance Corporation Project to 2002 (firm). The Gujarat Earthquake Rehabilitation and Reconstruction Project was also included in the 2001 lending program. In view of the pending finalization of the Expert Committee's report on restructuring Indian Railways, as well as the uncertainty of the future pace and direction of reform, the proposed Railways Improvement (Sector) Project has been taken out of the lending pipeline.

35. Changes to the 2001 program impacted on the 2002–2003 program as follows: (i) The Taj Mahal Environmental Improvements Project (formerly Environmental Improvement and Sustainable Development for Agra-Mathura-Ferozabad Trapezium) has been deferred to 2002 firm (2001 standby); (ii) Madhya Pradesh State Roads Project has been upgraded to 2002 firm; (iii) Energy Efficiency Enhancement Project has been deferred to 2003; (iv) Integrated Urban Development in Madhya Pradesh (formerly Urban Poverty Reduction [Madhya Pradesh]) has been upgraded to 2003 firm; and (v) Public Resources Management Program II (Gujarat) and Rural Electrification Project have been added. In light of delays in implementing the approved Housing Finance II project, further housing finance interventions have been postponed.

APPENDIXES

Number	Title	Page	Cited on (page, para.)
1	Economic Indicators	10	1, 4
2	Social and Environment Indicators	11	4, 14
3	Performance Indicators	13	6, 24
4	Loan and Technical Assistance Program (by year, by classification)	15	7, 31
5	Economic and Sector Work Program	21	8, 33
6	Project Selection Briefs and TA Concept Papers	23	8, 32

ECONOMIC INDICATORS

Item	FY1996	FY1997	FY1998	FY1999	FY2000	FY2001
A. Income and Growth						
1. GDP per Capita (dollars, current)	357	384	400	430	453	472
2. GDP Growth (% in constant prices of 1993/94)	7.3	7.8	4.8	6.6	6.4	5.2
Agriculture and Allied Sectors	-0.9	9.6	-2.4	7.1	0.7	0.2
Industry	11.6	7.1	4.3	3.4	6.4	5.6
Services	10.5	7.2	9.8	8.2	9.6	7.7
B. Savings and Investment (current market prices)						
				(percent of GDP)		
1. Gross Domestic Investment	26.8	24.5	25.0	23.0	23.3	—
2. Gross Domestic Savings	25.1	23.2	23.5	22.0	22.3	—
C. Money and Inflation						
				(annual percent change)		
1. Consumer Prices (annual average)	10.0	9.4	6.8	13.1	3.4	3.8
2. Wholesale Price Index (annual average)	8.1	4.6	4.4	5.9	3.3	7.2
3. Money Supply (M3)	13.6	16.2	18.0	19.4	14.6	16.2
D. Government Finance						
				(percent of GDP)		
1. Total Revenue	18.4	18.1	17.9	16.3	17.9	17.8
2. Total Expenditure	25.7	25.2	25.9	26.3	28.5	27.4
3. Fiscal Surplus (+)/Deficit (-) ^a	-6.6	-6.4	-7.3	-8.9	-9.9	-8.8
Central government (including small savings)	-5.1	-4.9	-5.8	-6.4	-7.0	-6.5
Central government (excluding small savings)	-4.2	-4.1	-4.8	-5.1	-5.4	-5.1
State government	-2.7	-2.7	-2.9	-4.2	-4.9	4.1
E. Balance of Payments						
1. Merchandise Trade Balance (% of GDP)	-3.2	-3.9	-3.8	-3.2	-3.8	-3.7
2. Current Account Balance (% of GDP) ^d	-1.7	-1.2	-1.3	-1.0	-0.9	-1.3
3. Export (\$) Growth (annual percentage change, FOB)	20.9	5.2	4.5	-5.2	13.3	17.0
4. Import (\$) Growth (annual percentage change, CIF)	28.1	6.6	6.0	2.0	11.5	7.9
F. External Payments Indicators						
1. International Reserves (million dollars, end of period)	17,044	22,367	25,975	29,522	35,058	40,188
- months of imports (excluding gold and SDR)	4.7	5.5	6.1	7.5	7.6	7.7
2. External Debt Service (% of goods and services)	26.2	22.9	19.8	18.0	16.0	15.1
3. External Debt (% of GDP)	27.1	24.7	24.4	23.5	22.0	21.0
G. Memorandum Items						
GDP (current prices, billion, Rs)	10,733	12,435	13,900	16,160	17,865	21,659
GNP (current prices, billion, Rs)	10,598	12,305	13,768	16,011	17,710	—
Exchange Rate (Rs per \$, annual average)	33.40	35.47	37.10	42.08	43.28	45.61
Population (million; as of 1 Oct)	934	959	975	990	1,008	1,027

CIF = cost, insurance, and freight, FOB = free on board, GDP = gross domestic product, GNP = gross national product, — = not available, M3 = broad money, SDR = special drawing rights.

^a Consolidated.

^b Includes official transfers.

Sources: Ministry of Finance, *Economic Survey 2000–2001*; Reserve Bank of India, *Annual Report 1999–2000*; *Monthly Bulletin*, August 2000; Central Statistical Organization, July 2001.

SOCIAL AND ENVIRONMENT INDICATORS
Table A2.1: Population and Social Indicators

Item	1985		1990		Latest Year	
Population Indicators						
Total Population (millions)	755	(1985)	839	(1990)	1,027	(2001)
Annual Population Growth Rate (% change)	2.18	(1985)	2.11	(1990)	1.60	(1997–2000)
Social Indicators						
Total Fertility Rate (births per woman)	4.5	(1985)	3.6	(1991)	3.0	(1999)
Maternal Mortality Rate (per hundred thousand live births)	460	(1980–1985)	437	(1989–1994)	410	(1990–1998)
Infant Mortality Rate (below 1 year; per '000 live births)	110	(1981)	80	(1991)	71	(1999)
Life Expectancy at Birth (years)	55	(1988)	59	(1990)	63	(1998)
Female	56	(1980–1985)	59	(1990)	63	(1998–1999)
Male	57	(1980–1985)	59	(1990)	63	(1998–1999)
Adult Literacy (%)	41	(1981)	48	(1990)	56	(1999)
Primary School Enrollment (% of school age population)	96	(1985)	98	(1990)	90	(1997)
Female	80	(1985)	84	(1990)	81	(1997)
Secondary School Enrollment (% of school age population)	37	(1985)	44	(1990)	59	(1997)
Female	26	(1985)	33	(1990)	50	(1997)
Child Malnutrition (% of under age 5)	—		—		66	(1990–1996)
Population Below Poverty Line (%)	45	(1983)	39	(1987–1988)	26	(1999–2000)
Income Ratio of Highest 20% to Lowest 20%	5	(1980–1985)	5	(1989–1994)	6	(1999)
Population with Access to Safe Water (%)						
Rural	56	(1985)	74	(1990)	87	(1997)
Urban	73	(1985)	84	(1990)	91	(1997)
Population with Access to Sanitation (%)						
Rural	1	(1985)	2	(1990)	6	(1997)
Urban	28	(1985)	46	(1990)	49	(1997)
Public Education Expenditure as % of GNP	3.4	(1985)	4.0	(1990)	3.4	(1996)
Public Health Expenditure as % of GDP	—		1.3	(1990)	0.7	(1995)
Human Development Index	—		0.309	(1990)	0.563	(1998)
Human Development Ranking	—		134	(1990)	128	(1998)

— = not available, GDP = gross domestic product, GNP = gross national product.

Sources: United Nations Educational, Scientific and Cultural Organization, *World Education Report 1998*;

World Bank (WB), *World Development Indicators*, various issues; WB, *World Development Report 2000/01*; WB, *Social Indicators of Development 1996*;

United Nations Development Programme, *Human Development Report 1999*; Central Statistical Organization, Official Communication;

Ministry of Health and Department of Family Welfare, *1995-96 Yearbook*.

Table A2.2: Environment Indicators

Item	1980	Latest	
A. Energy Efficiency of Emissions			
GDP per Unit of Energy Use (PPP \$/kg oil equivalent)	1.8	4.2	(1997)
Traditional Fuel Use (% of total energy use)	31.5	21.2	(1996)
Carbon Dioxide Emissions (million metric tons)	347.3	997.4	(1996)
Carbon Dioxide Emissions (per capita metric tons)	0.5	1.1	(1996)
B. Water Pollution			
Emissions of Organic Water Pollutants (kg/day)	1,422,564.0	1,664,150.0	(1997)
Industry Share of Emissions of Organic Water Pollutants			
Wood (%)		0.3	(1997)
Primary Metals (%)		15.5	(1997)
Pulp and Paper (%)		7.5	(1997)
Chemical (%)		8.2	(1997)
Food and Beverages (%)		51.5	(1997)
Textiles (%)		11.6	(1997)
C. Land Use and Deforestation			
Forest Area (thousand km ²)	642.0 (1985)	650.0	(1995)
Average Annual Deforestation (km ²)		-72.0	(1990–1995)
Average Annual Deforestation (% change)		0.0	(1990–1995)
Rural Population Density (people per km ² of arable land)		424.0	(1996)
Arable Land (% of land area)	54.8	54.4	(1997)
Permanent cropland (%)	1.8	2.7	(1997)
D. Biodiversity and Protected Areas			
Nationally Protected Areas (km ² '000)		151.3	(1997)
Percent of Total Land Area		4.6	(1997)
Mammals (number of threatened species)		75.0	(1996)
Birds (number of threatened species)		73.0	(1996)
Higher Plants (number of threatened species)		1,236.0	(1997)
Reptiles (number of threatened species)		16.0	(1996)
Amphibians (number of threatened species)		3.0	(1996)
E. Urban			
Urban Population (millions)	158.8	272.0	(1998)
Percentage Urban	23.0	28.0	(1998)
Per Capita Water Use (l/day) — Delhi		133.0	
Wastewater Treated (%) — Delhi		69.0	
Per Capita Solid Waste Generation (kg/day) — Delhi		1.2	
F. Air Pollution - Delhi			
City Population ('000)	5,768.0	9,948.0	(1995)
Total Suspended Particulates (mcg/cm ³)	539.3 (1987)	410.5	(1995)
Sulfur Dioxide (mcg/cm ³)	16.5 (1987)	24.0	(1995)
Nitrogen Oxide (mcg/cm ³)	20.4 (1987)	47.2	(1995)

cm³ = cubic meter, GDP = gross domestic product, kg = kilogram, km² = square kilometer, l = liter, mcg = microgram, PPP = purchasing power parity.

Sources: State of India's Environment: *The Citizens' Fifth Report*, New Delhi, 1999; Compendium of Environment Statistics 1998, New Delhi, 1999; World Bank, *2000 World Development Indicators*; 1998-1999 World Resources: A Guide to the Global Environment; RETA 5555: Data on Environmental Indicators for Participating DMCs.

