Welcome to this second issue of our e-Newsletter.

Building on its successful launch in May, this issue aims to highlight the One ADB approach, a key element of ADB’s long-term Strategy 2030, which seeks to enable the integration of sovereign and nonsovereign operations and create synergies. The emphasis is to bring together expertise and knowledge across various ADB departments to better respond to the evolving needs of our member countries. Hence, we include the latest developments on nonsovereign operations starting from this issue.

The Spotlight features India’s urbanization push to drive its economic growth. We present the findings of the recent ADB-NITI Aayog study, which provides practical recommendations to promote cities as engines of India’s economic growth. The Call-to-Action section underscores ADB’s support to India’s logistics sector in line with the Prime Minister Gati Shakti initiative, while the rest of the newsletter provides an update on our operations, gender mainstreaming, regional cooperation initiatives, publications, and events.

On the operational side, the past few months were quite dynamic. Our South Asia Regional Department Director General Kenichi Yokoyama visited India in June to further our engagement with the Government of India on ADB’s strategic and operational priorities, the forthcoming new country partnership strategy, and regional cooperation and integration. The South Asia Subregional Economic Cooperation program, an ADB-supported regional cooperation and integration initiative, got a further boost with member countries deciding to strengthen its institutional mechanism, reorient its vision, and propose new initiatives at the recent nodal officials’ meeting. We are particularly excited with the proposal to set up the program’s Secretariat at ADB’s India Resident Mission. This proposal sits well with ADB’s continued focus on delivering client-centric solutions. We also conducted in July a dialogue with the states of Uttar Pradesh and Jharkhand on ADB’s approach to strategic engagement in their priority development areas.

After more than two years, the ADB Headquarters in Manila, Philippines has been fully reopened. By 1 September, all staff are expected to return to the office under hybrid work arrangements. This is a critical milestone moving towards pre-pandemic normalcy. It is encouraging to see our colleagues back in their offices and those from headquarters come and visit India physically to meet clients more frequently.

Let me stop here and invite you to enjoy the e-Newsletter. As always, we look forward to your valued comments and suggestions. Happy reading!
Fostering Cities to Become India’s Growth Engines

Glimpses of the Indore Integrated Control and Command Centre, envisaged to be the brain for city governance, traffic management, and disaster management, including a mobile app to record and redress citizen grievances. Smart City Indore is ranked the cleanest city in India (Photo courtesy of smartcityindore.org).
India is fast urbanizing, with a four fold increase in its urban population from 106 million in 1970 to 460 million in 2018, according to 2018 United Nations figures. By 2050, another 416 million will live in cities, making up 50% of India’s population.

Cities contribute over 60% of India’s gross domestic product. By that yardstick, India’s aspiration to become a global economic powerhouse will hinge on how it can manage its urbanization, which presents challenges as well as opportunities.

Policymakers in India are fully aware of the challenges as well as the potential of cities to serve as engines of economic and social development, creating jobs and generating wealth through economies of scale. Several national flagship initiatives and reforms related to urban sector planning underpin the Government of India’s earnest endeavor to guide the country’s urbanization. The government’s focus is not just on megacities and their hinterlands but also on developing smaller towns, Tier 2 and Tier 3 cities, as loci of economic growth.

How can India’s cities become engines of growth?

For that to happen, two complementary agendas must be pursued. On the one hand, cities need to become more livable through upgraded infrastructure and services such as reliable water, mobility, power, waste management, and affordable housing. On the other hand, cities must be fostered as hubs for entrepreneurship, jobs, logistics, and skills development to drive economic growth.

The pursuit of these agendas has not proved easy given the complex and multilayered governance architecture under which urban, industrial, and economic planning operates in India. How these complexities and other factors hold back the economic dynamism of cities was the focus of a recently published ADB–NITI Aayog study, Cities as Engines of Growth: TA-9508: Strengthening the States for broad based urban development. Informed by lessons from domestic and international cities, both successful and less than successful, and data establishing a link between urbanization and economic development, the study analyzes 11 cities from seven states to come up with five key recommendations. The study identifies bottlenecks that constrain cities from realizing their economic potential and discusses workable structures for governing cities that would provide solutions to the bottlenecks.

What can be done?

i) Holistic economic vision

The first and foremost recommendation of the study is for cities to develop a holistic economic vision. For that, a City Economic Council is proposed. The governance structure envisions bringing together the city and the state for coordinated planning and implementation. This includes politicians, the business community, and administrators including senior officials from state industry and urban departments. City mayors or municipal commissioners should further take an active role in disseminating the economic vision across various stakeholders and obtaining feedback during its development. An interdepartmental team that checks the progress and outcome of key investment projects should assist the council.

ii) Effective and consistent policies

Second, states and cities must work together to ensure that an effective and consistent set of policies, regulations, and investment promotions plans guide investment and business operation in cities. Creating a city-level single window for service sector industries and enacting legislation mandating time-bound services are examples of initiatives that may be taken up.

iii) Cities need a master plan

Third, states and cities need to create a master plan to enable integration of land use with inter–city and intra–city infrastructure and basic services like water supply, sewerage, and sanitation. An integrative regional approach to

Provision of urban services such as a reliable water supply helps to make cities more livable. School students in Karnataka’s Ilkal town are happy with the uninterrupted water supply their town receives – the first town in India to achieve the feat.

