

Consultations with Stakeholders from India on “Road to 2030”: ADB’s New Strategy Note-to-File

A. Introduction

1. A mission led by Indu Bhushan (Director General, SPD) consulted various stakeholders in India during 10–12 August 2016.¹ The purpose of the mission was to seek stakeholders’ views and perspectives on ADB’s vision, strategic priorities, positioning, and value addition under the new strategy leading to 2030. The list of officials and stakeholders consulted is attached.

B. Main Inputs from Stakeholders

2. Officials from the Department of Economic Affairs reiterated the importance and relevance of the Asian Development Bank (ADB) as a main development partner of India. They underlined the value they attach to the relationship with ADB to help address the very significant development challenges India still faces. They particularly emphasized the need for ADB to upscale and enlarge the volume of its lending assistance to the country in view of its large development needs. Officials noted that even with the new development institutions such as AIIB and NDB coming on stream, more support from ADB was still needed. This was reiterated by the Government of the state of Rajasthan with their request for continued ADB support for infrastructure, skills development and other areas.

3. In addition to the scale and size of support, officials emphasized that the speed of ADB’s support requires acceleration and improvement. They felt that the timely and effective delivery of ADB’s assistance continues to be held back because of long processing times, operational delays, and low disbursements. The quality of ADB’s support has to improve for its operational portfolio to have a truly transformative impact.

4. Officials at both the central level and in Rajasthan state underlined the importance of knowledge transfer from ADB as being pivotal and of real value-addition to improving the quality of development outcomes. The view was that ADB is, however, currently less than fully effective in this knowledge role although there is huge potential for it to utilize its vast knowledge reservoir to promote innovation and best practice.

5. A summary of the main inputs and perspectives emerging from the consultations is as follows.

a) ADB’s vision and strategic agendas

- The proposed broadening of ADB’s vision statement makes sense and will help align ADB’s support with the Sustainable Development Goals (SDGs) and support DMCs in meeting their intended nationally determined contributions (INDCs) with respect to the COP 21 climate agreement. The vision should be made people-centric. An alternate

¹ The mission included Safdar Parvez, Principal Planning and Policy Economist. Teresa M. Kho, Country Director, India Resident Mission; Leonardus Boenawan Sondjaja, Deputy Country Director; Johanna Boestel, Principal Economist; Rajesh K. Deol, Senior External Relations Officer; and K. Balaji, Operations Coordinator; joined the various mission meetings and contributed valuable insights. The mission thanks INRM, and in particular K. Balaji; Yashpal Singh Patwal, Senior Operations Assistant; and Poornima Prasad, Executive Assistant; for the excellent arrangements for the mission.

view was that ADB needs a more precise and institutional vision for itself that can guide its future work and position itself effectively in the transforming Asia and Pacific region.

- The proposed strategic agendas are relevant. To implement these agendas, close mapping of ADB's support with the SDGs is important. The pursuit of inclusive growth is particularly critical. Concerted efforts for job generation are needed. Emphasis on building last-mile connectivity is key to opening up new opportunities in deprived and under-developed areas. Promoting environmental sustainability is a big priority. A major focus on improving governance and quality of institutions is needed. More efforts for capacity building are also required, particularly for urban local bodies. ADB has so far not paid sufficient attention to these areas.
- Urban development and transformation, renewable energy development, skills generation, and providing access to finance for the poor should remain on the top of ADB's strategic priorities. Support for education and health is important. ADB should also provide more direct support for industrial development and work with para-statal organizations. Small-enterprise development should be prioritized. In all these areas, ADB should place greater focus on uplifting the efficiency and quality of its development assistance.

