Takeo Konishi, Country Director

Welcome to this latest issue of our e-Newsletter.

Over the past few months, we have focused on an extensive outreach to our stakeholders in India as part of the consultative process for the new country partnership strategy (CPS) for India, 2023–2027. The CPS is a crucial strategy document guiding ADB operations, sovereign and non-sovereign combined. The current CPS period ends this year.

Our Vice-President (Operations-1) Shixin Chen launched the consultations on the new CPS at a national workshop on 6 September, attended by some 70 senior central and state government officials. This event was followed by consultations with other stakeholders, including development partners, private sector representatives, civil society organizations, and think tanks.

It was wonderful to meet many clients in person during this process after a nearly two-year hiatus in personal contact due to the COVID-19 pandemic. It was, at the same time, enlightening to interact and listen to various views on ADB’s India operations and possible areas of future ADB support.

We also take due note of feedback and suggestions from key stakeholders like you during these consultations, which will feed into the new CPS that we hope to finalize by early 2023.

We had the privilege of hosting three members of the ADB Board of Directors who visited India for their interest in better understanding the country’s development priorities, especially in the context of the new CPS formulation process. Besides meeting senior officials in New Delhi, the Board members visited project sites in Uttar Pradesh and Maharashtra for firsthand understanding of ADB’s differentiated approaches for developed and less-developed states in India.

Coming to this issue of the e-Newsletter, the Spotlight focuses on Honorable Prime Minister Narendra Modi’s launch of the National Logistics Policy, which promises to be a truly transformative initiative for India’s logistics ecosystem in tandem with the Prime Minister Gati Shakti initiative announced last year. ADB is honored to be associated with the Logistics Division and to have been involved in the process of policy formulation.

The Call-to-Action brings into focus the human development sector so crucial for India’s post-pandemic recovery and likewise to be prioritized in ADB’s future operations. In the regional cooperation section, we are happy to discuss encouraging progress on the Bangladesh, Bhutan, India, and Nepal motor vehicle agreement, which could transform subregional connectivity.

Other sections provide the latest updates on ADB activities, upcoming projects, knowledge products, and key events.

I hope you enjoy the e-Newsletter. As always, we look forward to your valued comments and suggestions. Happy reading!
SPOTLIGHT

National Logistics Policy to Boost India’s Competitiveness

Prime Minister Narendra Modi launching the National Logistics Policy in New Delhi, 17 September 2022 (photo courtesy of Press Information Bureau, Government of India).

National Logistics Policy has immense potential for development of infrastructure, expansion of business, and increasing employment opportunities.

— Prime Minister Narendra Modi
The National Logistics Policy (NLP) launched by Honorable Prime Minister Narendra Modi on 17 September reinforces India’s continued endeavor to enhance the efficiency of its logistics ecosystem.

Improved logistics will ensure seamless movement of goods across the country, which will raise competitiveness of Indian products in the domestic and global markets by bringing down currently high logistics costs comprising nearly 14% of gross domestic product. In most developed countries, the comparable logistics cost is 8% or less.

“From 13 to 14% logistics cost, we should all aim to bring it to a single digit as soon as possible. This, in a way, is a low-hanging fruit, if we are to become globally competitive,” the prime minister said during the policy’s launch.

Unlike other geographically large major economies such as the People’s Republic of China, the United States, Russia, or Brazil, India’s economic activity and population are relatively less concentrated and not confined to coastal regions. Economic activity in the hinterland underpins a lot of India’s growth. Thus, efficient logistics servicing the entire country is critical for the economy.

It was with this vision for enhanced logistics efficiency that Prime Minister Modi unveiled the ambitious Prime Minister Gati Shakti (PMGS) National Master Plan on 13 October 2021. The NLP is designed to complement this focus on infrastructure development with policy interventions and solutions for efficient and effective utilization of logistics infrastructure. NLP aligns with the Government of India’s strategy for holistic infrastructure development, multimodal connectivity, and transport sector development.

The PMGS initiative and NLP point to this convergent and holistic approach. While the PMGS addresses the development of integrated infrastructure and network planning, the NLP follows up by ensuring efficiency in services—processes, digital systems, and regulatory framework—and human resources.

The NLP seeks to develop a technologically enabled, integrated, cost-efficient, resilient, sustainable, and trusted logistics ecosystem in the country for accelerated and inclusive growth. To achieve this objective, a Comprehensive Logistics Action Plan envisages specific interventions. Key elements of the plan include the following:

**Integrated digital ecosystem**

Developing a system of unified logistics interfaces to link multiple data sources across government will allow industry easy access to a common data stack. This would enable the development of multiple applications that support efficient logistics operations. The Unified Logistics Interface Portal that was launched with the NLP will provide this common data stack.