ADB PORTFOLIO PERFORMANCE
Table A3.1: Implementation, Disbursement Performance and Postevaluation Results of
Public Sector Projects
 (as of 31 December 2000)

A. Project Portfolio	Net Loan Amount \$ million %		Rating (No.)														
			Total		Implementation Progress				Development Objectives								
			No.	%	HS	S	PS	U	HS	S	PS	U					
Agriculture and Natural Resources	0.0	0.0	0	0.0	0	0	0	0	0	0	0	0	0	0	0	0	0
Energy	1,212.5	26.9	7	21.9	1	6	0	0	0	0	7	0	0	0	0	0	0
Finance and Industry	250.0	5.5	2	6.3	0	2	0	0	0	0	2	0	0	0	0	0	0
Social Infrastructure	1,580.0	35.1	15	46.9	4	11	0	0	0	0	14	1	0	0	0	0	0
Transport and Communications	962.6	21.4	6	18.8	0	3	2	1	0	0	5	0	0	1	0	0	1
Others/Multisector	500.0	11.1	2	6.3	0	1	0	1	0	0	2	0	0	0	0	0	0
Total	4,505.1	100.0	32	100.0	5	23	2	2	0	0	30	1	1	0	0	0	0

B. Disbursements	OCR	ADF	Total
(1) Total funds available for withdrawal (\$ mn, active loans only)	#####	0.0	4,255.4
(2) Disbursed amount (\$ mn, cumulative, active loans only)	#####	0.0	2,571.0
(3) Percentage disbursed [(2)/(1)] (%)	60.4	0.0	60.4
(4) Disbursements (\$ mn, active loans only, latest year)	487.0	0.0	487.0
(5) Disbursement ratio (%) ^a	22.2	0.0	22.2

C. Net Transfer of Resources ^b (\$ million)	OCR	ADF	Total
Net transfer in 1996	279.8	0.0	279.8
Net transfer in 1997	342.1	0.0	342.1
Net transfer in 1998	277.8	0.0	277.8
Net transfer in 1999	215.8	0.0	215.8
Net transfer in 2000	-107.4	0.0	-107.4

D. Post-evaluated Projects (by year of PPAR circulation)								1996-2000	
1. Postevaluation Rating (as of 31 December 2000)								No.	%
Highly Successful (HS)								1	16.7
Successful (S)								2	33.3
Partly Successful (PS)								1	16.7
Unsuccessful (U)								2	33.3
No Rating (NR)								0	0.0
Total								6	100.0

2. Postevaluation Rating by Sector 1996-2000 (as of 31 December 2000)		HS		S		PS		U		NR		Total	
		No.	%	No.	%	No.	%	No.	%	No.	%	No.	%
Agriculture and Natural Resources		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Energy		1	100.0	0	0.0	1	100.0	0	0.0	0	0.0	2	33.3
Finance and Industry		0	0.0	1	50.0	0	0.0	0	0.0	0	0.0	1	16.7
Social Infrastructure		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Transport and Communications		0	0.0	1	50.0	0	0.0	2	100.0	0	0.0	3	50.0
Others/Multisector		0	0.0	0	0.0	0	0.0	0	0.0	0	0.0	0	0.0
Total		1	100.0	2	100.0	1	100.0	2	100.0	0	0.0	6	100.0

ADF = Asian Development Fund, HS = highly successful, mn = million, NR = no rating, OCR = ordinary capital resources,

PPAR = project/program performance audit report, PS = partly successful, S = successful, US = unsuccessful.

^a Ratio of disbursement during the year over the undisbursed net loan balance less cancellations at the beginning of the year. Effective loans during the year have also been added to the beginning balance of undisbursed loans.

^b Includes private sector projects for countries with private sector operations.

Sources: Programs (A), CTD (B & C), OEO (D).

Table A3.2: Status of Project Implementation of Public Sector Projects
(as of 31 December 2000)

Sector	Project Title	Net Loan Amount		Approval Effectivity		Closing Date		Physical Progress (% complete)	Cum. Contract Awards (\$ million)	Cum. Disbursement (\$ million)	Project Performance Rating	
		OCR (\$ million)	ADF	Date (mm/yy)	Date (mm/yy)	Original (mm/yy)	Revised (mm/yy)				Implementation Progress	Development Objective
ENE	Unchahar Thermal Power Extension	128.0	0.0	Sep-88	Apr-89	Sep-95	Dec-00	99	134.2	122.1	S	S
ENE	Power Transmission Sector	275.0	0.0	Nov-95	Oct-96	Mar-01	–	75	222.1	198.8	S	S
ENE	Power Transmission Improvement	250.0	0.0	Oct-00	Jan-01	Mar-06	–	20	0.0	0.0	S	S
ENE	Gujarat Power Sector Development. Program Loan	150.0	0.0	Dec-00	Dec-00	Dec-02	–	–	50.0	51.5	S	S
ENE	Gujarat Power Sector Development Program Loan	200.0	0.0	Dec-00	Dec-00	Jun-05	–	–	0.0	2.0	S	S
ENE	Renewable Energy Development	100.0	0.0	Sep-96	Jul-97	Jul-02	–	–	90.7	50.0	S	S
ENE	LPG Pipeline	109.5	0.0	Dec-97	May-99	Nov-01	–	92	95.1	81.2	HS	S
F&I	Private Sector Infrastructure Facility: ICICI	150.0	0.0	Nov-96	Sep-97	Sep-02	–	–	142.8	122.8	S	S
F&I	Private Sector Infrastructure Facility: IFCI	100.0	0.0	Nov-96	Sep-97	Sep-02	–	–	65.5	62.5	S	S
T&C	Railways	181.4	0.0	Nov-87	Mar-88	Jan-93	Mar-04	98	158.4	175.6	S	S
T&C	Coal Ports	249.9	0.0	Oct-92	Jul-93	Jun-98	Dec-00	90	238.9	225.5	U	U
T&C	National Highways	245.0	0.0	Nov-93	May-95	Dec-99	Dec-01	71	215.2	165.9	PS	S
T&C	Mumbai Port	97.8	0.0	Sep-97	Jan-99	Sep-03	–	39	60.2	39.9	S	S
T&C	Chennai Ports	8.5	0.0	Sep-97	Feb-99	Mar-03	–	19	6.5	2.3	PS	S
T&C	Surat-Manor Tollway	180.0	0.0	Jul-00	Nov-00	Sep-04	–	–	83.6	7.7	S	S
SOC	Karnataka Urban Infrastructure Development	85.0	0.0	Dec-95	Jul-96	Jun-02	–	62	50.4	42.6	S	PS
SOC	Karnataka Urban Infrastructure Development	20.0	0.0	Dec-95	Dec-96	Jun-02	–	–	20.0	20.0	HS	S
SOC	Housing Finance (NHB)	100.0	0.0	Sep-97	Dec-97	Jun-03	–	–	100.5	100.0	HS	S
SOC	Housing Finance (HUDCO)	100.0	0.0	Sep-97	Dec-97	Jun-03	–	–	100.5	100.0	HS	S
SOC	Housing Finance (HDFC)	100.0	0.0	Sep-97	Dec-97	Jun-03	–	–	94.6	100.0	HS	S
SOC	Housing Finance II (HUDCO)	100.0	0.0	Sep-00	–	Jun-07	–	–	0.0	0.0	S	S
SOC	Housing Finance II (NHB)	40.0	0.0	Sep-00	–	Jun-07	–	–	0.0	0.0	S	S
SOC	Housing Finance II (HDFC)	80.0	0.0	Sep-00	–	Jun-07	–	–	0.0	0.0	S	S
SOC	Housing Finance II (ICICI)	80.0	0.0	Sep-00	–	Jun-07	–	–	0.0	0.0	S	S
SOC	Calcutta Environmental Improvement	250.0	0.0	Dec-00	–	Dec-07	–	–	0.0	0.0	S	S
SOC	Rajasthan Urban Infrastructure Development	250.0	0.0	Dec-98	Jan-00	Jun-05	–	2	0.3	0.3	S	S
SOC	Karnataka Urban Development & Coastal Envl. Mgmt.	175.0	0.0	Oct-99	Sep-00	Jun-05	–	3	7.0	0.0	S	S
SOC	Urban & Environmental Infra. Facility (HUDCO)	90.0	0.0	Dec-99	Sep-00	Sep-06	–	–	4.8	0.0	S	S
SOC	Urban & Environmental Infra. Facility (ICICI)	80.0	0.0	Dec-99	Sep-00	Sep-06	–	–	0.4	0.0	S	S
SOC	Urban & Environmental Infra. Facility (IDFC)	30.0	0.0	Dec-99	Sep-00	Sep-06	–	–	4.8	0.0	S	S
OTH	Gujarat Public Sector Resource Mgmt Program	250.0	0.0	Dec-96	Dec-96	Dec-98	Dec-00	–	250.0	250.0	U	S
OTH	Madhya Pradesh Public Resource Mgmt.	250.0	0.0	Dec-99	Dec-99	Sep-02	–	–	100.0	100.0	S	S
	Total	4,505.1	0.0						2,296.4	2,020.7		

– = not available, ADF = Asian Development Fund, Cum. = cumulative, ENE = energy, Envl. = environmental, F&I = finance and industry, HS = highly satisfactory, HDFC = Housing Development Finance Corporation, HUDCO = Housing and Urban Development Corporation, I = inactive, ICICI = Industrial Credit and Investment Corporation of India, IDFC = Infrastructure Development Finance Corporation, IFCI = Industrial Finance Corporation of India, Infra. = Infrastructure, LPG = liquefied petroleum gas, Mgmt. = management, mm = month, NHB = National Housing Bank, OTH = others/multisector, PS = partially satisfactory, S = satisfactory, SOC = social infrastructure, T&C = transport and communications, U = unsuccessful, yy = year.
Note: Excludes loans closed during the year.

Table A4.1: Lending Program, 2002

Sector/Project Name	Poverty Classification	Thematic Priority	Year of PPTA	Total	Project Cost (in \$ million)				Govt.	Cofinancing/ Others
					ADB			Total		
					OCR	ADF				
2002 Firm Loans										
Energy										
1 Power Finance Corporation	NC	ECO; GG	1999	tbd	250.0	0.0	250.0	tbd		
Subtotal					250.0	0.0	250.0			
Transport and Communication										
2 Madhya Pradesh State Roads	PI	GG	2001	tbd	250.0	0.0	250.0	tbd		
3 National Highways Corridor I	NC	ECO, PSD	2001	tbd	250.0	0.0	250.0	tbd		
Subtotal					500.0	0.0	500.0			
Others/Multisector										
4 Public Resource Management Program (Kerala) ^a	NC	GG, HD	2000	tbd	200.00	0.0	200.00	tbd	Official	
5 Taj Mahal Environmental Improvements	PI	ENV	1995	tbd	210.00	0.0	210.00	tbd		
Subtotal					410.00	0.0	410.00			
Total				tbd	1,160.00	0.0	1,160.00	tbd		
2002 Standby Loans										
Energy										
1 Power Sector Development Program (Kerala)	NC	ECO	2001	tbd	200.0	0.0	200.0	tbd	Official	
Subtotal				tbd	200.0	0.0	200.0	tbd		

ADB = Asian Development Bank, ADF = Asian Development Fund, ECO = economic growth, ENV = environmental protection, GAD = gender and development, GG = good governance, Govt. = government, HD = human development, NC = not classified, OCR = ordinary capital resources, PI = poverty intervention, PPTA = project/program preparatory technical assistance, PSD = private sector development, tbd = to be determined.

^a The Government has established a High Level Group on External Assistance which will, inter alia, assess state-level program lending.