1 The states and cities were identified based on indicators of urban development, economic structure, measures of business environment, and infrastructure. The selected cities were: Machilipatnam and Vijayawada (Andhra Pradesh); Guwahati (Assam); Navsari and Vadodara (Gujarat); Hisar and Sonipat (Haryana); Dewas and Indore (Madhya Pradesh); Gangtok (Sikkim); and Nalgonda (Telangana).
planning should be pursued by mapping commuting regions in the city and the resilient infrastructure to be developed. All agencies should coordinate to integrate the economic vision with the master plan and its implementation. To promote city-level revenue generation, a capital expenditure plan to identify projects and schemes that are economically self-sustaining could be prepared.

iv) Land issues need to be resolved

Land supply and land acquisition issues need to be resolved to enable development. For this, land records systems should be digitized, building by-laws that constrain the supply of space reexamined, and alternative models of land acquisition explored — for instance, the land-for-land compensation scheme.

v) Affordable housing for workers

Lastly, cities need to provide affordable housing for workers. This is critical from the perspective of an individual worker’s welfare and also from the perspective of a city’s contribution to economic growth. As international evidence shows, cities that failed to provide affordable housing to workers also failed to build on initial economic stimuli.

In conclusion, cities must be managed well, with synchronized spatial and economic plans, and appropriate and timely infrastructure investments to realize their potential as engines of growth.

ADB Support to Urban Development in India

ADB has extensively supported India’s urban sector since 1995 with focus on expanding the coverage, quality, and continuity of basic services to improve urban quality of life. Also, ADB supports policy reform, institutional development, and improved governance of urban services for sustainable urban development.

In line with ADB’s long-term Strategy 2030, which emphasizes providing integrated solutions to help build livable cities that are green, resilient, and inclusive, ADB pursues crosscutting projects to promote urban mobility, gender equality, and environmental sustainability. ADB interventions also help cities explore new sources of funding, enhance inclusive and participatory urban planning, and integrate climate resilience and disaster risk management considerations into urban planning processes.

Initiatives such as transit-oriented development and multimodal integration aim at boosting economic activity and ease of mobility across different modes of transport while reducing carbon footprint on ecology.

To reduce urban congestion and promote sustainable urban mobility, ADB is supporting metro and regional rapid transit systems. Current projects cover the Mumbai, Bengaluru, and Chennai metros and the Delhi–Meerut corridor.

As India looks to promote cities as engines of its economic growth, the nature of ADB’s support for the urban sector is evolving to support this agenda. Increasingly, ADB is looking at supporting policy reforms in India’s cities. In 2021, ADB approved a policy-based loan for the Ministry of Housing and Urban Affairs to support the government’s sectoral reform agenda under the Atal Mission for Rejuvenation and Urban Transformation, Pradhan Mantri Awas Yojana, and recommendations of the 15th Finance Commission.

At state level, ADB urban sector projects in Karnataka have supported municipal bodies to augment internal resource mobilization, improved transparency and accountability in their functioning, introduced information technology systems for dynamic asset management, and made provision for dedicated funds to incentivize municipal reform implementation.

Overall, since 1995, ADB has committed 62 loans to the urban sector amounting to $8.06 billion, which is about 17% of ADB’s cumulative portfolio in India. ADB’s urban sector investments keep growing, and the ongoing portfolio comprises 21 loans amounting to $2.91 billion spread over 15 states and 120 cities and towns.
ADB PROJECT TO IMPROVE RURAL DRINKING WATER SUPPLY IN HIMACHAL PRADESH

ADB approved the $96.3 million Himachal Pradesh Rural Drinking Water Improvement and Livelihood Project to provide safe, sustainable, gender-responsive, and inclusive water supply and rural sanitation services in 10 districts of Himachal Pradesh. More than 90% of the state’s rural population have access to drinking water but the water supply infrastructure is old and deteriorating, resulting in inefficient and poor service quality. The ADB project will connect 75,800 households to the service, providing uninterrupted water supply to about 370,000 residents. Using sector loan modality, the project will upgrade rural water schemes and introduce smart water management practices to ensure the effective management of new and rehabilitated water supply assets. Further, the project will pilot an inclusive sanitation program in Sirmaur district to ensure that fecal sludge is safely managed and treated before disposal.

ADDITIONAL FINANCING TO ENHANCE FLOOD RETENTION IN CHENNAI LAKE

Additional financing of $6.88 million was approved for the ADB-supported Integrated Urban Flood Management for the Chennai–Kosasthalaiyar Basin Project. The ongoing project will strengthen climate and disaster resilience in the Chennai–Kosasthalaiyar River basin and reduce exposure of 1.9 million people to seasonal flooding. Additional financing provided by the Global Environment Facility will help enhance flood retention in the 55-hectare Kadapakkam Lake through ecosystem restoration, thereby contributing to climate adaptation. The lake is situated in the newly developing peri-urban part of the basin adjoining an industrial hub in north Chennai and is at risk of water pollution, encroachment, and biodiversity loss. This limits the ability of surface water storage to mitigate flooding. The financing will provide adaptive nature-based solutions to address climate change risk by enhancing water retention in the catchment, which will reduce current and future flood risk during the monsoon and increase groundwater availability in the dry season.
SMARTCHEM CLIMATE-SMART HIGH-EFFICIENCY CROP NUTRITION PROJECT

ADB approved the $30-million nonsovereign Smartchem Climate-Smart High-Efficiency Crop Nutrition Project to support farmers in adopting enhanced efficiency specialty fertilizers, such as slow and controlled release fertilizers and water soluble fertilizers. These will, in turn, aid increased food production, increased farmers’ incomes, and better food security in India. Higher efficiency in nutrient delivery will result in increased agricultural productivity, reduced water and soil contamination, and improved resilience to climate change. The project will also support energy efficiency capital expenditure and gender inclusion. The project is fully aligned with the Government of India’s goal to enhance agricultural productivity and increase farmers’ incomes.

TECHNICAL ASSISTANCE TO SUPPORT MISSION KARMAYOGI

ADB approved a $1 million knowledge and technical assistance to support the Capacity Building Commission, Department of Personnel and Training, Ministry of Personnel, Public Grievances and Pensions to implement the National Program for Civil Services Capacity Building, or Mission Karmayogi. The mission aims to strengthen the institutional capacity building ecosystem of India and support the Capacity Building Commission in strengthening its competency, institutional, and policy pillars by (i) preparing capacity building plans based on a standardized approach, (ii) strengthening institutional frameworks for outcome-oriented capacity building, and (iii) devising actionable recommendations for training policy frameworks. The technical assistance focuses on governance and capacity development as a key driver of change for improving public service delivery and development outcomes.