**Standardization of physical assets**

Standardizing physical assets used in logistics operations and benchmarking of service quality standards will lead to efficient operations. This will ensure greater interoperability between modes and service providers, reduce operational costs, and promote greater safety and service quality in logistics operations.

**Support to state- and city-level logistics masterplans**

The NLP will support state governments in developing state and city logistics masterplans. Since states regulate key activities related to transport and warehousing regulations, the policy will create a ranking of states on logistics performance that will nudge states towards reforms.

**Focus on export-import logistics**

Reducing infrastructure and procedural gaps in India’s export and import connectivity will better link economic clusters in the hinterland with gateway ports and airports. It will also streamline

A cost-efficient, resilient, and sustainable logistics ecosystem is key to India’s accelerated and inclusive economic growth.
cross-border trade facilitation to improve trade competitiveness and integration with regional and global value chains.

**Addressing gaps in regulatory regime**

Addressing gaps in the regulatory regime will help bring improvements and best-practices through a combination of regulations, standards, incentives, awards and recognitions, and rating systems for logistics players.

**Sectoral plans for efficient logistics operations**

Developing sectoral plans for efficient logistics, aligned with PMGS for the key sectors, will help reduce overall costs and improve efficiency in sectoral supply chains. Such plans would be useful for key sectors such as food grains, fertilizer, coal, steel, and cement, which account for the bulk of India’s logistics operations.

**Multimodal logistics parks**

The policy will support the development of logistics parks, including multimodal logistics parks, by providing framework guidelines that encourage private investment in such facilities. Logistics parks are hubs for intermediary activities such as storage, handling, and value addition in the supply chain, connected by a transportation network.

**Skills development in logistics**

Support for skills development will include an overarching logistics human resource strategy. The line ministries will develop action plans to address skills development-related and internal capacity building challenges in respective subsectors.

To sum up, the NLP presents a comprehensive approach to logistics sector reform, and when it has substantially realized its vision and associated action plan, it will effectively transform India’s competitiveness.

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1 ADB conducted multimodal logistics parks pre-feasibility studies at Jogighopa in Assam and Debaspete in Karnataka as the lead partner for the Ministry of Road Transport and Highways’ Logistics Efficiency Enhancement Program. (S. Mitra et al. 2020. Developing Multimodal Logistics Parks in India. ADB Briefs. No. 142. Manila: ADB.)
CONNECTING ECONOMIC CLUSTERS FOR INCLUSIVE GROWTH IN MAHARASHTRA

ADB has approved a $350 million project loan, Connecting Economic Clusters for Inclusive Growth in Maharashtra, to support the further development of the state’s strategic core road network. The ADB financing will help upgrade and maintain state highways and major district roads of the core road network and develop new interstate roads connecting Nanded and Telangana. It will also build capacity for project monitoring, road safety, and maintenance, and promote gender equality and social inclusion in highway works, schools, and health and social services. The project impacts would include (i) connecting underdeveloped rural communities, in particular women and other disadvantaged groups, with city centers and nearby industrial zones; (ii) providing direct and indirect opportunities to the primarily agrarian population, in particular women and other disadvantaged groups, through improved access to markets and health and social services; (iii) improving road connectivity of border districts such as Nanded to neighboring states; (iv) improving industrial value chains for small-scale industry by reducing transportation costs; and (v) improving disaster risk and climate change resilience in flood-prone areas.

TRIPURA POWER DISTRIBUTION STRENGTHENING AND GENERATION EFFICIENCY IMPROVEMENT

ADB approved a $220 million project loan, Tripura Power Distribution Strengthening and Generation Efficiency Improvement, aimed at improving energy security, quality of supply, efficiency, and resilience of the power sector in the northeastern state of Tripura through a strengthened, modernized, and climate-proofed distribution network. The project financing will help replace the aging Rokhia power plant with a highly efficient, state-of-the-art plant that will reduce greenhouse gas emissions through fuel saving. In addition, investments in the power distribution network will help increase generation capacity, efficiency, and resilience of the power sector against climate change and natural disasters. The project will also support strengthening the institutional capacity and overall business process of the project executing agencies and promote gender equality through pilot testing of gender and socially inclusive workplace practices.