Table A4.2: Lending Program, 2003

Sector/Project Name	Poverty Classification	Thematic Priority	Year of PPTA	Total	Project Cost (in \$ million)				
					ADB			Govt.	Cofinancing/ Others
					OCR	ADF	Total		
2003 Firm Loans									
Energy									
1 Energy Efficiency Enhancement SDP	NC	ENV	2002	tbd	200.0	0.0	200.0	tbd	
2 Power Sector Development Program (Kerala)	NC	ECO	2001	tbd	200.0	0.0	200.0	tbd	Official
Subtotal					400.0	0.0	400.0		
Transport and Communication									
3 West Bengal Corridor Development II	NC	ECO, REG	2002	tbd	200.0	0.0	200.0	tbd	
4 National Highways Corridor II	NC	ECO, PSD	2002	tbd	250.0	0.0	250.0	tbd	
Subtotal					450.0	0.0	450.0	tbd	
Social Infrastructure									
5 Integrated Urban Development in Madhya Pradesh (Urban Poverty Reduction [Madhya Pradesh])	CPI	ENV	2001	tbd	250.0	0.0	250.0	tbd	Official
Subtotal					250.0	0.0	250.0	tbd	
Others/Multisector									
6 Public Resource Management Program II (Gujarat) ^c	NC	GG, HD	2002 ^a	tbd	200.0-250.0 ^b	0.0	200.0-250.0 ^b	tbd	Official
Subtotal					200.0-250.0^b	0.0	200.0-250.0^b	tbd	
Total				tbd	1,300.0-1,350.0	0.0	1,300.0-1,350.0	tbd	
2003 Standby Loans									
Energy									
1 Rural Electrification	PI	ECO	2002	tbd	250.0	0.0	250.0	tbd	Commercial
Subtotal					250.0	0.0	250.0	tbd	

ADB = Asian Development Bank, ADF = Asian Development Fund, CPI = core poverty intervention, ECO = economic growth, ENV = environmental protection, GG = good governance, Govt. = government, HD = human development, NC = not classified, OCR = ordinary capital resources, PI = poverty intervention, PPTA = project/program preparatory technical assistance, PSD = private sector development, REG = regional cooperation, SDP = sector development program, tbd = to be determined.

^a Advisory TA.

^b Loan size will be depending on size of adjustment cost of the policy loan component.

^c The Government has established a High Level Group on External Assistance which will, inter alia, assess state-level program lending.

Table A4.3: Lending Program, 2004

Sector/Project Name	Poverty Classification	Thematic Priority	Year of PPTA	Total	Project Cost (in \$ million)				Cofinancing/ Others
					ADB			Govt.	
					OCR	ADF	Total		
2004 Firm Loans									
Energy									
1 Power Sector Development Program II (Gujarat)	NC	ECO	2002	tbd	300.0	0.0	300.0	tbd	Official
2 Rural Electrification	PI	ECO	2002	tbd	250.0	0.0	250.0	tbd	Commercial
Subtotal					550.0	0.0	550.0	tbd	
Social Infrastructure									
3 Urban Development, Environmental Improvement and Poverty Reduction in Kerala	PI	ENV	2002	tbd	200.0	0.0	200.0	tbd	Official
Subtotal					200.0	0.0	200.0	tbd	
Transport and Communication									
4 National Highways Corridor III	NC	ECO, PSD	2002	tbd	250.0	0.0	250.0	tbd	
5 State Roads Project II	NC	GG	2003	tbd	200.0	0.0	200.0	tbd	
Subtotal					450.0	0.0	450.0	tbd	
Total				tbd	1,200.0	0.0	1,200.0	tbd	
2004 Standby Loans									
Social Infrastructure									
1 Medium Towns Urban Development	PI	HD	2002	tbd	200.0	0.0	200.0	tbd	Official
Subtotal					200.0	0.0	200.0	tbd	

ADB = Asian Development Bank, ADF = Asian Development Fund, ECO = economic growth, ENV = environmental protection, GAD = gender and development, GG = good governance, Govt. = government, HD = human development, NC = not classified, OCR = ordinary capital resources, PI = poverty intervention, PPTA = project/program preparatory technical assistance, PSD = private sector development, REG = regional cooperation, tbd = to be determined.

Table A4.4: Technical Assistance Program, 2002

Sector/Project Name	Type of TA	Amount (\$ '000)		
		ADB	Others	Total
2002				
Energy				
1 Gujarat Power Sector Development II	PPTA	800.0	0.0	800.0
2 Energy Efficiency Enhancement	PPTA	600.0	0.0	600.0
3 Support for Rural Electrification and Poverty Reduction	PPTA	0.0	1,000.0	1,000.0
4 Power Sector Reform at State Level (Madhya Pradesh)	ADTA	600.0	0.0	600.0
Subtotal		2,000.0	1,000.0	3,000.0
Finance and Industry				
5 Mutual Funds	ADTA	1,000.0	0.0	1,000.0
Subtotal		1,000.0	0.0	1,000.0
Social Infrastructure				
6 Urban Development, Environmental Improvement and Poverty Reduction (Kerala)	PPTA	0.0	1,000.0	1,000.0
7 Medium Towns Urban Development	PPTA	800.0	0.0	800.0
8 Institutional and Regulatory Framework for Urban Services ^a	ADTA	700.0	0.0	700.0
9 North Eastern Region Urban Sector Profiles	ADTA	0.0	150.0	150.0
Subtotal		1,500.0	1,150.0	2,650.0
Transport and Communication				
10 West Bengal Corridor Development II	PPTA	800.0	0.0	800.0
11 West Bengal Private Sector Infrastructure Development	ADTA	750.0	0.0	750.0
12 National Highways Corridor (cluster)	PPTA	400.0	0.0	400.0
Subtotal		1,950.0	0.0	1,950.0
Others				
13 Capacity Building in Economic and Poverty Monitoring at State Level	ADTA	0.0	450.0	450.0
14 Public Resource Management Program II (Gujarat) (cluster) ^b	ADTA	800.0	0.0	800.0
15 Capacity Building for Project Implementation	ADTA	400.0	0.0	400.0
Subtotal		1,200.0	450.0	1,650.0
Total		7,650.0	2,600.0	10,250.0

ADB = Asian Development Bank, ADTA = advisory technical assistance, PPTA = project/program preparatory technical assistance, TA = technical assistance.

^a Advisory support inter alia for issues such as institutional setup, regulatory framework, and tariffs for urban water/sewerage systems.

^b Multiyear cluster TA for \$1.3 million, providing support, inter alia, for debt management, pension and other contingent liabilities, and assistance for tax administration and expenditure management.

Table A4.5: Technical Assistance Program, 2003–2004

Sector/Project Name	Type of TA	Amount (\$ '000)		
		ADB	Others	Total
2003				
Energy				
1 Madhya Pradesh Power Sector Development II	PPTA	1,500.0	0.0	1,500.0
2 Increasing Private Sector Participation in Electricity Distribution	ADTA	1,000.0	0.0	1,000.0
Subtotal		2,500.0	0.0	2,500.0
Social Infrastructure				
3 North Eastern Region Urban Development	PPTA	1,000.0	0.0	1,000.0
4 Strengthening Resource Generation of Local Bodies	ADTA	600.0	0.0	600.0
5 Urban Sector Strategy Update	ADTA	0.0	250.0	250.0
Subtotal		1,600.0	250.0	1,850.0
Transport and Communication				
6 National Highways Corridor (cluster)	PPTA	300.0	0.0	300.0
7 Kolkata Air Quality and Urban Transport Management	ADTA	750.0	0.0	750.0
8 Institutional and Regulatory Framework for Kolkata and Haldia Ports within Multimodal Transport System	ADTA	700.0	0.0	700.0
9 State Roads Project II	PPTA	800.0	0.0	800.0
Subtotal		2,550.0	0.0	2,550.0
Others				
10 Assessment of Poverty Impact of State-Level Operations	ADTA	0.0	400.0	400.0
11 Public Resource Management Program II (Gujarat) (cluster) ^a	ADTA	500.0	0.0	500.0
12 Institutional Strengthening of Madhya Pradesh Infrastructure Development Board	ADTA	0.0	750.0	750.0
Subtotal		500.0	1,150.0	1,650.0
Total		7,150.0	1,400.0	8,550.0
2004				
Social Infrastructure				
1 State-Level Housing Finance	PPTA	600.0	0.0	600.0
2 Public-Private Partnership for Municipal Services	ADTA	600.0	0.0	600.0
3 Community Empowerment in Local Government	ADTA	0.0	250.0	250.0
Subtotal		1,200.0	250.0	1,450.0
Total		1,200.0	250.0	1,450.0

ADB = Asian Development Bank, ADTA = advisory technical assistance, PPTA = project/program preparatory technical assistance, TA = technical assistance.

^a Multiyear cluster TA for \$1.3 million, providing support, inter alia, for debt management, pension and other contingent liabilities, and assistance for tax administration and expenditure management.

**Table A4.5: Lending Program, 2002–2004,
by Poverty Classification, Thematic Priority, and Sector**

Classification	2002		2003–2004	
	No.	%	No.	%
A. By Poverty Classification				
1. Core Poverty Intervention	0	0	1	9
2. Poverty Intervention (noncore)	2	40	2	18
3. Not Classified	3	60	8	73
Total	5	100	11	100
B. By Thematic Priority^a				
1. Environmental Protection	1	13	3	20
2. Gender and Development	0	0	0	0
3. Good Governance	3	38	2	13
4. Human Development	1	13	1	7
5. Private Sector Development	1	13	2	13
6. Regional Cooperation	0	0	1	7
7. Economic Growth	2	25	6	40
Total	8	100	15	100
C. Sector				
1. Agriculture and Natural Resources	0	0	0	0
2. Energy	1	20	4	36
3. Finance and Industry	0	0	0	0
4. Social Infrastructure	0	0	2	18
5. Transport and Communication	2	40	4	36
6. Others/Multisector	2	40	1	9
Total	5	100	11	100

Note: Includes only firm projects. Percent total may not add up due to rounding.

^a One loan may have two crosscutting priorities.

Source: Programs.

Economic and Sector Work Program, 2002–2004

Type of ESW	Strategic or Operational Objective	Modality (staff, staff consultant, ADTA, RETA)
Economic Work		
Includes macro- and microeconomic studies and country-level economic studies)		
(i) ADO and ADO update	Country chapter reporting on recent macroeconomic developments, prospects, issues in economic management, and policy and development issues	Staff
(ii) Country Economic Review/Update	Review of recent economic developments and policy changes	Staff
(iii) Quarterly Economic Update	Quarterly review of recent economic development and ADB operations	Staff (INRM)
Thematic Work		
Includes studies that cut across sectors or countries and are related to ADB thematic and operational priorities)		
(i) Ministry of Environment and Forests (MOEF) Action Plan for Promotion of Environmentally Sound Projects (2002)	Strengthen policy and institutional responses at central and state levels for environmental management through market-based instruments and cleaner production	ADTA (Cluster)
(ii) Madhya Pradesh Strategy on Market-Based Instruments (MBIs) for Environmental Management (2002)	Improve the effectiveness of environmental rules and regulations, and enhance the regulatory framework through a blend of command and control instruments and MBIs	ADTA (Cluster)
(iii) Financing Cleaner Production (2002)	Focus on financing modalities for cleaner production	ADTA (Cluster)
(iv) West Bengal Private Sector Infrastructure Development (2002)	Facilitate private sector participation in infrastructure development in West Bengal, establish an enabling environment for private sector activities in the development of West Bengal's infrastructure, and engage the private sector in infrastructure funding	ADTA
(v) Kolkata Air Quality and Urban Transport Management (2003)	Reduce vehicle emissions in Kolkata, and develop master plans for (i) management of the environmental impact of transport services, including introduction of more efficient fuels; restrictions on vehicle types; and improved maintenance of vehicles; (ii) management of public transport services, including tram, bus, and rail; and (iii) traffic engineering for Kolkata, including a traffic model and a strategy for traffic management	ADTA