b) ADB's engagement principles

- Differentiated approaches and strategies for different groups of countries are certainly needed. Maintaining country focus will be important and how this will be achieved requires further elaboration in the strategy.
- Expanding ADB's private sector operations is, of course, important and ADB needs to ensure that public sector operations do not claim all its resources. However, ADB's current engagement with the private sector in India is neither in challenging sectors nor in frontier regions and low-income states. The direction of ADB's private sector engagement in India has to change to improve its development impact.
- More stress should be laid on innovation and for supporting the role of the private sector in areas such as cross-border corridor development for greater trade competitiveness and on catalyzing public-private partnerships in non-infrastructure and the services sectors. Introducing and integrating modern technologies in project support is vital. ADB's pioneering support for a solar park in Gujarat is an outstanding example of ADB's innovative approach.
- The use of country systems is critical to build national ownership of projects, accelerate project processing and execution, and strengthen delivery of results. ADB should give a clear timeline for the adoption of country systems.

c) Policies, business processes, products and organization

- ADB's business processes need to be urgently improved and streamlined to cut delays in project processing and implementation and reduce transaction costs for clients.
- Disbursements alone should not be the main measure of project performance. ADB should put a commensurate focus on ensuring project quality.

- ADB should revisit its contracting and management of consultants. Performance and accountability standards for consultants should be enhanced.
- ADB should remain competitive in its loan pricing. In the current environment of low interest rates, the private sector can, in fact, raise cheaper funds from the market and for tenors similar to those offered by ADB.
- ADB should take more equity stakes in projects. It should also be involved in underwriting projects to attract private sector participation. Modalities to assist local banks in dealing with stressed assets and projects will help. Credit enhancement of local bond issues is needed.
- Local currency financing is welcome. But the rupees required should be raised from overseas markets.
- In the context of ADB's unified organizational structure that supports both public and private sector operations, the attention to private sector operations is somewhat overshadowed by the primacy of public sector operations. ADB should consider a dedicated and separate presence for its private sector operations on the lines of the International Finance Corporation.

d) Partnerships

- ADB's modalities for engaging with civil society institutions are unclear. More direct interaction between ADB and civil society is needed to clarify partnership modalities and priorities. ADB should provide grant-based and soft loan assistance to civil society institutions. Partnerships with youth are critical for their intellectual and professional development. Even where jobs are available, the employability potential of the youth is weak due to lack of skills and inadequate preparedness to enter the job market.

C. Next Steps

6. This valuable feedback and perspectives received from the consultations is being disseminated online through the ADB website. The perspectives gained from the mission will be taken into account in preparing the new strategy.

List of Persons Consulted

Government Officials

1. Mr. Om Prakash Meena, Chief Secretary, Government of Rajasthan
2. Mr. Dinesh Sharma, Special Secretary, Department of Economic Affairs (DEA), Ministry of Finance (MOF)
3. Mr. Raj Kumar, Joint Secretary, DEA, MOF
4. Mr. Naveen Mahajan, Secretary (Budget), Finance Department, Government of Rajasthan
5. Mr. Akhil Arora, Secretary (Planning), Planning Department, Government of Rajasthan
6. Mr. Rishikesh Singh, Director, MOF
7. Mr. Anil Pradhan, Under Secretary (ADB-I)
8. Mr. Pritam Yashwant, Project Director, RUIDP, Government of Rajasthan
9. Mr. Pradeep Kapoor, Senior Town Planner, Urban Department, Government of Rajasthan
10. Mr. M.L.N. Sastry, Section Officer, DEA, MOF