A graphic representation of the government’s vision of Mission Karmayogi (Image courtesy of Department of Personnel and Training website, Government of India).

A graphic representation of the government's vision of Mission Karmayogi (Image courtesy of Department of Personnel and Training website, Government of India).
Maharashtra is the second most populous state in India. Half of the state’s labor force is engaged in agriculture and related activities in rural areas. Agriculture output, however, has been impacted by lack of irrigation, less-than-efficient use of electricity and water, and inadequate storage and connectivity to markets.

Growth of the agriculture sector is a major focus of the Government of Maharashtra’s Vision 2030, which aims to improve agricultural productivity and farmers’ incomes. Providing efficient, reliable, and good quality power to rural agriculture customers in the state remains key to realizing this goal. Historically, the state’s rural power sector has been beset with deficiencies in traditional electricity distribution, with long, inefficient, low-voltage distribution lines. Low metering levels further impact power supply to agriculture customers while inadequate payment enforcement results in estimated losses exceeding 20% for rural feeders.
The $346-million Maharashtra Rural High Voltage Distribution System (HVDS) Expansion program approved in April 2020 targets enhanced efficiency of the electricity value chain through adoption of an HVDS that will help reduce distribution losses and ensure effective metering, billing, and usage-based tariffs.

The ADB program will support the HVDS expansion for new grid-connected rural agriculture customers across the state.

The program envisages construction and installation of a metered HVDS over 46,800 kilometers of grid extension lines, and construction and upgrading of distribution substations. Once this infrastructure is in place, it will be possible to introduce effective metering, billing, and usage-based tariffs for customers.

Moreover, the adoption of an HVDS for rural feeders is expected to be an enabler for private sector investments in energy efficient pumps and drip irrigation. At present, despite government efforts, the pace of adoption of pumps and drip irrigation is slow because of limited awareness of energy efficiency, high upfront costs, frequent pump burnout due to low voltage supply, and unmetered electricity supply.

The program also aims to build institutional capacity on HVDS operation and management in the Maharashtra State Electricity Distribution Company Limited, a state-owned enterprise which is currently India’s largest electricity distribution company. It caters to over 25.4 million customers in towns and villages, including 4.2 million agriculture customers in rural Maharashtra, who account for an estimated 30% of its electricity sales volume.

This results-based loan links fund disbursements to the achievement of agreed program results rather than to upfront expenditures, as is the case with traditional investment lending.

ADB support to this first phase of HVDS for new agriculture customers will improve awareness of its benefits compared to the traditional electricity distribution network, as well as efficient use of electricity and water. It will strengthen development of subsequent phases of the HVDS expansion to cover agriculture customers and mobilize commercial financing.

An accompanying $1 million technical assistance project is being used to demonstrate energy and water conservation efforts. Awareness raising will be done on adoption of the HVDS and the potential for associated services including irrigation advisory, pump replacement, and wide adoption of drip irrigation.

The program aims to provide efficient, reliable, and good quality power to farmers in rural Maharashtra to raise agricultural productivity and farmers’ incomes through installation of an HVDS network.

The program aims to build the capacity of about 1,000 Maharashtra State Electricity Distribution Co. Ltd. staff, including women, on knowledge and skills related to HVDS, capital investments, operation and maintenance, monitoring, and safeguards.

Awareness-raising activities will include:
• raising the awareness of new customers about HVDS and efficient use of energy and water;
• establishing a dashboard on HVDS supply to rural customers to be monitored by the state electricity company and government for real-time information; and
• pilot-testing at least one agriculture feeder with 100% HVDS, energy-efficient agriculture pumps, and associated efficient irrigation equipment.

ADB’s support for the first use of HVDS for new agriculture customers in Maharashtra will:
• utilize ADB’s experience from HVDS implementation in other states;
• meet ADB’s energy sector priorities of improving access to modern energy in rural areas;
• strengthen development of the subsequent phases for HVDS expansion;
• mobilize commercial financing for energy efficient pumps and drip irrigation, thereby strengthening ADB’s work on demand-side energy efficiency.

Officials at the power distribution switch panel in Maharashtra.
The Capacity Development Resource Center (CDRC) at ADB’s India Resident Mission is a unique institutional arrangement to help build capacities of middle management staff of executing agencies in project design, implementation, and monitoring. The success of the CDRC has attracted keen attention from ADB’s other resident missions and has been replicated at the Nepal Resident Mission. Other regional departments have also demonstrated interest in adapting the CDRC model to their regional and country needs in capacity building of project agencies to achieve better development outcomes. Vikram Harsha, Senior Project Officer (Social Sector), and Shweta Sharma, Associate Project Analyst, who anchor CDRC activities, discuss the center’s role and future plans in a short conversation.

Q1. How was the idea of CDRC conceived?

ADB engages a diverse range of project partners in its operations in India. Their capacities and demands vary. As ADB operations grew and expanded to low-income states and new functional areas, we had to deal with new executing agencies who had limited experience in implementing large projects. We realized the need to strengthen project implementation capacities and systems to achieve a robust portfolio performance. To bridge this gap, CDRC was set up in ADB’s India Resident Mission in 2010. This was designed to be a formal institutional mechanism for capacity development support.

Q2. What kind of training programs does the CDRC organize?

CDRC conducts training programs on ADB procedures, project implementation issues, thematic areas for emerging technologies, and knowledge sharing on good practices by executing agencies to promote cross-learning among mature and new projects. Our programs aim to make the government agencies stronger by giving them knowledge and awareness about the ADB systems and project management practices, which helps them utilize funds faster, better, and more efficiently.

