

## DEVELOPMENT COORDINATION

### A. Major Development Partners: Strategic Foci and Key Activities

1. The rail and urban transport subsectors in India have received considerable external support from the Asian Development Bank (ADB) and its major development partners, notably the Agence Française de Développement, the Japan International Cooperation Agency (JICA), and the World Bank. Although ADB previously focused on policy support and capacity development of the main railways, it has expanded its intervention into the rail and urban transport subsectors through the Mumbai Metro Rail Systems Project. The project is ADB's single biggest infrastructure loan to India that is expected to decongest the largest city in the country. The Agence Française de Développement prioritizes projects for promoting mobility in the second-tier cities. JICA and the World Bank focus on the development of major urban railway infrastructure. In particular, JICA has provided extensive assistance to metro projects in many of the major cities in India, most prominently to the multiple phases of the Delhi Mass Rapid Transport Projects (Delhi metro) in the National Capital Region. The Delhi metro opened its first commercial operation, the Red Line, in December 2002 and has grown to become one of the world's largest mass rapid transit networks, with a total length of 373 kilometers and 271 stations. The Delhi metro is also executing an institutional prototype of a metro project in India, with its structure of sharing equal ownership between the central and the state governments. In 2018, JICA inaugurated the flagship project for the construction of the Mumbai–Ahmedabad High Speed Rail. Specifically, the World Bank has supported the development of urban transport systems in Mumbai over two phases of the Mumbai Urban Transport Project. The following table summarizes recent external assistance to the rail and urban transport subsectors in India.

<b>Major Development Partners in India's Rail and Urban Public Transport Subsectors</b>			
Development Partner	Project Name	Duration	Amount (million)
ADB	Railway Sector Improvement Project	2002–2012	\$212
	Railway Sector Investment Program	2011–2021	\$500
	Jaipur Metro Rail Line 1–Phase B Project	2013–2020	\$157
	Mumbai Metro Rail Systems Project	2019–2023	\$926
	<b>Subtotal</b>		<b>\$1,795</b>
AFD <sup>a</sup>	A Metro to Relieve Congestion and Reduce Carbon Emissions in Bangalore	2013–	€310
	Helping Kochi Sustainably Restructure Its Urban Mobility	2014–	€360
	Promoting Sustainable Low-Carbon Mobility in Nagpur	2016–	€130
	Accessible and Sustainable Urban Mobility in Pune	2019–2024	€245
	<b>Subtotal</b>		<b>€1,045</b>
JICA	Delhi Mass Rapid Transport System Project	1997–2011	¥14,760
	Delhi Mass Rapid Transport System Project (II)	2001–2010	¥6,732
	Delhi Mass Rapid Transport System Project (III)	2002–2010	¥28,659
	Delhi Mass Rapid Transport System Project (IV)	2003–2010	¥34,012
	Delhi Mass Rapid Transport System Project (V)	2004–2013	¥59,296
	Delhi Mass Rapid Transport System Project (VI)	2005–2010	¥19,292
	Delhi Mass Rapid Transport System Project (Phase 2) (I)	2006–2010	¥14,900
	Bangalore Metro Rail Project	2006–2014	¥44,704
	Delhi Mass Rapid Transport System Project (Phase 2) (II)	2007–2010	¥13,583
	Delhi Mass Rapid Transport System Project (Phase 2) (III)	2007–2010	¥72,100
	Kolkata East–West Metro Project	2008–2013	¥6,437
	Chennai Metro Project	2008–2015	¥21,751
	Delhi Mass Rapid Transport System Project (Phase 2) (IV)	2009–2010	¥77,753
	Delhi Mass Rapid Transport System Project (Phase 2) (V)	2010–2013	¥33,640
	Kolkata East–West Metro Project (II)	2010–2014	¥23,402
Chennai Metro Project (II)	2010–2015	¥59,851	
Bangalore Metro Rail Project (II)	2011–2014	¥19,832	
Delhi Mass Rapid Transport System Project (Phase 3)	2012–2020	¥127,917	

Development Partner	Project Name	Duration	Amount (million)
	Delhi Mass Rapid Transport System Project (Phase 3) (II)	2012–2020	¥140,000
	Chennai Metro Project (III)	2013–2015	¥48,691
	Mumbai Metro Line 3 Project	2013–2019	¥71,000
	Chennai Metro Project (IV)	2016	¥19,981
	Ahmedabad Metro Project (I)	2016–2020	¥82,434
	Chennai Metro Project (V)	2017–2020	¥33,321
	Mumbai Metro Line 3 Project (II)	2018–2021	¥100,000
	Kolkata East–West Metro Project (III)	2018–2021	¥25,903
	Delhi Mass Rapid Transport System Project (Phase 3) (III)	2018–2022	¥53,675
	Project for Construction of Mumbai–Ahmedabad High Speed Rail (I)	2018–2025	¥89,547
	Project for Construction of Mumbai–Ahmedabad High Speed Rail (II)	2018–2025	¥150,000
	Chennai Metro Project (Phase 2) (I)	2018–2028	¥75,519
	<b>Subtotal</b>		<b>¥1,568,692</b>
World Bank	Mumbai Urban Transport Project	2002–2011	\$542
	Sustainable Urban Transport Project (IBRD)	2009–2014	\$105
	Sustainable Urban Transport Project (GEF)	2009–2014	\$20
	Mumbai Urban Transport Project–2A	2010–2016	\$344
	<b>Subtotal</b>		<b>\$1,011</b>

ADB = Asian Development Bank, AFD = Agence Françoise de Développement, GEF = Global Environment Facility, IBRD = International Bank for Reconstruction and Development, JICA = Japan International Cooperation Agency.