Representatives from Private Sector Organizations

1. Mr. Suresh Warriar, Head (Global Financial), Axis Bank
2. Mr. Pranav Kumar, Head, Trade Policy, Confederation of Indian Industry (CII)
3. Mr. Akram Hoque, Executive Officer (Multilateral), CII
4. Mr. Rahul Mithal, Group General Manager (SPC), Container Corporation of India
5. Mr. Sameer Bhatia, President, CRISL Infrastructure Advisory
6. Mr. Gaurav Taneja, National Leader – Government & Public Sector, Ernst & Young LLP
7. Ms. Monika Dhole, Deputy Director, Federation of Indian Chambers of Commerce & Industry (FICCI)
8. Ms. Pragati Srivastava, Joint Director, FICCI
9. Mr. Sanjeev Ghai, Chief General Manager, India Infrastructure Finance Company Limited (IIFCL)
10. Ms. Madhuri Trivedi, Assistant General Manager, IIFCL
11. Mr. Gaurav Bhatiani, Chief Operating Officer (COO), Infrastructure Leasing & Financial Services (IL&FS) Ltd.
12. Mr. Rajender Mahajan, J. R. Laddha Financial Services Ltd.
13. Mr. Surinder Makhija, Jain Irrigation Systems Ltd.
14. Mr. Ramesh M. Bhujang, Group Head – Corporate & RA, L&T Infrastructure Finance Com. Ltd.
15. Mr. Himanshu Garg, Senior Manager – WBG, L&T Infrastructure Finance Com. Ltd.
16. Mr. V. K. Jain, Scientist, Ministry of New & Renewable Energy (MNRE)
17. Mr. Kameswara Rao, Partner-GRID, PricewaterhouseCoopers Pvt. Ltd. (PwC)
18. Mr. Piyush Mathur, Chief Financial Officer (CFO), Simpa Networks Ltd.
19. Mr. D. K. Aggarwal, Chairman (B&F Committee), SMC Investments and Advisors Ltd.
20. Mr. Arun Agrawal, Group President – International Banking & MNC Relationship, Yes Bank Ltd.
21. Ms. Roopa Dave, President – International Banking, Yes Bank Ltd.

Development Partners

1. Mr. Nicolas Fornage, Regional Director, Agence Francaise de Developpement (AFD)
2. Mr. Shouvik Datta, Sr. Programme Manager, Delegation of European Union

3. Ms. Susanne Dorasil, Head (Economic Cooperation & Development), Embassy of the Federal Republic of Germany
4. Mr. Wolfgang Köster, Development Advisor, Embassy of the Federal Republic of Germany
5. Dr. Guru G Koppa, Assistant Representative, Food and Agriculture Organization of the United Nations (FAO)
6. Dr. Wolfgang Hannig, Country Director, GIZ-India
7. Ms. Rasha Omar, Representative, International Fund for Agriculture Development (IFAD) in India
8. Mr. Sher Verick, Deputy Director, International Labour Organization
9. Mr. Ichiro Hayashidani, Chief Representative, Japan Bank for International Cooperation (JBIC)
10. Mr. Takema Sakamoto, Chief Representative, Japan International Cooperation Agency (JICA)
11. Mr. Anirban Kundu, Deputy Director, KfW India
12. Amb. Jonathan Addleton, Mission Director, United States Agency for International Development (USAID)
13. Mr. Ratnesh, Management Specialist, United Nations Development Programme (UNDP)
14. Mr. Joseph George, Research Associate, United Nations Economic & Social Commission for Asia & the Pacific (UN ESCAP)
15. Mr. Sudhir Singh, National Expert (Energy & Env.), United Nations Industrial Development Organization (UNIDO)
16. Dr. Rebecca R. Tavares, Representative, UN Women Office for India, Bhutan, Maldives and Sri Lanka
17. Dr. Hameed Nuru, Country Director, World Food Programme (WFP)
18. Dr. Satya Lenka, National Professional Officer, World Health Organization (WHO)

Representatives from Civil Society and Academia

1. Mr. Sandeep Saxena, Leader-CSR (Partnership), ActionAid India
2. Dr. Asad Umar, Sr. Programme Officer, Aga Khan Foundation (India)
3. Dr. Ranjana Kumari, Director, Centre for Social Research (CSR)
4. Ms. Valerie Hohman, Head (Organ. Deve.), CSR
5. Dr. Shanthi Srivastava, Director, India Development Foundation (IDF)
6. Dr. Pronab Sen, Country Director, International Growth Centre (IGC)
7. Dr. Jyoti Parikh, Executive Director, Integrated Research and Action for Development (IRADe)
8. Mr. Rajesh Chadha, Senior Fellow, National Council of Applied Economic Research (NCAER)
9. Dr. Debolina Kundu, Associate Professor, National Institute of Urban Affairs (NIUA)
10. Dr. Rajiv Seth, Pro Vice Chancellor, TERI University
11. Ms. Jot Prakash Kaur, Director (Integrity Pact), Transparency International India (TII)
12. Mr. Pankaj Kumar, Director (ALAC & Pahal), TII