We also organize procurement clinics for project-specific handholding support on day-to-day procurement issues and an International Federation of Consulting Engineers contract management online helpdesk for contract management issues. During the pandemic, CDRC responded by introducing short webinars since physical meetings were not possible due to lockdown and travel restrictions. This helped ensure there was no break in the learning process for the executing agency officials.

Q3. How did CDRC ensure continuance of its operations during the COVID-19 pandemic?

As the COVID-19 pandemic and subsequent lockdown impeded its normal operations, CDRC produced creative solutions to continue fulfilling its mission. Among others, CDRC consulted with sector teams to articulate a COVID-19 capacity development response strategy and swiftly introduced short virtual webinars, which ensured safety and fulfilled the capacity development needs of clients. These webinars also allowed clients adequate time to attend to COVID-19 relief work and day-to-day project implementation activities.

Another key intervention during the pandemic was CDRC’s collaboration with the Government of India’s Department of Personnel and Training (DOPT). ADB provided capacity building support to DOPT to operationalize Integrated Government Online Training, a digital platform created to offer e-learning modules to frontline health workers and civil servants. About 50 e-learning modules were developed in multiple Indian languages for doctors, nurses, students, police, technicians, and administrative officials who are the frontline workers attending to the pandemic relief operations. So far, about 1.95 million people have completed these courses. Separately, Karmayogi Digital Learning Lab has been established to support DOPT in developing e-learning content for training civil servants across the country under Mission Karmayogi.

Q4. How do you envision CDRC panning out in the future?

With increased focus on ADB emerging as a knowledge institution, CDRC will gradually focus on strengthening its knowledge custodian function. CDRC will disseminate innovative project management practices and technologies. Some of these will be identified as lighthouses for state-to-state and project-to-project replicability to maximize return on investment. Along with CDRC’s core function of supporting the capacity building needs of project agencies, going forward, we also aim to align our activities with the Government of India’s national program to train civil servants, or Mission Karmayogi. For this, CDRC will continue its engagement with DOPT for capacity development and knowledge support for the training modules. Anchored in DOPT, ADB can play the role of knowledge creator.

At the same time, CDRC will endeavor to mainstream capacity development as part of project processing to improve absorptive capacity of our clients and explore synergies with national and international institutions to build a network of knowledge institutions to cater to capacity development needs of clients.
GOVTS SHOULD MOBILIZE MORE DOMESTIC RESOURCES VIA TAX REFORMS: ALBERT PARK

In an interview with the Business Standard, ADB Chief Economist Albert Park says that countries in Asia and the Pacific may not be able to carry on with large expenditures and social transfers meant for pandemic response, given rising debt burden.

ADB CUTS INDIA’S GDP GROWTH FORECAST TO 7.2% FOR THIS FISCAL

The Asian Development Bank has cut its economic growth forecast for India to 7.2% for 2022-23 from 7.5% estimated in April due to higher-than-expected inflation and monetary tightening. It also lowered the gross domestic product growth estimate for 2023-24 to 7.8% from the 8% estimated earlier.

ADB APPROVES $96 MILLION LOAN FOR SAFE DRINKING WATER PROJECT IN HIMACHAL PRADESH

ADB approved a $96.3 million loan to provide safe drinking water and improve water supply and sanitation services in the state of Himachal Pradesh.
The launch of PM Gati Shakti (PMGS) or the National Master Plan for Multimodal Connectivity by Prime Minister Narendra Modi on 13 October 2021 was a long-needed push to galvanize India’s logistics sector. Streamlining the logistics sector to the needs of an emerging economy with linkages to industrial clusters, agri-zones, economic zones, and ports is essential to facilitate efficient movement of domestic goods and cut logistics costs to make India’s local businesses and exports competitive.

Against this backdrop, PMGS intends to bring together different ministries responsible for planning and execution of infrastructure projects under one institutional platform. It pursues an integrated planning and implementation approach for infrastructure connectivity projects at the national, state, district, and city levels.

The multimodal connectivity can provide seamless connectivity for movement of people, goods, and services from one mode of transport to another while facilitating last-mile connectivity of infrastructure and reducing travel time for people.

PMGS further aims to consolidate future infrastructure projects under the National Logistics Master Plan (NLMP) developed jointly by all line ministries. Multiple level engagements with states and private sector stakeholders will ensure that the master plan is aligned with the demand for logistics infrastructure and associated services on the ground.

Such a master plan will also guarantee greater synergies between modes and allow efficient multimodal logistics operations. This will help address current coordination challenges, for instance, in the case of a port being developed but last-mile rail connectivity not being established for years. Another important objective of PMGS is to minimize duplicate and wasteful works, such as a road being built and then dug up the following year to put in a fiber-optic cable line or additional sewerage.

Once finalized, the NLMP will be a key pillar of the wider infrastructure push for the country for the longer term, allowing strategic planning and identification of projects that can achieve maximum development impact.
ADB Support to Logistics Division

ADB has partnered with the Logistics Division of the Ministry of Commerce since 2018 to support it in developing the sector’s strategic framework and NLMP. ADB has also provided technical assistance for the preparation of the draft National Logistics Policy (NLP), which is expected to be announced shortly. NLP is an integral part of PMGS and includes a broad range of policy reforms needed to complement infrastructure development under NLMP.

ADB’s long standing knowledge support to the Logistics Division has resulted in a proposal for a $500 million policy-based loan with $100 million co-financing from the Export-Import Bank of Korea. The loan, to be approved in 2022, will support transformative policy reforms at both national and subnational levels.

In addition, ADB is committed to providing knowledge support for institutional capacity building required for effective implementation of PMGS focusing on research, integrated project planning, and coordination with various state governments and line ministries.

ADB is also supporting the digitalization strategy related to PMGS. This includes key initiatives like the Unified Logistics Interface Platform that would be the common data stock for all logistics-related data in the country and would provide for multiple applications for different users to help logistics planning and operations.