<sup>a</sup> Except for Accessible and Sustainable Urban Mobility in Pune, the end of the duration is not publicly disclosed.

Source: Asian Development Bank.

## B. Institutional Arrangements and Processes for Development Coordination

2. The Government of India's Department of Economic Affairs, through its Multilateral Institutions Division, oversees and coordinates the activities of India's various development partners to ensure that assistance is harmonized and grounded in the country's development plan. ADB support has been established in close collaboration with other development partners, particularly JICA and the World Bank. Together, ADB, JICA, and the World Bank account for a significant portion of development assistance in India. Regular coordination with JICA seeks to explore development synergies. Cooperation between ADB and JICA has been active, particularly in the rail and urban transport subsectors. Joint ADB and World Bank mini-retreats for transport operations in South Asia, with the participation of staff from headquarters, have become a regular practice. Harmonization of assistance with development partners includes the macrolevel geographic distribution of activities and the sector focus for each institution's state-level operations.

3. **Three-way collaboration.** ADB, the Asian Infrastructure Investment Bank (AIIB), and the New Development Bank (NDB) are collaborating to develop the first line of the regional rapid transit system network—the Delhi–Meerut corridor. ADB and the AIIB will both finance critical civil works needed for the operations of these lines. ADB financing will support a large portion of civil works, including underground tunnels and stations, electromechanical systems, depot construction, and equipment. AIIB financing will be used to procure part of the civil work contracts, which will be partially administered by ADB. NDB financing, on the other hand, will be used to procure part of the rolling stock, the signaling and telecommunication system, and to build multistory staff quarters and connectivity from Mathura road to the Jangpura stabling yard complex. These will be under separate contracts and will not be administered by ADB. ADB, AIIB, and the NDB will collaborate to the extent required for smooth project implementation.

## C. Achievements and Issues

4. ADB's country partnership strategy for India, 2018–2022 recognizes the need for improved

transport, including rail and urban transport.<sup>1</sup> Urban areas contribute about 60% of India's national economic growth and more than 90% of government revenues. Rapid urbanization is expected to increase these shares, but poor urban transport infrastructure and services could constrain inclusive economic growth. More efficient urban rail transport services are expected to optimize the modal mix in the country's transport systems, which contribute to India's ability to compete in international trade and attract foreign direct investment, and to environmental sustainability. ADB's sector strategy aims to bring about overall improvements in urban public transport systems for urban populations in Asia by assisting in the development of safe, secure, accessible, rapid, efficient, and user-friendly transport that can reduce pollution, congestion, and accidents. The strategy also emphasizes the need for integrated urban transport planning for realizing sustainable urban development. Working in close coordination with JICA and the World Bank, ADB's focus has moved on from overall railway subsector reform to promoting the mobility and connectivity of urban India. The Government of India has also undertaken its own initiatives to improve the urban transport system through capacity building and capital support.

5. An evaluation of ADB support to India's transport sector found that (i) ADB's strategic selection and priority areas of involvement in the sector were significant and appropriate to the country's needs; (ii) ADB assistance helped improve the quality and capability of road and railway infrastructure; and (iii) ADB added significant value in promoting policy development; institutional strengthening; private sector participation; and increased compliance with and public awareness of social safeguards, road safety, and related issues. However, the main weaknesses identified were poor project design, limited enforcement of safeguards, and lack of progress in addressing some key policy issues, particularly with respect to railways.<sup>2</sup> Project designs are being simplified to focus on improving the performance of the executing agency in core functions, and assistance is being provided during project preparation to address issues of safeguard compliance.

#### **D. Summary and Recommendations**

6. In addition to close coordination with government agencies, collaboration with other development partners will be pursued, particularly on sector development and possible cofinancing. Strengthening development coordination in India will (i) ensure harmonization and avoid duplication of activities; (ii) benefit the country's transport systems by maximizing the results of its development agenda and reform programs; and (iii) help address sector development and policy issues more systematically, with focused support for reforms and capacity building by each development partner and increased accountability, resulting in greater development impact.

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<sup>1</sup> ADB. 2017. [Country Partnership Strategy: India, 2018-2022—Accelerating Inclusive Economic Transformation](#). Manila.

<sup>2</sup> Independent Evaluation Department. 2007. [Sector Assistance Program Evaluation: Transport Sector in India—Focusing on Results](#). Manila: ADB.