(Continued)

Sector Work

(includes sector-specific analytical work)

(i) Institutional and Regulatory Framework for Urban Services (2002)	Improve the sustainability of urban service delivery, and identify the need for changes in the policy and institutional frameworks, regulatory mechanism, and pricing and cost recovery	ADTA
(ii) North Eastern Region Urban Sector Profiles (2002)	Review socioeconomic structures in the northeastern states with emphasis on urban sector development	ADTA
(iii) Urban Sector Strategy Update (2003)	Review the key issues in the urban sector and update ADB's strategy to support balanced urban growth for improving the welfare of urban residents, including the urban poor, enhancing the quality of urban environment, and promoting economic growth in urban centers	ADTA
(iv) Strengthening Resource Generation of Local Bodies (2003)	Review the resource base of urban local bodies, including intergovernmental transfers and own-tax and nontax revenues Identify areas of policy and institutional reform to expand the tax base, tax and nontax collection efficiency, and rationalize the resource transfer from the state government	ADTA
(v) Public-Private Partnership for Municipal Services (2004)	Improve the quality of urban service delivery Review and identify options to privatize key urban services such as solid waste management, local markets, and water supply system Examine the experiences of other countries and various states in India to introduce best practices	ADTA
(vi) Assessment of Poverty Impact of State-Level Operations (2003)	Review ongoing and completed state-level interventions and assess project components' impact on poverty reduction	ADTA
(vii) Policy, Institutional, and Legislative Analysis of Barriers to Implementing the Convention to Combat Desertification (land degradation control, natural resource management)	Help India implement the Convention to Combat Desertification to reverse land degradation and reduce poverty	ADTA

ADB = Asian Development Bank, ADO = Asian Development Outlook, ADTA = advisory technical assistance, ESW = Economic and Sector Work, INRM = India Resident Mission, MBI = market-based instrument, MOEF = Ministry of Environment and Forests.

PROJECT SELECTION BRIEFS
Table A6.1: Project Selection Brief for Power Finance Corporation

A. Data	
Project Number:	31324
Country:	India
Sector:	Energy
Subsector:	Power
Project Division:	IWEN
Contact Person in Projects Division:	B. Karunaratne
Programs Division:	PW2
Tentative Loan Amount According to CSP:	\$250 million
Proposed Lending Modality:	DFI type
PPTA:	None
Proposed PPTA Amount:	NA
Attached ADTA:	NA
Proposed ADTA Amount:	NA
Start Predesign Phase:	1 January 2001
Start Design Phase:	
Approval Year According to CSP:	2002
Proposed Executing Agency:	Power Finance Corporation (PFC)
Contact Person in Proposed Executing Agency:	A. A. Khan, Chairman/Managing Director
B. Description	
Brief Rationale of Project:	Promote power sector reforms at state-level, by lending through PFC. PFC is the premier development finance institution exclusively devoted to the power sector and has a good track record in project appraisal and administration. Using PFC's leverage to promote sector reforms in selected states outside ADB's focal states will be more economic and efficient than direct interventions by ADB. The states will be selected on the basis of demonstrated commitment to power sector reforms.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	The ongoing TA on Support to PFC, is developing power system master plans for the Assam and West Bengal State Electricity Boards (SEBs) and helping them to establish distribution profit centers. On its own, PFC has conducted tariff rationalization studies in Assam, West Bengal, and Punjab, and is also developing reform-oriented operational and financial action plans to be used for monitoring SEB reforms.
Comparative Advantage of ADB in Proposed Project:	Long-term involvement in private sector reforms at national and state levels
Rationale and Scope of Attached ADTA:	NA
Development Objective (thematic priority)	NC (ECO,GG)
Environmental Classification:	to be determined
Social Issues:	to be determined

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DFI = developing finance institution, DMC = developing member country, ECO = economic growth, ESW = Economic and Sector Work, GG = good governance IWEN = Energy Division West, NA = not applicable, NC = not classified, PFC = Power Finance Corporation, PPTA = project/program preparatory technical assistance, PW2 = Programs Division West 2, SEB = state electricity board, TA = technical assistance.

Table A6.2: Project Selection Brief for Madhya Pradesh State Road Project

A: Data	
Project Number:	
Country:	India
Sector:	Transport
Subsector:	Road Sector
Project Division:	IWTC
Contact Person in Projects Division:	A. Akanda
Programs Division:	PW2
Tentative Loan Amount According to CSP:	\$250 million
Proposed Lending Modality:	Project Loan
PPTA:	Madhya Pradesh State Road Sector
PPTA Amount:	\$600,000
Attached ADTA:	NA
Proposed ADTA Amount:	NA
Start Predesign Phase:	
Start Design Phase:	
Approval Year According to CSP:	2002
Proposed Executing Agency:	Public Works Department (PWD), Madhya Pradesh
Contact Person in Proposed Executing Agency:	Mr. S. K. Mitna, Superintendent
B. Description	
Brief Rationale of Project:	As part of the programmatic approach to lending to India's transport sector and also as the first ADB intervention in the state road subsector, the project will primarily aim at advancing policy and institutional reforms of the Madhya Pradesh PWD. The project will reduce transport bottlenecks on Madhya Pradesh state roads. The project will also pursue the possibility of expanding public-private partnership in road development and maintenance.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	Preparation of a road sector strategy.
Comparative Advantage of ADB in Proposed Project:	Madhya Pradesh is one of ADB's focal states.
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority)	PI (GG)
Environmental Classification:	to be determined
Social Issues:	To be determined

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = Economic and Sector Work, GG = good governance, IWTC = Transport and Communications Division West, NA = not applicable, PI = poverty intervention, PPTA = project/program preparatory technical assistance, PW2 = Programs Division West 2, PWD = Public Works Department.

Table A6.3: Project Selection Brief for National Highways Corridor I

A. Data	
Project Number:	
Country:	India
Sector:	Transport
Subsector:	Road Sector
Project Division:	IWTC
Contact Person in Projects Division:	S. Tsukada
Programs Division:	PW2
Tentative Loan Amount According to CSP:	\$250 million
Proposed Lending Modality:	Project Loan
PPTA:	National Highway Development and Public-Private Partnership
Proposed PPTA Amount:	\$600,000
Attached ADTA:	NA
Proposed ADTA Amount:	NA
Start Predesign Phase:	
Start Design Phase:	
Approval Year According to CSP:	2002
Proposed Executing Agency:	National Highways Authority of India (NHAI)
Contact Person in Proposed Executing Agency:	Mr. Sinha, Member (Technical)
B. Description	
Brief Rationale of Project:	As part of the programmatic approach to lending to India's transport sector, the project will advance policy and institutional reforms to establish an enabling environment for the sustainable and efficient development of the national highway systems. Focus will be on enhancing NHAI's corporate finance capability. The project will reduce transport bottlenecks on India's national highways, including those in Gujarat and on other parts of the East-West Corridor of the national highway system.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	Preparation of a road sector strategy Extensive interaction with the World Bank and Japan Bank for International Cooperation on policy and institutional reforms NHAI-financed study of East-West Corridor development
Comparative Advantage of ADB in Proposed Project:	Long-term involvement in policy and institutional reforms of India's national highway system
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority)	NC (ECO, PSD)
Environmental Classification:	Category B
Social Issues:	to be determined

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ECO = economic growth, ESW = Economic and Sector Work, IWTC = Transport and Communications Division West, NA = not applicable, NC = not classified, NHAI = National Highways Authority of India, PPTA = project/program preparatory technical assistance, PSD = private sector development, PW2 = Programs Division West 2.

Table A6.4: Project Selection Brief for Public Resource Management Program (Kerala)

A. Data	
Project Number:	31328
Country:	India
Sector:	Others/Multisector
Subsector:	
Project Division:	IWFI
Contact Person in Projects Division:	W. McCarten
Programs Division:	PW2
Tentative Loan Amount According to CSP:	\$200 million
Proposed Lending Modality:	Program Loan
PPTA:	TA 3576-IND: Supporting Fiscal Reforms in Kerala (approved on 13 December 2000)
Proposed PPTA Amount:	\$1 million
Attached ADTA:	to be determined
Proposed ADTA Amount:	NA
Start Pre-design Phase:	
Start Design Phase:	
Approval Year According to CSP:	2002
Proposed Executing Agency:	to be determined
Contact Person in Proposed Executing Agency:	to be determined
B. Description	
Brief Rationale of Project:	The project will improve public expenditure management and decentralization with effective accountability in the state to foster higher economic growth. The project will also improve efficiency in the public sector and allow greater participation of the private sector in infrastructure development.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	India has already implemented one of the most ambitious programs of decentralization to third tier government. A state economic profile of Kerala has been prepared. Other studies include <i>Kerala State Finance</i> by National Institute of Public Finance and Policy, and <i>Kerala Growth Prospects</i> by K.K. Subrahmanian, Trivandrum Institute of Development (ADB staff consultant).
Comparative Advantage of ADB in Proposed Project:	Long-term dialogue with Kerala, an ADB focal state ADB's ability to provide public sector TA in advance of loan Experience from similar work in Gujarat and Madhya Pradesh
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority)	NC (GG, HD)
Environmental Classification:	to be determined
Social Issues:	to be determined

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = Economic and Sector Work, GG = good governance, HD = human development, IWFI = Financial Sector and Industry Division West, NA = not applicable, NC = not classified, PPTA = project/program preparatory technical assistance, PW2 = Programs Division West 2, TA= technical assistance.

Table A6.5: Project Selection Brief for Taj Mahal Environmental Improvements

A. Data	
Project Number:	29047
Country:	India
Sector:	Social Infrastructure
Subsector:	Urban Development and Housing
Project Division:	AWWU
Contact Person in Projects Division:	S. Sahni
Programs Division:	PW2
Tentative Loan Amount According to CSP:	\$210 million
Proposed Lending Modality:	Project Loan
PPTA:	Environmental Improvement and Sustainable Development for Agra Mathura Ferozabad Trapezium
PPTA Amount:	\$600,000
Attached ADTA:	NA
Proposed ADTA Amount:	NA
Start Predesign Phase:	February 1995
Start Design Phase:	January 1997
Approval Year According to CSP:	2002 firm, 2001 standby
Proposed Executing Agency:	to be determined
Contact Person in Proposed Executing Agency:	to be determined
B. Description	
Brief Rationale of Project:	The objective of the project is to improve the environment in the Taj Trapezium Zone in a sustainable way, to allow people to live and work in harmony with their cultural and natural environment. The project will thus comprise the following parts: (i) measures to protect the Taj Mahal, including establishing air pollution control, and restoring and enhancing tourism attractions; (ii) improvement of water supply and sanitation; (iii) establishment of a public support for environmental improvement; (iv) establishment of a beneficiary-managed fund for poverty reduction; (v) establishment of systems for evidence-based decision making; and (vi) project management.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	An urban sector study was prepared in 1998. Ongoing TA 3480-IND: Reducing Poverty in Urban India will identify issues facing the urban poor.
Comparative Advantage of ADB in Proposed Project:	Long-term involvement in urban and environmental sector in India
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority)	PI (ENV)
Environmental Classification:	Category B
Social Issues:	Resettlement

ADB = Asian Development Bank, ADTA = advisory technical assistance, AWWU = Water Supply, Urban Development, and Housing Division West, CSP = country strategy and program, DMC = developing member country, ENV = environmental protection, ESW = Economic and Sector Work, NA = not applicable, PI = poverty intervention, PPTA = project/program preparatory technical assistance, PW2 = Programs Division West 2, TA = technical assistance.