It also includes an intelligent algorithm-based planning tool to support the Technical Support Unit that will be responsible for NLMP implementation. ADB will go further to facilitate key international partnerships, for instance, with the Korea Transport Institute, to allow the Logistics Division to learn from the experiences of other countries in such complicated master planning processes.

Developing State Logistics Master Plans

A key element in future support under the logistics performance-based loan being processed is the development of State Logistics Master Plans that will complement the NLMP and help identify logistics priorities of states, with specific focus on last-mile connectivity between key economic assets, industrial and agricultural clusters, and the main rail and road arteries.

Another important priority for states is to develop city logistics master plans as a part of the overall agenda for urban planning and development. ADB will explore engaging with several states to provide knowledge support for such state and city logistics master plans, and identify projects with significant development impact.
MAINSTREAMING GENDER

BREAKING THE GLASS CEILING IN THE ENERGY SECTOR

Esha, a confident young woman, works for a cargo firm in Delhi delivering packages riding her two-wheeler. She is a beneficiary of commercial driver training on electric vehicles offered to over 100 women as part of the affirmative action for promoting gender equality under the ADB-supported Scaling Up Demand Side Energy Efficiency Sector Project.

“My family was going through a very rough patch economically, so I enrolled for the program to learn to drive a two-wheeler. It helped me get a job with the cargo firm, which contributes to my family’s income,” says Esha, who lives in Delhi with her parents and two siblings.

Another young woman, Sita, learned to drive a four-wheeler under the same program. “Before, I would never step out of my house and was very shy. With the training, I learned not only to drive but also gained communication skills, which makes me feel confident and determined to earn a living for myself,” says Sita.

ADB approved the project in 2019 with $250 million financing to support the Energy Efficiency Services Limited (EESL) to target upstream energy efficiency opportunities, including deployment of smart meters, solar photovoltaic systems, and e-vehicles with charging stations in at least 15 states across India. The financing is supported by a $5.2 million technical assistance project from the Clean Technology Fund and Global Environment Facility.

The project is categorized as effective gender mainstreaming and includes a Gender Action Plan with affirmative activities and targets to promote the participation of women in the growing energy efficiency sector as a part of the workforce and as consumers.

The Gender Action Plan activities also include initiatives for institutional capacity development of EESL staff towards adopting gender mainstreaming practices.
After a slow start owing to the pandemic, Gender Action Plan activities picked up momentum. Over the last one-year implementation period, EESL made considerable progress in reaching out to women and engaging them with the energy efficiency initiatives.

Driver training. The program for commercial driver training of women was launched on 8 March 2022 to mark International Women’s Day. The program enables women from underprivileged backgrounds to make a fresh start in their lives and start a respectable career in the e-mobility and logistics sector. It not only equips women trainees to drive conventional fuel vehicles but also makes them future-ready by imparting hands-on skills for driving electric two-wheel and four-wheel vehicles.

Comprising practical and theoretical concepts, the training program includes modules on technical aspects such as repair and maintenance, soft skills, workplace readiness, self-defense, English speaking, and first aid to ensure comprehensive capacity development of the trainees. The trainees are also being provided facilitation for obtaining driving licenses and finding employment opportunities. The trainings are conducted in four training centers in Delhi and Jaipur. To spread awareness of the program, volunteers have organized street plays, visited slum areas, distributed leaflets, and made home visits to over 5,200 persons, 78% of whom are women. About 120 candidates have been enrolled in the training program, of which 86 have obtained their learner’s driving licenses.

Training in energy efficient technologies. Another key feature of the project is to provide training to rural women in energy efficient technologies to expand their existing businesses or start new businesses. Awareness programs for 500 end users on energy efficiency, including at least 200 women. Qualitative study with at least 50% of participants to be women, to assess benefits of using energy efficient technologies and appliances in their households.

Orientation of at least 85% of EESL project staff on gender issues; practices for gender mainstreaming and implementing, monitoring; and reporting a gender action plan for the project.

Progress of Gender Action Plan Activities under the Project

After a slow start owing to the pandemic, Gender Action Plan activities picked up momentum. Over the last one-year implementation period, EESL made considerable progress in reaching out to women and engaging them with the energy efficiency initiatives.
As the pandemic raged across South Asia, emergency assistance in the form of medical devices, protective equipment, and vaccines was shipped across borders to help neighboring countries manage the spread. For once, transport and transit procedures and tariff barriers, which for so long impeded the free movement of goods and people in the region, were relaxed to collectively address the humanitarian crisis. South Asia has long needed such collaboration—not as a short-term measure but a long-term mechanism for the region’s shared economic prosperity. Deeper regional integration is a key facilitator to realize this vision.

The pandemic has certainly brought renewed focus on the benefits of cooperation and integration in South Asia, which remains the least integrated in the world with less than 5% share in intraregional merchandise trade. Yet, regional cooperation and integration can play an important role in addressing the challenges in common. Cross-border physical connectivity can reduce the distance premiums of trade and enable economies of scale. Trade facilitation reduces trade costs and promotes efficiency. Market connectivity can leverage on physical connectivity to make the participation of enterprises in regional and global value chains possible.

Impediments to the region’s effective integration are commonly known. First, freer movement of goods and services across borders needs to be facilitated through reduction of tariff and non-tariff barriers to trade. Second, connectivity infrastructure and logistics for supply chains need to be improved to be economical. Third, the region needs an institutional mechanism for coordinated action to build its resilience and rapid response to climate change, pandemics, and disasters.

In recent times though, some encouraging progress has been made on regional connectivity projects. The recent completion of a new bridge over the Mechi River on the India-Nepal border will enhance Nepal’s connectivity to the rest of the region through the Asian Highway. The operationalization of a bilateral agreement between India and Bangladesh for using Chattogram Port for movement of goods between India’s landlocked...
northeast region and the rest of India is another welcome development for the region. This is particularly important for India as it looks to develop an economic corridor in the northeast region aligned to its “Act East” policy.

Greater cooperation among countries can certainly contribute to sustain growth and realize the subregion’s economic potential. Subregional initiatives such as the South Asia Subregional Economic Cooperation (SASEC) program intend to promote regional investments aligned with the development thrusts of individual countries. To facilitate this, the focus is on improving multimodal connectivity, trade facilitation, energy market development, and economic corridor development to expand trade and commerce within the region and to markets in Southeast Asia. To provide further impetus to regional development, SASEC, which brings together Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka, has proposed several new initiatives.

**SASEC Proposes New Initiatives and Secretariat in India**

At a June 2022 meeting of nodal officials of SASEC member countries hosted by India, a set of new initiatives was endorsed. The initiatives included strengthening of the SASEC institutional structure and strategic reorientation of the SASEC Vision.

The proposals involved regularizing SASEC Finance Ministers’ meetings, strengthening subregional and national institutional arrangements for SASEC, and establishing a SASEC Secretariat in ADB’s India Resident Mission.

One noteworthy development is that the participating countries endorsed the strategic reorientation of the SASEC Vision. This includes a new operational priority: climate change, pandemic, and disaster resilience in addition to the current SASEC priority areas identified in the SASEC Vision endorsed by Finance Ministers in 2017. The new operational priority provides regional public goods for the SASEC region to address the exigencies resulting from the pandemic and future pandemics, disasters, and climate change challenges, and to make the SASEC subregion more resilient for economic development, supply chains, and trade. Strengthening Regional Health Security through One Health Approach was approved as the first initiative to serve this new operational priority with the creation of a One Health sub-working group. Member countries have also agreed to develop Highly Facilitated Trade Corridors along key SASEC trade routes to enhance trade and transit efficiency in the region.

Other initiatives include establishing the SASEC Food Regulators’ Forum to serve as a cross-border coordination mechanism to engage food regulators to work toward enhanced regional trade of food products, and the SASEC Business Forum, a mechanism for receiving private sector feedback on SASEC operations.

The SASEC Finance Ministers’ Meeting is expected to endorse these proposals, after which they will be fully operationalized. The proposals include the setting up of the SASEC Secretariat in ADB’s India Resident Mission. The Secretariat will monitor preparation and implementation of new and ongoing SASEC projects, assist in conducting consultations and meetings within and among member countries to forge consensus on cooperation initiatives, organize knowledge events, and assist senior officials in organizing SASEC meetings. ADB will continue to serve as an honest broker in this journey.

### Next Steps

The construction of a new bridge over Mechi River on the India-Nepal border through an ADB-funded project has improved regional connectivity along Asian Highway 2.
VIDEOS, BLOGS, AND PROJECT FEATURES

Feature

Q&A: Kenichi Yokoyama on Eradicating Extreme Poverty through Human Development in South Asia

In a Q&A session, ADB's South Asia Regional Department Director General Kenichi Yokoyama discusses ADB's support to human development in South Asia, particularly in view of the pandemic challenge. While Asia and the Pacific region has made significant economic progress, much more needs to be done in addressing non-income dimensions of poverty and vulnerability, such as equitable access to education, healthcare, and social protection, says Mr. Yokoyama.

Read More

Videos

Reimagining the Future of Transport: India in 2030 with Virkein Dhar

ADB asked three young futurists to take the foresight report Reimagining the Future of Transport across Asia and the Pacific (ADB 2022) and immerse themselves in the future visions of the report. What stories would they be able to tell? Asked to imagine the transport experiences of a fictional persona, Virkein Dhar (India) introduces us to Rani. In this video, Ms. Dhar shares snippets from her future narrative, and reflects on her experience and her view of New Delhi’s urban future.

ADB’s Role in Regional Cooperation and Integration

Ronald Antonio Butiong, Chief of ADB’s Regional Cooperation and Integration (RCI) Thematic Group, discusses ADB’s role in RCI and how Asia and the Pacific is stronger and more resilient when it works together to address pandemics, climate change, and financial shocks.

55th ADB Annual Meeting (1st Stage): Governors’ Business Session

At the first stage of the 55th ADB Annual Meeting, held virtually on 5 May 2022, the ADB Board of Governors approved ADB’s financial statements and net income allocation in line with its institutional requirements. The meeting was then adjourned to be reconvened at its second stage later in 2022.

Blogs

Data on Climate Change: An Effective Weapon in Fighting India’s Coastal Erosion

Effective and planned shoreline management would support the development of tourism activities and healthy ocean and beach landscapes, conserve biodiversity, and boost the livelihoods of people living near the coast, says ADB’s Senior Project Officer Rajesh Yadav.

How to Fight Asia’s Locust Invasions

Farmers in parts of Asia have experienced devastating locust infestations in recent years, threatening national and local food security. A dedicated, well-funded team is needed to monitor the pests and take the fight to them, say ADB experts.

Opinion

How Students Can Catch Up on Learning Lost During the Pandemic

Across Asia and the Pacific, students and parents are breathing a sigh of relief as schools reopen and in-person classes gradually resume. But now comes the reckoning: failure to make up for the significant amount of education that students lost during the pandemic could diminish their earnings potential and cause substantial damage to economic equity across the region, says ADB Chief Economist Albert Park.
Despite the far-reaching changes brought about by information and communication technology, a large majority of people in India remain untouched by the digital transformation.

Policy efforts must focus on creating greater demand for renewable energy-based power and enforcing compliance with renewable purchase obligations in the country.

This working paper is designed to help ADB’s developing member countries build climate-resilient energy systems that can better support fast-growing cities in Asia and the Pacific.