**Table A6.6: Project Selection Brief for
Energy Efficiency Enhancement Sector Development**

A. Data	
Project Number:	
Country:	India
Sector:	Energy
Subsector:	Industry
Project Division:	IWEN
Contact Person in Projects Division:	B. Karunaratne
Programs Division:	PW2
Tentative Loan Amount According to CSP:	\$200 million
Proposed Lending Modality:	Sector Development Program (SDP)
PPTA:	Energy Efficiency Enhancement
Proposed PPTA Amount (\$):	\$600,000
Attached ADTA:	to be determined
Proposed ADTA Amount:	to be determined
Start Predesign Phase:	During the PPTA implementation phase
Start Design Phase:	During the PPTA implementation phase
Approval Year According to CSP:	2003
Proposed Executing Agency:	to be determined
Contact Person in Proposed Executing Agency:	to be determined
B. Description	
Brief Rationale of Project:	India's industrial sector is a major energy user, consuming 45 percent of all commercial energy. Enhancing energy efficiency will reduce energy shortages, reduce industrial pollution, and make industries more competitive. ADB addressed problems in some selected sectors through Loan 1343-IND: Industrial Energy Efficiency, for \$150 million, approved in December 1994. However, other energy-intensive industrial sectors such as steel, ferro-alloys, non-ferrous minerals, chloro-alkali, and primary aluminum remain to be considered. The project will help the state meet energy efficiency targets through policy reforms and legislation, to be developed under the PPTA.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	PPTA to be undertaken during 2002
Comparative Advantage of ADB in Proposed Project:	ADB's experience and familiarity with SDP lending in India Successful implementation of the previous loan for energy efficiency improvements
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority)	NC (ENV)
Environmental Classification:	to be determined
Social Issues:	to be determined

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ENV = environmental protection, ESW = Economic and Sector Work, IWEN = Energy Division West, NC = not classified, PPTA = project/program preparatory technical assistance, PW2 = Programs Division West 2, SDP = Sector Development Program.

Table A6.7: Project Selection Brief for Power Sector Development Program (Kerala)

A. Data	
Project Number:	
Country:	India
Sector:	Energy
Subsector:	Power
Project Division:	IWEN
Contact Person in Projects Division:	B. Karunaratne
Programs Division:	PW2
Tentative Loan Amount According to CSP:	\$200 million
Proposed Lending Modality:	Sector Development Program
PPTA:	to be processed in 2001
PPTA Amount:	\$800,000
Attached ADTA:	to be determined
Proposed ADTA Amount:	to be determined
Start Predesign Phase:	During the PPTA implementation phase
Start Design Phase:	
Approval Year According to CSP:	2003
Proposed Executing Agency:	Finance Department, Energy Department of the government of Kerala
Contact Person in Proposed Executing Agency:	to be identified
B. Description	
Brief Rationale of Project:	The project will promote state-level power sector reforms, by financing the cost of adjustments and urgently needed investment projects. Sector restructuring will reduce operating costs, by improving efficiency and good governance, generating additional revenue by rationalizing tariffs, and facilitating private sector participation through good governance and sound commercial practices. System efficiency will be improved by removing bottlenecks in the power system.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	PPTA to be undertaken during October 2001 to April 2002 period
Comparative Advantage of ADB in Proposed Project:	Kerala is a focal state selected for ADB's comprehensive intervention, including public resources management and power sector reform.
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority)	NC (ECO)
Environmental Classification:	to be determined
Social Issues:	to be determined

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ECO = economic growth, ESW = Economic and Sector Work, IWEN = Energy Division West, NC = not classified, PPTA = project/program preparatory technical assistance, PW2 = Programs Division West 2.

Table A6.8: Project Selection Brief for West Bengal Corridor Development II

A. Data	
Project Number:	
Country:	India
Sector:	Transport
Subsector:	Road Sector
Project Division:	IWTC
Contact Person in Projects Division:	to be determined
Programs Division:	PW2
Tentative Loan Amount According to CSP:	\$200 million
Proposed Lending Modality:	Project Loan
PPTA:	West Bengal Corridor Development II
Proposed PPTA Amount:	\$800,000
Attached ADTA:	NA
Proposed ADTA Amount:	NA
Start Predesign Phase:	
Start Design Phase:	
Approval Year According to CSP:	2003
Proposed Executing Agency:	to be determined
Contact Person in Proposed Executing Agency:	to be determined
B. Description	
Brief Rationale of Project:	As part of the programmatic approach to lending to India's transport sector and also as the second intervention in West Bengal State, the project will primarily redefine the relationship between the Ministry of Road Transport and Highways and state Public Works Department (PWD), and also implement policy and institutional reforms of West Bengal's PWD. The project will reduce transport bottlenecks on West Bengal's state roads. The project will also pursue the possibility of expanding the public-private partnership in road development and maintenance. The project will contribute to regional cooperation in South Asia.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	Preparation of a road sector strategy Extensive interaction with World Bank and Japan Bank for International Cooperation on policy and institutional reforms National Highways Authority of India-financed study of East-West Corridor development
Comparative Advantage of ADB in Proposed Project:	Long-term involvement in policy and institutional reforms of India's national highway system
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority)	NC (ECO, REG)
Environmental Classification:	to be determined
Social Issues:	to be determined

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ECO = economic growth, ESW = Economic and Sector Work, IWTC = Transport and Communications Division West, NA = not applicable, NC = not classified, PPTA = project/program preparatory technical assistance, PW2 = Programs Division West 2, PWD = Public Works Department, REG = regional cooperation.

Table A6.9: Project Selection Brief for National Highways Corridor II

A. Data	
Project Number:	
Country:	India
Sector:	Transport
Subsector:	Road Sector
Project Division:	IWTC
Contact Person in Projects Division:	to be determined
Programs Division:	PW2
Tentative Loan Amount According to CSP:	\$250 million
Proposed Lending Modality:	
PPTA:	National Highways Corridor (cluster)
Proposed PPTA Amount:	\$400,000
Attached ADTA:	NA
Proposed ADTA Amount:	NA
Start Predesign Phase:	
Start Design Phase:	
Approval Year According to CSP:	2003
Proposed Executing Agency:	National Highways Authority of India (NHAI)
Contact Person in Proposed Executing Agency:	to be determined
B. Description	
Brief Rationale of Project:	As part of the programmatic approach to lending to India's transport sector, the project will advance policy and institutional reforms to establish an enabling environment for the sustainable and efficient development of the national highway system. The project will also be designed to reduce transport bottlenecks on India's national highways, including those in the East-West Corridor of the national highway system.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	Preparation of a road sector strategy Extensive interaction with World Bank and Japan Bank for International Cooperation on policy and institutional reforms NHAI-financed study of East-West Corridor development
Comparative Advantage of ADB in Proposed Project:	Long-term involvement in policy and institutional reforms of India's national highway system
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority)	NC (ECO, PSD)
Environmental Classification:	Category B
Social Issues:	to be determined

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ECO = economic growth, ESW = Economic and Sector Work, IWTC = Transport and Communications Division West, NA = not applicable, NC = not classified, NHAI = National Highways Authority of India, PPTA = project/program preparatory technical assistance, PSD = private sector development, PW2 = Programs Division West 2.

**Table A6.10: Project Selection Brief for
Integrated Urban Development in Madhya Pradesh**

A. Data	
Project Number:	32254
Country:	India
Sector:	Social Infrastructure
Subsector:	Urban Development and Housing
Project Division:	AWWU
Contact Person in Projects Division:	S. Popov
Programs Division:	PW2
Tentative Loan Amount According to CSP:	\$250 million
Proposed Lending Modality:	Project Loan
PPTA:	Integrated Urban Development in Madhya Pradesh
Proposed PPTA Amount:	\$900,000
Attached ADTA:	NA
Proposed ADTA Amount:	NA
Start Predesign Phase:	May 2001
Start Design Phase:	July 2001
Approval Year According to CSP:	2003
Proposed Executing Agency:	Urban Administration and Development Department (UADD) of Madhya Pradesh
Contact Person in Proposed Executing Agency:	I. Ahmed, Principal Secretary.
B. Description	
Brief Rationale of Project:	ADB's strategy views the urban infrastructure sector as an important opportunity to use nonconcessional resources to directly address social sector needs in India. In response to the developmental challenges in Madhya Pradesh, ADB will implement the state-wide integrated urban development project to improve the urban environment and create conditions for dealing with growth of selected cities in a planned and sustainable manner. The investment program will pay particular attention to poverty reduction and integrated participatory urban development. The project will strengthen institutional arrangements and capacity building, and the legal and financial systems for a top-down and down-top approach to integrate participatory urban development, improve urban governance, and sustain urban improvements.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	An urban sector study was prepared in 1998. Ongoing TA 3480-IND: Reducing Poverty in Urban India will identify issues facing the urban poor.
Comparative Advantage of ADB in Proposed Project:	Madhya Pradesh is one of ADB's focal states. ADB has long been involved in India's urban sector.
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority)	CPI (ENV)
Environmental Classification:	B
Social Issues:	To be determined

ADB = Asian Development Bank, ADTA = advisory technical assistance, AWWU = Water Supply, Urban Development, and Housing Division West, CPI = core poverty intervention, CSP = country strategy and program, DMC = developing member country, ENV = environmental protection, ESW = Economic and Sector Work, NA = not applicable, PPTA = project/program preparatory technical assistance, PW2 = Programs Division West 2, TA = technical assistance, UADD = Urban Administration and Development Department.

**Table A6.11: Project Selection Brief for
Public Resource Management Program II (Gujarat)**

A. Data	
Project Number:	31328
Country:	India
Sector:	Others/Multisector
Subsector:	
Project Division:	IWFI
Contact Person in Projects Division:	W. McCarten
Programs Division:	PW2
Tentative Loan Amount According to CSP:	\$200 million–\$250 million (depending on size of adjustment cost)
Proposed Lending Modality:	Program Loan
PPTA:	NA
Proposed PPTA Amount:	NA
Attached ADTA:	NA
Proposed ADTA Amount:	NA
Start Predesign Phase:	
Start Design Phase:	
Approval Year According to CSP:	2003
Proposed Executing Agency:	to be determined
Contact Person in Proposed Executing Agency:	to be determined
B. Description	
Brief Rationale of Project:	Support the deepening of public sector reform in Gujarat, including expenditure management reform, to improve allocative efficiency, operational support to implement the valued-added tax, and computerization of tax administration and budgeting and other administrative functions
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	Gujarat Public Sector Resource Management Program Loan (completed in 2000)
Comparative Advantage of ADB in Proposed Project:	Long-term dialogue with government of Gujarat Experience derived from similar work in Madhya Pradesh and Kerala and previous work in Loan 1506-IND: Gujarat Public Sector Resource Management
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority)	NC (GG, HD)
Environmental Classification:	to be determined
Social Issues:	to be determined

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = Economic and Sector Work, GG = good governance, HD = human development, IWFI = Financial Sector and Industry Division West, NA = not applicable, NC = not classified, PPTA = project/program preparatory technical assistance, PW2 = Programs Division West 2.