Two Years On: The Lingering Gendered Effects of the Pandemic in Asia and the Pacific. This publication showcases the results of Rapid Gender Assessment surveys on the impact of the pandemic in seven countries in Asia and the Pacific. For some of these countries, this is the second round of Rapid Gender Assessments and thus these findings may follow up on those of “Unlocking the Lockdown”. The report is a statistical snapshot that can inform responses to the crisis but is not meant to provide policy recommendations or analyze the policy context in each country.

This brief provides insights on how learning losses caused by the closure of schools during the pandemic can be recovered in Asia and the Pacific.
STATE ROAD SAFETY INCENTIVE PROGRAM

This program will assist the Government of India in introducing and implementing the State-Support Program for Strengthening Road Safety, focusing on seven selected states: Assam, Bihar, Haryana, Karnataka, Madhya Pradesh, Maharashtra, and Rajasthan. This is the first road safety-focused program by ADB for India and will support a performance-based grant scheme where the central government will disburse grant financing when the participating states achieve target indicators. The target indicators include reduction in road crash fatalities as well as engineering and non-engineering interventions that are proved to be effective in reducing road accidents.

PROJECT READINESS FINANCING TO SUPPORT AGARTALA’S HOLISTIC URBAN DEVELOPMENT

ADB has proposed a $3 million project readiness financing (PRF) to support the Government of Tripura and the Agartala Municipal Corporation in holistic planning and development of priority municipal infrastructure investments in the capital city, Agartala. The PRF will support preparation of a future investment-ready project aligned with ADB’s recent North East Economic Corridor study that envisages development of Agartala as a key urban and border center for prosperity and economic growth in the northeastern region. To achieve this vision, the city would need improved infrastructure services such as water supply, stormwater drainage, urban roads, streetlighting, and parks and open spaces. The PRF will support preparing feasibility studies and detailed engineering designs for priority infrastructure subprojects, and capacity building of relevant state agencies in procurement, financial management, and in preparing a geographic information system-based municipal resource mobilization road map.

STRENGTHENING MULTIMODAL AND INTEGRATED LOGISTICS ECOSYSTEM (SUBPROGRAM 1)

The Strengthening Multimodal and Integrated Logistics Ecosystem program is funded by programmatic policy-based loan to support the government in undertaking a wide range of reforms in the logistics sector in India. The program aims to strengthen the institutional and policy framework for inter-ministerial coordination and planning for incentivizing private sector participation in multimodal logistics projects, improving efficiencies in external trade logistics, and encouraging the use of smart and automated systems for improved service delivery.
WORKSHOP HELD TO DISCUSS ADB–NITI AAYOG STUDY

ADB and NITI Aayog organized a dissemination workshop on 18 May 2022 to discuss their joint study, *Cities as Engines of Growth: Strengthening the States for Broad Based Urban Development*. Country Director Takeo Konishi, in his opening remarks, emphasized the need to develop livable and resilient cities through better synchronized spatial and economic planning at city and regional levels. Mr. Konishi also highlighted opportunities and challenges presented by India’s urbanization, the government’s initiatives on urban planning, and ADB’s role in supporting cities. NITI Aayog CEO Amitabh Kant (now retired) in his keynote address said the challenge for India is to use urbanization as an instrument of growth, job creation, and elimination of poverty, and to realize the vision of a $5 trillion economy. The study identifies bottlenecks that constrain cities from realizing their economic potential and discusses workable structures for governing cities that would provide solutions to the bottlenecks. Senior officials and stakeholders from urban and industry departments from 12 cities across the 7 states that formed part of the study joined the discussions.

Country Director Takeo Konishi, fourth person from right, at the dissemination workshop on the NITI Aayog – ADB study.

ADB DISCUSSES STRATEGIC AND OPERATIONAL PRIORITIES WITH SENIOR OFFICIALS

ADB South Asia Regional Department Director General Kenichi Yokoyama visited India on 20 June to 1 July 2022 to discuss with top officials of key Government of India ministries and departments ADB’s strategic and operational priorities in India, the forthcoming country partnership strategy, and regional cooperation and integration initiatives. He also co-chaired the South Asia Subregional Economic Cooperation (SASEC) Nodal Officials’ Meeting and visited Uttar Pradesh, India’s most populous state, to discuss strategic areas of ADB’s support.

In his meeting with the Department of Economic Affairs Secretary and ADB Alternate Governor Ajay Seth on 24 June, Mr. Yokoyama discussed ADB’s operational priorities to support India’s pandemic recovery plan and the forthcoming country partnership strategy, covering areas such as climate change, energy transition, urban development, health financing, logistics efficiency improvements, and SASEC institutional strengthening. He also presented ADB’s sovereign lending program for India, expected to amount to $4.3 billion across 22 projects. ADB’s possible support for India’s G20 Presidency, beginning December 2022, which will focus on climate finance, global public goods, and resilient cities development, was also discussed. Earlier, on 20 June, Mr. Yokoyama co-chaired the SASEC Nodal Officials’ Meeting that endorsed the strengthening of the SASEC institutional structure, strategic reorientation of SASEC Vision, and new initiatives.

Mr. Yokoyama further met with the secretaries of the ministries of Shipping, Micro, Small and Medium Enterprises, Power, Renewable Energy, Jal Shakti, and Housing and Urban Affairs, and the secretary of the Department of Financial Services, and chief executive officer of NITI Aayog to discuss ADB’s engagement in relevant sectors.
In Lucknow, Mr. Yokoyama met with Uttar Pradesh Chief Secretary Durga Shanker Mishra and discussed possible areas of ADB support in transport, logistics, energy, tourism, health, industrial development, micro, small and medium enterprises, and urban development with focus on early investment opportunities, as well as upstream knowledge support to identify priority development interventions.