**Table A6.12: Project Selection Brief for
Power Sector Development Program II (Gujarat)**

A. Data	
Project Number:	
Country:	India
Sector:	Energy
Subsector:	Power
Project Division:	IWEN
Contact Person in Projects Division:	B. Karunaratne
Programs Division:	PW2
Tentative Loan Amount According to CSP:	\$300 million
Proposed Lending Modality:	Sector Development Program
PPTA:	Gujarat Power Sector Development II
Proposed PPTA Amount:	\$800,000
Attached ADTA:	to be determined
Proposed ADTA Amount:	to be determined
Start Predesign Phase:	During the PPTA implementation phase
Start Design Phase:	
Approval Year According to CSP:	2004
Proposed Executing Agency:	Finance Department, Energy Department of the government of Gujarat
Contact Person in Proposed Executing Agency:	to be identified
B. Description	
Brief Rationale of Project:	Continue promoting power sector reforms at state level, by financing costs of adjustments and urgently needed investment projects Help implement further sectoral restructuring, and corporatization of sector entities Improve system efficiency by removing bottlenecks in the power system
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	PPTA to be undertaken during 2002
Comparative Advantage of ADB in Proposed Project:	Gujarat is one of ADB's focal states. ADB has held extensive policy dialogue with government of Gujarat as part of Loan 1506-IND: Gujarat Public Sector Resource Management Program, and the ongoing Loans 1703 and 1704-IND: Gujarat Power Sector Development Program.
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority)	NC (ECO)
Environmental Classification:	to be determined
Social Issues:	to be determined

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ECO = economic growth, ESW = Economic and Sector Work, IWEN = Energy Division West, NC = not classified, PPTA = project/program preparatory technical assistance, PW2 = Programs Division West 2.

Table A6.13: Project Selection Brief for Rural Electrification

A. Data	
Project Number:	
Country:	India
Sector:	Energy
Subsector:	Power
Project Division:	IWEN
Contact Person in Projects Division:	B. Karunaratne
Programs Division:	PW2
Tentative Loan Amount According to CSP:	\$250 million
Proposed Lending Modality:	DFI type
PPTA:	Support for Rural Electrification and Poverty Reduction
Proposed PPTA Amount:	\$1 million
Attached ADTA:	to be determined
Proposed ADTA Amount:	to be determined
Start Predesign Phase:	During the PPTA implementation phase
Start Design Phase:	
Approval Year According to CSP:	2004
Proposed Executing Agency:	Rural Electrification Corporation Ltd.
Contact Person in Proposed Executing Agency:	D. Dev, Chairman and Managing Director
B. Description	
Brief Rationale of Project:	Although 86 percent of villages in India is considered to be electrified, access to electricity by villagers is limited by system constraints. Distribution systems and the quality of supply must be improved. Innovative financing mechanisms must be devised to help the poor meet the cost of service connections. The project will (i) implement measures to improve institutional arrangements and operational practices; (ii) finance improvements in rural electrification systems; and (iii) implement suitable financing mechanisms to help the poor access electricity services in selected reform-minded states.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	PPTA to be undertaken during 2002
Comparative Advantage of ADB in Proposed Project:	ADB's experience in state-level operations in India and its familiarity with DFI lending
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority)	PI (ECO)
Environmental Classification:	to be determined
Social Issues:	to be determined

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DFI = developing finance institution, DMC = developing member country, ECO = economic growth, ESW = Economic and Sector Work, IWEN = Energy Division West, PI = poverty intervention. PPTA = project/program preparatory technical assistance, PW2 Programs Division West 2.

**Table A6.14: Project Selection Brief for
Urban Development, Environmental Improvement and Poverty Reduction in Kerala**

A. Data	
Project Number:	32300
Country:	India
Sector:	Social Infrastructure
Subsector:	Urban Development and Housing
Project Division:	AWWU
Contact Person in Projects Division:	H. Kim
Programs Division:	PW2
Tentative Loan Amount According to CSP:	\$200 million
Proposed Lending Modality:	Project Loan
PPTA:	Urban Development, Environmental Improvement and Poverty Reduction (Kerala)
Proposed PPTA Amount:	\$1 million
Attached ADTA:	NA
Proposed ADTA Amount:	NA
Start Predesign Phase:	2002
Start Design Phase:	2002
Approval Year According to CSP:	2004
Proposed Executing Agency:	to be determined
Contact Person in Proposed Executing Agency:	to be determined
B. Description	
Brief Rationale of Project:	The project will facilitate sustainable urban development in selected urban growth centers in Kerala by addressing critical environmental improvement needs. The project will help the government of Kerala improve urban management and services, and strengthen municipal institutions. The project is expected to include solid waste management and control, environmental monitoring and improvement, institutional development, and street and traffic improvements.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	An urban sector profile of Kerala will be prepared under the PPTA.
Comparative Advantage of ADB in Proposed Project:	Kerala is one of ADB's three focal states.
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority)	PI (ENV)
Environmental Classification:	to be determined
Social Issues:	to be determined

ADB = Asian Development Bank, ADTA = advisory technical assistance, AWWU = Water Supply, Urban Development, and Housing Division West, CSP = country strategy and program, DMC = developing member country, ENV = environmental protection, ESW = Economic and Sector Work, NA = not applicable, PI = poverty intervention, PPTA = project/program preparatory technical assistance, PW2 = Programs Division West 2.

Table A6.15: Project Selection Brief for National Highways Corridor III

A. Data	
Project Number:	
Country:	India
Sector:	Transport
Subsector:	Road Sector
Project Division:	IWTC
Contact Person in Projects Division:	to be determined
Programs Division:	PW2
Tentative Loan Amount According to CSP:	\$250 million
Proposed Lending Modality:	Project Loan
PPTA:	National Highways Corridor (cluster)
Proposed PPTA Amount:	\$300,000
Attached ADTA:	NA
Proposed ADTA Amount:	NA
Start Predesign Phase:	
Start Design Phase:	
Approval Year According to CSP:	2004
Proposed Executing Agency:	National Highways Authority of India (NHAI)
Contact Person in Proposed Executing Agency:	
B. Description	
Brief Rationale of Project:	As part of the programmatic approach to lending to India's transport sector, the project will advance policy and institutional reforms to establishing an enabling environment for the sustainable and efficient development of the national highway system. The project will also reduce transport bottlenecks, particularly those along the East-West and North-South Corridors of the national highway system.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	Preparation of a road sector strategy Extensive interaction with the World Bank and Japan Bank for International Cooperation on policy and institutional reforms and geographic delineation NHAI-financed study of corridor development
Comparative Advantage of ADB in Proposed Project:	Long-term involvement in policy and institutional reforms of India's national highway system
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority)	NC (ECO, PSD)
Environmental Classification:	Category B
Social Issues:	to be determined

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ECO = economic growth, ESW = Economic and Sector Work, IWTC = Transport and Communications Division West, NA = not applicable, NC = not classified, NHAI = National Highways Authority of India, PSD = private sector development, PPTA = project/program preparatory technical assistance, PW2 = Programs Division West 2.

Table A6.16: Project Selection Brief for State Roads Project II

A. Data	
Project Number:	
Country:	India
Sector:	Transport
Subsector:	Road Sector
Project Division:	IWTC
Contact Person in Projects Division:	to be determined
Programs Division:	PW2
Tentative Loan Amount According to CSP:	\$200 million
Proposed Lending Modality:	Project Loan
PPTA:	State Roads Project II
Proposed PPTA Amount:	\$800,000
Attached ADTA:	NA
Proposed ADTA Amount:	NA
Start Predesign Phase:	
Start Design Phase:	
Approval Year According to CSP:	2004
Proposed Executing Agency:	to be determined
Contact Person in Proposed Executing Agency:	
B. Description	
Brief Rationale of Project:	As part of the programmatic approach to lending to India's transport sector, and as the second ADB intervention in the state road subsector, the Project will primarily aim at advancing policy and institutional reforms of the Public Works Department of the state (to be selected). The project will also reduce transport bottlenecks on state roads. The project will pursue the possibility of expanding the public-private partnership in road development and maintenance.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others:	Preparation of a road sector strategy Extensive interaction with World Bank on state roads sector development
Comparative Advantage of ADB in Proposed Project:	ADB has long been involved in national and state policy and institutional reforms in the transport sector in India. ADB's state-focused support for public resource management provides the framework for sustainable sector interventions.
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority)	NC (GG)
Environmental Classification:	to be determined
Social Issues:	to be determined

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, DMC = developing member country, ESW = Economic and Sector Work, GG = good governance, , IWTC = Transport and Communications Division West, NA = not applicable, NC = not classified, PPTA = project/program preparatory technical assistance, PW2 = Programs Division West 2.

Table A6.17: Project Selection Brief for Medium Towns Urban Development

A. Data	
Project Number:	
Country:	India
Sector:	Social Infrastructure
Subsector:	Urban Development and Housing
Project Division:	AWWU
Contact Person in Projects Division:	to be determined
Programs Division:	PW2
Tentative Loan Amount According to CSP:	\$200 million
Proposed Lending Modality:	Project Loan or SDP
PPTA:	Medium Towns Urban Development
Proposed PPTA Amount:	\$800,000
Attached ADTA:	NA
Proposed ADTA Amount:	NA
Start Predesign Phase:	2002
Start Design Phase:	2002
Approval Year According to CSP:	2004 standby
Proposed Executing Agency:	to be determined
Contact Person in Proposed Executing Agency:	to be determined
B. Description	
Brief Rationale of Project:	The project will support sustainable urban development and economic growth in selected secondary towns in reform-minded states of India. The project will develop basic urban services to spur growth of local business, improve the welfare of town residents, and reduce urban poverty. The project also aims to improve the institutional capacity of urban local bodies to provide and maintain efficient urban services.
Summary of Preparatory Work by DMC and/or ESW by ADB or Others	An urban sector study was prepared in 1998. An ongoing TA 3480-IND: Reducing Poverty in Urban India will identify issues facing the urban poor.
Comparative Advantage of ADB in Proposed Project:	Long-term involvement in urban infrastructure development in India
Rationale and Scope of Attached ADTA:	
Development Objective (thematic priority)	PI (HD)
Environmental Classification:	to be determined
Social Issues:	to be determined

ADB = Asian Development Bank, ADTA = advisory technical assistance, AWWU = Water Supply, Urban Development, and Housing Division West, CSP = country strategy and program, DMC = developing member country, ESW = Economic and Sector Work, HD = human development, NA = not applicable, PI = poverty intervention, PPTA = project/program preparatory technical assistance, PW2 = Programs Division West 2, SDP = Sector Development Program, TA = technical assistance.

TA CONCEPT PAPERS
Table A6.18: TA Concept Paper for
Power Sector Reform at State Level (Madhya Pradesh)

A. Profile	
Department, Division, RM, Officer Concerned:	IWD, IWEN, D. Graczyk
Type of TA (ADTA, PPTA, RETA):	ADTA
Name of Loan Project to follow (if PPTA):	
Country/Region (as applicable):	India
Sector/Subsector:	Energy, Power
Poverty Classification, and Thematic Priorities: ^a	ECO
Program Year: ^b	2002
Expected Approval Date (mo/yr):	February 2002
Estimated Completion Date:	June 2003
B. Concept and Design	
1. Rationale (specific problem/issues to be addressed in TA)	Further policy dialogue and implementation of state power sector reforms, including analysis of best practice for corporate restructuring of the State Electricity Board Development of transfer principles and schemes, and internal change management to establish a competitive business environment in the power sector
2. Relation to Strategic Objectives (How the TA addresses the following) <ul style="list-style-type: none"> • poverty reduction/thematic priorities • country strategy (where applicable) • regional cooperation 	Power Sector Reform in individual states is linked to the 1996 India Country Operational Strategy Study which introduced state-level operations and aims to improve the policy, institutional, and regulatory frameworks to foster private sector development. Power sector reform also targets good governance by supporting the establishment of a conducive and competitive business environment.
3. Scope (specific major components, e.g. capacity building)	The TA will review, assess, and propose best practices for transfer schemes of assets, liabilities and employees, necessary due to the unbundling of the Madhya Pradesh State Electricity Board (MPSEB). The TA will further help develop an outline and action program for implementation and completion of transfers.
4. Expected Outcome and Monitorable Indicators	Draft transfer schemes developed and for approval with government of Madhya Pradesh and MPSEB. Agreement reached on implementation and completion of transfers
5. Previous TA(s) on the Same Theme, in the sector, country, or region (last five years) <ul style="list-style-type: none"> • name, amount, status • assessment of outcome 	TA 2980-IND: Madhya Pradesh Power Sector Development Project for the review of electricity legislation and regulation (\$1 million) is ongoing. The TA is helping the government select a model for the restructured power sector and draft the Madhya Pradesh Power Sector Reform Bill.
6. Executing agency, implementing agency, counterpart agency (for RETA as applicable)	MPSEB and its successor entities in close collaboration with Energy Department of the Madhya Pradesh government
7. Cost and Financing Plan (i) ADB Financing (JSF, TASF) (ii) Sources other than JSF/TASF	\$600,000 (TASF)
8. Country, RETA IPF for relevant year	\$8 million

^a Economic growth, human development, gender and development, good governance, environmental protection, private sector development, regional cooperation.

^b Year of inclusion in CSP or CAP for transition period.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, ECO = economic growth, IPF = indicative planning figure, IWD = Infrastructure, Energy and Financial Sectors Department West, IWEN = Energy Division West, JSF = Japan Special Fund, MPSEB = Madhya Pradesh State Electricity Board, PPTA = project/program preparatory technical assistance, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

Table A6.19: TA Concept Paper for Mutual Funds

A. Profile	
Department, Division, RM, Officer Concerned:	IWD, IWFI, R. Limjoco
Type of TA (ADTA, PPTA, RETA):	ADTA
Name of Loan Project to follow (if PPTA):	
Country/Region (as applicable):	India
Sector/Subsector:	Finance, Capital Market Development
Poverty Classification and Thematic Priorities: ^a	ECO, GG
Program Year: ^b	2002
Expected Approval Date (mo/yr):	to be determined
Estimated Completion Date:	to be determined
B. Concept and Design	
1. Rationale (specific problem/issues to be addressed in TA)	To strengthen the operation of long-term debt and equity markets in India, the TA seeks to enhance the role of mutual funds in the capital market.
2. Relation to Strategic Objectives (How the TA addresses the following) <ul style="list-style-type: none"> • poverty reduction/thematic priorities • country strategy (where applicable) • regional cooperation 	Mutual funds provide small, retail investors with access to otherwise inaccessible capital markets, and mitigate risks of investment by institutionalizing and professionalizing investment.
3. Scope (specific major components, e.g. capacity building)	Review of the incentive structure for the possible reform of the industry, including the formulation of strategic options for the Unit Trust of India
4. Expected Outcome and Monitorable Indicators	Improved mobilization of long-term funds Liberalization of mutual funds operations More competition and efficiency
5. Previous TA(s) on the Same Theme, in the sector, country, or region (last five years) <ul style="list-style-type: none"> • name, amount, status • assessment of outcome 	
6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	to be determined
7. Cost and Financing Plan <ul style="list-style-type: none"> (i) ADB Financing (JSF, TASF) (ii) Sources other than JSF/TASF 	\$1 million (TASF)
8. Country, RETA IPF for relevant year	\$8 million

^a Economic growth, human development, gender and development, good governance, environmental protection, private sector development, regional cooperation.

^b Year of inclusion in CSP or CAP for transition period.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, ECO = economic growth, GG = good governance, IPF = indicative planning figure, IWD = Infrastructure, Energy and Financial Sectors Department West, IWFI = Financial Sector and Industry Division West, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

**Table A6.20: TA Concept Paper for
Institutional and Regulatory Framework for Urban Services**

A. Project Profile	
Department, Division, RM, Officer Concerned:	AWD, AWWU, to be determined
Type of TA (ADTA, PPTA, RETA):	ADTA
Name of Loan Project to follow (if PPTA):	
Country/Region (as applicable):	India
Sector/Subsector:	Social Infrastructure, Urban Development and Housing
Poverty Classification and Thematic Priorities: ^a	GG, PSD
Program Year: ^b	2002
Expected Approval Date (mo/yr):	April 2002
Estimated Completion Date:	December 2002
B. Concept and Design	
1. Rationale (specific problem/issues to be addressed in TA)	Urban water supply and sanitation in India suffers from inadequate cost recovery due largely to political interference. The TA will explore ways and means to set up a state regulatory framework for the subsectors.
2. Relation to Strategic Objectives (How the TA addresses the following) <ul style="list-style-type: none"> • poverty reduction/thematic priorities • country strategy (where applicable) • regional cooperation 	Water tariffs and sewage charges are politically sensitive issues and subject to political interference when tariffs and charges are increased to cover the cost of operation and maintenance. A regulatory framework will mitigate such interference and create a level playing field for private sector participation.
3. Scope (specific major components, e.g. capacity building)	Legal and policy assessments Institutional assessment Actions to establish the regulatory framework Follow-up assistance required
4. Expected Outcome and Monitorable Indicators	A clearly defined regulatory framework
5. Previous TA(s) on the Same Theme, in the sector, country, or region (last five years) <ul style="list-style-type: none"> • name, amount, status • assessment of outcome 	None
6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	to be determined
7. Cost and Financing Plan <ul style="list-style-type: none"> (i) ADB Financing (JSF, TASF) (ii) Sources other than JSF/TASF 	\$700,000 (TASF)
8. Country, RETA IPF for relevant year	\$8 million

^a Economic growth, human development, gender and development, good governance, environmental protection, private sector development, regional cooperation.

^b Year of inclusion in CSP or CAP for transition period.

ADB = Asian Development Bank, ADTA = advisory technical assistance, AWD = Agriculture and Social Sectors Department West, AWWU = Water Supply, Urban Development and Housing Division West, CSP = country strategy and program, GG = good governance, IPF = indicative planning figure, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, PSD = private sector development, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

Table A6.21: TA Concept Paper for North Eastern Region Urban Sector Profiles

A. Profile	
Department, Division, RM ,Officer Concerned:	AWD, AWWU, to be determined
Type of TA (ADTA, PPTA, RETA):	ADTA
Name of Loan Project to follow (if PPTA):	
Country/Region (as applicable):	India
Sector/Subsector:	Social Infrastructure, Urban Development and Housing
Poverty Classification and Thematic Priorities: ^a	GG, ECO
Program Year: ^b	2002
Expected Approval Date (mo/yr):	June 2002
Estimated Completion Date:	November 2002
B. Concept and Design	
1. Rationale (specific problem/issues to be addressed in TA)	The north east is one of the poorest regions in India, with poor urban infrastructure. To help the Government and ADB formulate a development strategy for the urban sector, the TA will provide essential sectoral information and highlight issues for intervention.
2. Relation to Strategic Objectives (How the TA addresses the following) <ul style="list-style-type: none"> • poverty reduction/thematic priorities • country strategy (where applicable) • regional cooperation 	Urban poverty is a major problem and slums have been growing in almost all urban centers. The TA will lay the ground-work for potential ADB lending for urban and environmental improvement, consistent with ADB country strategy.
3. Scope (specific major components, e.g. capacity building)	Review of urban sector in the state Urban needs assessments Preparation of reforms, action plans, and capacity-building programs Identification of potential projects
4. Expected Outcome and Monitorable Indicators	A sector profile with list of prioritized potential projects for a PPTA study
5. Previous TA(s) on the Same Theme in the sector, country, or region (last five years) <ul style="list-style-type: none"> • name, amount, status • assessment of outcome 	to be determined
6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	to be determined
7. Cost and Financing Plan <ul style="list-style-type: none"> (i) ADB Financing (JSF,TASF) (ii) Sources other than JSF/TASF 	\$ 150,000 (Other sources)
8. Country, RETA IPF for relevant year	\$8 million

^a Economic growth, human development, gender and development, good governance, environmental protection, private sector development, regional cooperation.

^b Year of inclusion in CSP or CAP for transition period.

ADB = Asian Development Bank, ADTA = advisory technical assistance, AWD = Agriculture and Social Sectors Department West, AWWU = Water Supply, Urban Development and Housing Division West, CSP = country strategy and program, ECO = economic growth, GG = good governance, IPF = indicative planning figure, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

**Table A6.22: TA Concept Paper for
West Bengal Private Sector Infrastructure Development**

A. Profile	
Department, Division, RM ,Officer Concerned:	IWD, IWTC, P. Valley
Type of TA (ADTA, PPTA, RETA):	ADTA
Name of Loan Project to follow (if PPTA):	
Country/Region (as applicable):	India
Sector/Subsector:	Transport, Roads
Poverty Classification and Thematic Priorities: ^a	PSD
Program Year: ^b	2002
Expected Approval Date (mo/yr):	January 2002
Estimated Completion Date:	March 2003
B. Concept and Design	
1. Rationale (specific problem/issues to be addressed in TA)	Private sector participation in infrastructure development in West Bengal is a relatively new and undeveloped concept. Balancing public and private interests requires complex contractual agreements that are not possible under the West Bengal statutory and regulatory setup. The study will (i) establish an enabling environment for infrastructure development by the private sector and (ii) engage the private sector in infrastructure funding.
2. Relation to Strategic Objectives (How the TA addresses the following) <ul style="list-style-type: none"> • poverty reduction/thematic priorities • country strategy (where applicable) • regional cooperation 	Develop a public-private partnership framework Put in place a legal and regulatory environment that allows private sector participation Draft concession documentation
3. Scope (specific major components, eg. capacity building)	Identify the institutional framework and process that the government can use to consider proposals from the private sector, up to contract negotiation Prepare and implement enabling legal, policy and regulatory measures to engage the private sector in highway infrastructure provision Identify and prioritize projects for private sector investment Prepare a feasibility study for a project suitable for private sector financing
4. Expected Outcome and Monitorable Indicators	Drafting legislation and regulations Establishment of a single agency with expertise in privatization Establishment of a process for the private sector to follow when bidding for privatized projects Drawing up of a prioritized list of potential projects for private sector funding Drafting of a contract and/or concession agreement for a selected project as basis for negotiation

5. Previous TA(s) on the Same Theme, in the sector, country, or region (last five years) • name, amount, status • assessment of outcome	TA 2986-IND: Western Transport Corridor—Facilitating Private Participation, approved in February 1998, for \$1 million, completed
6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	Government of West Bengal
7. Cost and Financing Plan (i) ADB Financing (JSF, TASF) (ii) Sources other than JSF/TASF	\$750,000 (TASF)
8. Country, RETA IPF for relevant year	\$8 million

^a Economic growth, human development, gender and development, good governance, environmental protection, private sector development, regional cooperation.