ADB INDIAN OFFICE ACTIVITY REPORT

SASEC ENDORSES INSTITUTIONAL STRENGTHENING AND NEW INITIATIVES

On 20 June 2022, the Government of India hosted the virtual South Asia Subregional Economic Cooperation (SASEC) Nodal Officials’ Meeting. The meeting endorsed strengthening of the SASEC institutional structure, strategic reorientation SASEC Vision, and new initiatives. Senior officials from SASEC member countries, as well as representatives from AIIB, JICA, NDB, and the World Bank participated in the meeting. The meeting was chaired by DEA Additional Secretary Rajat Kumar Mishra while ADB South Asia Regional Department Director General Kenichi Yokoyama co-chaired the meeting.

ADB JOIN LUCKNOW ELECTRIC MOBILITY WORKSHOP

At the ADB-supported workshop on electric mobility held on 4 July 2022 Country Director Takeo Konishi emphasized the need for decarbonizing transport systems across all segments. Chief Secretary, Government of Uttar Pradesh, Durga Shanker Mishra attended the inaugural stakeholder consultation workshop for developing a comprehensive electric mobility plan for the city of Lucknow. NITI Aayog Advisor, Infrastructure Connectivity and Electric Mobility, Sudhendu Jyoti Sinha, state transport department officials, representatives from the Indian automotive industry, and electronic vehicle charging infrastructure manufacturers also joined the event.

ADB is supporting the Government of India through a technical assistance project promoting clean energy usage through enhanced adoption of electric vehicles and grid integration of battery energy storage systems. Industry stakeholders and government officials deliberated on the investment requirements and policy and planning interventions required for Lucknow to become an e-mobility hub for the country.

Country Director Takeo Konishi speaking at the ADB–NITI Aayog workshop on the development of a comprehensive electric mobility plan for Lucknow.
ADB CHIEF ECONOMIST JOINS THE FIRST KAUTILYA ECONOMIC CONCLAVE

On 8–10 July 2022, Chief Economist Albert Park participated in the inaugural Kautilya Economic Conclave organized by the Institute of Economic Growth in partnership with the Government of India’s Ministry of Finance. The chief economist presented in sessions on Growth and Jobs and The Asian Growth Model—Implications for Manufacturing Led Growth in India. Mr. Park highlighted the need for India to i) accelerate the process of structural transformation by raising agricultural productivity further and developing jobs in both manufacturing and services; ii) participate more actively in global value chains; and iii) remove obstacles to the growth of firm size and use digital technologies to help small businesses link up with global value chains.

The chief economist also traveled to Bhopal to visit the Global Skills Park and held meetings with senior state government officials to discuss ADB’s analytical work on learning and skills development and on harnessing the power of cities to act as engines of growth and jobs. The chief economist was also interviewed by a leading newspaper, Business Standard.

MEETING REVIEWS MDB-FUNDED PROJECTS IN LUCKNOW

The Department of Economic Affairs (DEA) Additional Secretary Rajat Kumar Mishra on 21 July 2022 chaired the Tripartite Portfolio Review Meeting to review the progress of projects funded by multilateral development banks, including ADB, in the states of Bihar, Uttarakhand, and Uttar Pradesh. The meeting, held in Lucknow, looked at projects in the energy, urban, and transport sectors in these states. Deputy Country Director Hoe Yun Jeong, portfolio department head and project officers, along with officials from project executing agencies, joined the ADB review meeting. Representatives from the World Bank, JICA, EIB, and KfW attended their respective sessions.

Earlier on 20 July, DEA conducted an outreach discussion with the Government of Uttar Pradesh (GoUP) in Lucknow, which was chaired by GoUP Chief Secretary Durga Shanker Mishra. The meeting was intended to sensitize GoUP officials on the business procedures and protocols pertaining to externally aided projects to support the state in building more pipeline projects for external financing, including by ADB, over the next 5 years. ADB and other development partners supported the DEA in conducting the dialogue with GoUP where ADB was considered as a potential partner for several priority areas of the state, including transport, industrial clusters, energy, and urban development.
ADB ORGANIZES BUSINESS OPPORTUNITIES SEMINAR

India Resident Mission’s Capacity Development Resource Center, in collaboration with the Export-Import Bank of India, conducted a Business Opportunities Seminar on 21 July 2022 in New Delhi. The objective of the seminar was to sensitize the business community on opportunities available under ADB-funded projects. Sixteen executing agencies presented procurement opportunities in various ADB projects. Officials made presentations on India operations, access to ADB business opportunities, and ADB procurement procedures for goods, works, and consultant recruitment. About 150 participants including consultants, contractors, suppliers, and embassy and trade commission staff participated in the event. Other partnering organizations included the Federation of Indian Export Organizations, Consulting Engineers Association of India, Builders Association of India, National Highways Builders Federation, and Federation of Indian Chambers of Commerce and Industry.

ADB TEAM VISITS JHARKHAND TO DISCUSS LONG-TERM PARTNERSHIP WITH STATE

An ADB team led by Country Director Takeo Konishi visited Ranchi, the capital of Jharkhand on 27-28 July 2022 to meet with senior state government officials on ADB’s strategic engagement with the state in its priority development areas. The team met with the chief secretary, the development commissioner, and other senior officials from the ministries of Finance, Urban, Energy, Agriculture, Irrigation, Health, Road Transport and Highways, Education and Skill Development and Entrepreneurship to explore the possibilities for a deeper and long-term collaboration. The talks were helpful in facilitating a holistic understanding of the state government priorities in the short, medium, and long term and will provide useful inputs to the ADB Country Partnership Strategy for 2023-2027. Mr. Konishi mentioned ADB is keen to support the state to achieve structural transformation and economic diversification through upstream knowledge work and early-bird projects, including policy-based lending to support the state’s development trajectory in a fiscally prudent manner. It was noted that ADB is diversifying into the social sectors and would be happy to support the state in the education and health sectors. The country director also emphasized that ADB is willing to explore the possibility of assisting the state on energy transition and diversification of the economy into other productive sectors as a comprehensive strategy for transition from dependence on only a few sectors.
WORKING WITH ADB

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