^b Year of inclusion in CSP or CAP for transition period.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, IPF = indicative planning figure, IWD = Infrastructure, Energy and Financial Sectors Department West, IWTC = Transport and Communications Division West, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, PSD = private sector development, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

**Table A6.23: TA Concept Paper for
Capacity Building in Economic and Poverty Monitoring at State Level**

A. Profile	
Department, Division, RM ,Officer Concerned:	PWD, PW2, to be determined
Type of TA (ADTA, PPTA, RETA):	ADTA
Name of Loan Project to follow (if PPTA):	
Country/Region (as applicable):	India
Sector/Subsector:	Others, Multisector
Poverty Classification and Thematic Priorities: ^a	GG
Program Year: ^b	2002
Expected Approval Date (mo/yr):	to be determined
Estimated Completion Date:	to be determined
B. Concept and Design	
1. Rationale (specific problem/issues to be addressed in TA)	In line with ADB's overarching goal of poverty reduction, and in the context of the continued shift of ADB operations to the state level, the TA will help state governments strengthen their capacity for economic and poverty monitoring.
2. Relation to Strategic Objectives (How the TA addresses the following) <ul style="list-style-type: none"> • poverty reduction/thematic priorities • country strategy (where applicable) • regional cooperation 	The TA helps state governments improve the timeliness and comprehensiveness of their information on socioeconomic development as feedback for policies to raise living standards and reduce poverty.
3. Scope (specific major components, e.g. capacity building)	to be determined
4. Expected Outcome and Monitorable Indicators	to be determined
5. Previous TA(s) on the Same Theme, in the sector, country, or region (last five years) <ul style="list-style-type: none"> • name, amount, status • assessment of outcome 	TA 3485-IND: Participatory Poverty Assessment at the State Level, approved in August 2000, \$690,000, ongoing
6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	to be determined
7. Cost and Financing Plan <ul style="list-style-type: none"> (i) ADB Financing (JSF, TASF) (ii) Sources other than JSF/TASF 	\$450,000 (Other sources)
8. Country, RETA IPF for relevant year	\$8 million

^a Economic growth, human development, gender and development, good governance, environmental protection, private sector development, regional cooperation.

^b Year of inclusion in CSP or CAP for transition period.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, GG = good governance, IPF = indicative planning figure, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, PW2 = Programs Division West 2, PWD = Programs Department West, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

Table A6.24: TA Concept Paper for Capacity Building for Project Implementation

A. Profile	
Department, Division, RM ,Officer Concerned:	PWD, INRM, T. Kandiah
Type of TA (ADTA, PPTA, RETA):	ADTA
Name of Loan Project to follow (if PPTA):	
Country/Region (as applicable):	India
Sector/Subsector:	Others, Multisector
Poverty Classification and Thematic Priorities: ^a	GG
Program Year: ^b	2002
Expected Approval Date (mo/yr):	to be determined
Estimated Completion Date:	to be determined
B. Concept and Design	
1. Rationale (specific problem/issues to be addressed in TA)	With the increase in ADB's portfolio in India and the shift of ADB operations to urban development and state level assistance, more executing agencies will become involved in ADB projects. The TA will strengthen project implementation through training and a sustainable "train-the-trainers" program.
2. Relation to Strategic Objectives (How the TA addresses the following) <ul style="list-style-type: none"> • poverty reduction/thematic priorities • country strategy (where applicable) • regional cooperation 	The TA will help improve the developmental impact of ADB's interventions, make the country strategy more effective and reduce poverty.
3. Scope (specific major components, e.g. capacity building)	to be determined
4. Expected Outcome and Monitorable Indicators	to be determined
5. Previous TA(s) on the Same Theme, in the sector, country, or region (last five years) <ul style="list-style-type: none"> • name, amount, status • assessment of outcome 	
6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	Department of Economic Affairs
7. Cost and Financing Plan <ul style="list-style-type: none"> (i) ADB Financing (JSF,TASF) (ii) Sources other than JSF/TASF 	\$400,000 (TASF)
8. Country, RETA IPF for relevant year	\$8 million

^a Economic growth, human development, gender and development, good governance, environmental protection, private sector development, regional cooperation.

^b Year of inclusion in CSP or CAP for transition period.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, GG = good governance, INRM = India Resident Mission, IPF = indicative planning figure, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, PWD = Programs Department West, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

Table A6.25: TA Concept Paper for Madhya Pradesh Power Sector Development II

A. Profile	
Department, Division, RM ,Officer Concerned:	IWD, IWEN, D. Graczyk
Type of TA (ADTA, PPTA, RETA):	PPTA
Name of Loan Project to follow (if PPTA):	Madhya Pradesh Power Sector Development II
Country/Region (as applicable):	India
Sector/Subsector:	Energy, Power
Poverty Classification and Thematic Priorities: ^a	ECO
Program Year: ^b	2003 (PPTA), 2005 (Loan)
Expected Approval Date (mo/yr):	March 2003
Estimated Completion Date:	September 2004
B. Concept and Design	
1. Rationale (specific problem/issues to be addressed in TA)	Madhya Pradesh Power Sector Development is to proceed in phases. After the unbundling of the vertically integrated monopoly and creation of independent sector regulation under stage 1, the PPTA will prepare for stage 2. A long-term sector model for the power sector was agreed upon by the Madhya Pradesh government and ADB. Stage 2 will increase private sector involvement in power distribution and generation, create an independent system operator, and further restructure the financial aspect and increase the viability of the power sector.
2. Relation to Strategic Objectives (How the TA addresses the following) <ul style="list-style-type: none"> • poverty reduction/thematic priorities • country strategy (where applicable) • regional cooperation 	Power sector reform in individual states is linked to the 1996 India Country Operational Strategy which introduced state-level operations and aims to improve policy, institutional and regulatory frameworks to develop the private sector. Power sector reform also targets good governance by supporting the creation of conducive and competitive business environment.
3. Scope (specific major components, e.g. capacity building)	The TA will review, assess and propose best practices for increased private sector involvement in power distribution and generation, creation of an independent system operator, and introduction of a wholesale power pool.
4. Expected Outcome and Monitorable Indicators	Agreements reached based on findings and recommendations of the PPTA will be required to process the proposed loan.
5. Previous TA(s) on the Same Theme, in the sector, country, or region (last five years) <ul style="list-style-type: none"> • name/amount/status • assessment of outcome 	TA 2980-IND: Madhya Pradesh Power Sector Development Project, for review of electricity legislation and regulation, approved in January 1998, \$1 million, is ongoing. The TA helped select a model for the restructured power sector and draft the Power Sector Reform Bill.
6. Executing agency, implementing agency, counterpart agency (for RETA as applicable)	The state government and its successor entities in close cooperation with the state Energy Department
7. Cost and Financing Plan <ul style="list-style-type: none"> (i) ADB Financing (JSF,TASF) (ii) Sources other than JSF/TASF 	\$1.5 million (TASF)
8. Country, RETA IPF for relevant year	\$8 million

^a Economic growth, human development, gender and development, good governance, environmental protection, private sector development, regional cooperation.

^b Year of inclusion in CSP or CAP for transition period.

ADB = Asian Development Bank, ADTA = advisory technical assistance, CSP = country strategy and program, ECO = economic growth, IPF = indicative planning figure, IWD = Infrastructure, Energy and Financial Sectors Department West, IWEN = Energy Division West, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

Table A6.26: TA Concept Paper for North Eastern Region Urban Development

A. Profile	
Department, Division, RM ,Officer Concerned:	AWD, AWWU, to be determined
Type of TA (ADTA, PPTA, RETA):	PPTA
Name of Loan Project to follow (if PPTA):	
Country/Region (as applicable):	India
Sector/Subsector:	Social Infrastructure, Urban Development and Housing
Poverty Classification and Thematic Priorities: ^a	HD, ENV
Program Year: ^b	2003 (PPTA), 2005 (Loan)
Expected Approval Date (mo/yr):	to be determined
Estimated Completion Date:	to be determined
B. Concept and Design	
1. Rationale (specific problem/issues to be addressed in TA)	North eastern region is one of the poorest regions in India. Urban and environmental conditions are poor due to lack of investment and inadequate maintenance. The project will help the Government improve urban and environmental conditions by integrating social welfare concerns with infrastructure improvement.
2. Relation to Strategic Objectives (How the TA addresses the following) <ul style="list-style-type: none"> • poverty reduction/thematic priorities • country strategy (where applicable) • regional cooperation 	The project will improve basic urban services and support slum improvement thereby fostering human development and enhancing environmental protection.
3. Scope (specific major components, e.g. capacity building)	to be determined
4. Expected Outcome and Monitorable Indicators	Proposed integrated urban and environmental infrastructure project for ADB financing.
5. Previous TA(s) on the Same Theme, in the sector, country, or region (last five years) <ul style="list-style-type: none"> • name, amount, status • assessment of outcome 	North Eastern Region Urban Sector Profiles, ADTA proposed for 2002
6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	to be determined
7. Cost and Financing Plan <ul style="list-style-type: none"> (i) ADB Financing (JSF,TASF) (ii) Sources other than JSF/TASF 	\$1 million (TASF)
8. Country, RETAs IPF for relevant year	\$8 million

^a Economic growth, human development, gender and development, good governance, environmental protection, private sector development, regional cooperation.

^b Year of inclusion in CSP or CAP for transition period.

ADB = Asian Development Bank, ADTA = advisory technical assistance, AWD = Agriculture and Social Sectors Department West, AWWU =Water Supply, Urban Development and Housing Division West, CSP = country strategy and program, ENV = environmental protection, HD = human development, IPF = indicative planning figure, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.

Table A6.27: TA Concept Paper for State Level Housing Finance Project

A. Profile	
Department, Division, RM ,Officer Concerned:	AWD/AWWU/to be determined
Type of TA (ADTA, PPTA, RETA):	PPTA
Name of Loan Project to follow (if PPTA):	
Country/Region (as applicable):	India
Sector/Subsector:	Social Infrastructure, Urban Development and Housing
Poverty Classification and Thematic Priorities: ^a	HD
Program Year: ^b	2004(PPTA), 2005/06 (Loan)
Expected Approval Date (mo/yr):	to be determined
Estimated Completion Date:	to be determined
B. Concept and Design	
1. Rationale (specific problem/issues to be addressed in TA)	Housing is an asset and a work place for many low-income people. Housing finance will enable the poor to improve their living conditions as well as working environment, directly reducing poverty.
2. Relation to strategic objectives (How the TA addresses the following) <ul style="list-style-type: none"> • poverty reduction/thematic priorities • country strategy (where applicable) • regional cooperation 	
3. Scope (specific major components, e.g. capacity building)	to be determined
4. Expected Outcome and Monitorable indicators	to be determined
5. Previous TA(s) on the same theme, in the sector, country, or region (last five years) <ul style="list-style-type: none"> • name, amount, status • assessment of outcome 	
6. Executing agency, implementing agency, counterpart agency (for RETAs as applicable)	to be determined
7. Cost and Financing Plan <ul style="list-style-type: none"> (i) ADB Financing (JSF,TASF) (ii) Sources other than JSF/TASF 	\$600,000 (TASF)
8. Country, RETA IPF for relevant year	\$8 million

^a Economic growth, human development, gender and development, good governance, environmental protection, private sector development, regional cooperation.

^b Year of inclusion in CSP or CAP for transition period.

ADB = Asian Development Bank, ADTA = advisory technical assistance, AWD = Agriculture and Social Sectors Department West, AWWU = Water Supply, Urban Development and Housing Division West, CSP = country strategy and program, HD = human development, IPF = indicative planning figure, JSF = Japan Special Fund, PPTA = project/program preparatory technical assistance, RETA = regional technical assistance, RM = resident mission, TA = technical assistance, TASF = Technical Assistance Special Fund.