TAMIL NADU URBAN FLAGSHIP INVESTMENT PROGRAM—TRANCHE 3

The $125 million Tamil Nadu Urban Flagship Investment Program—Tranche 3 will support the development of water supply, sewerage, and stormwater drainage infrastructure in Coimbatore, Madurai, and Thoothukudi. The third tranche is part of the $500 million multi-tranche facility approved by ADB in 2018 to build priority water supply, sewerage, and drainage infrastructure in strategic industrial corridors in Tamil Nadu. Under the Tranche 3 loan, two new sewerage treatment plants will be installed in Coimbatore, and 529 kilometers (km) of new collection pipelines will be established to support collection and treatment of sewerage from all households. The project will enhance the existing pump station with 35 km of territory drains to reduce flooding in a 600-hectare flood-prone area in Thoothukudi. It will also provide continuous water supply to all households in Madurai by installing 813 km of new distribution pipelines. Lastly, the project will improve the awareness of students, teachers, and women’s groups about water conservation and hygiene, and develop the capacity of stakeholders for incorporating gender mainstreaming into urban governance.
India has set an ambitious target of doubling its farmers’ incomes through a major push to the agriculture sector, the primary source of livelihoods for nearly 60% of the country’s population.

Emphasis on irrigation and achieving “more crop per drop” is one of the drivers of the government’s strategy to meet this goal, as acknowledged by the government’s policy think tank NITI Aayog and the prime minister’s national irrigation program. Raising the efficiency of irrigation water use, currently at only 38%, becomes even more significant considering that agriculture takes up as much as 84% of all water withdrawals.

An ADB scoping study in 2014 identified outdated design of irrigation and drainage infrastructure, lack of maintenance, and inadequate capacity building as main causes of water use inefficiency. The study stressed the need to modernize the design and management of irrigation schemes to reduce system inefficiencies and improve water delivery services to farmers.
A key intervention to establish modern irrigation infrastructure and improve productivity of water use has been rolled out in Madhya Pradesh through an ADB-funded project.

Approved in May 2018, the Madhya Pradesh Irrigation Efficiency Improvement Project is developing pressurized irrigation systems with automated volumetric control for efficient, reliable, and flexible water delivery services. Improved water use efficiency and expanded irrigation networks will help increase cropping intensity as well as boost crop yields in the project area covering over 400 villages that are home to more than 800,000 people.

The project will help Madhya Pradesh sustain its extraordinary growth in agriculture. To achieve this, the government of Madhya Pradesh will modernize and expand its irrigation system to double its total irrigated area to 7.2 million hectares by 2025.

Maximizing irrigation efficiency and water productivity of existing and new irrigation systems is the key to achieving this target. Development of pressurized irrigation and adoption of micro-irrigation is a major component of the government’s plan.

The Madhya Pradesh Water Resources Department requested ADB assistance to help finance this plan and provide a model for future modernization investments through technical and institutional innovations.

ADB approved a $375 million loan in May 2018 to partially finance the project’s total cost of $535.1 million. The Kundalia Irrigation Project will source water from the Kundalia dam, channeling it to two large pumping stations and distribution chambers that will deliver irrigation water through a 12,700-kilometer distribution network of buried pipes with over 4,000 outlets installed with volumetric controls. These outlets will control water flow to ensure enough pressure for drip and sprinklers to irrigate farmers’ fields. Once operational, the project will achieve 80% irrigation efficiency and boost crop yields by up to 50%. Farmers will benefit by switching to high-value crops such as vegetables and citrus fruits from their current cultivation of wheat and soyabean.

Boosting farming incomes
The project will help boost farmers’ incomes through increased production made possible by higher irrigation efficiency and water productivity. A reliable irrigation supply will help farmers shift from low-value to high-value crops such as vegetables and citrus fruits. Crop yields would be boosted by 10%–50%.

Irrigation infrastructure
Under the Kundalia Irrigation Project, two large pumping stations will be built to send water into a 12,700-km distribution network of buried pipes. These will feed 4,000 outlets with volumetric controls for the field micro-irrigation systems. The system is designed to achieve minimum 80% irrigation efficiency which will allow the irrigation of 125,000 hectares instead of 58,000 hectares with conventional canal irrigation for the same amount of water.

Institutional support
The project will introduce performance-based operations and maintenance with 5-year design–build–operate contracts, unique for a large irrigation project in India.

Innovations and ADB value added
• ADB is providing state-of-the-art support for designing and constructing a very large scale pressurized and automated irrigation system.
• Design–build–operate contracting addresses recurrent inefficiencies in irrigation operations and maintenance and enhances irrigation service delivery to farmers. It will encourage contractors to build quality and efficient irrigation systems to reduce operations and maintenance costs.
IN CONVERSATION

ADB’s Strategy 2030 seeks to expand the bank’s private sector operations to reach one-third of total operations in number by 2024. This vision is being implemented through ADB’s private sector operations department (PSOD). Using the One ADB approach, ADB’s PSOD draws on public sector operations to provide integrated solutions. The department explores opportunities to provide investment capital to entrepreneurs, corporations, project sponsors, and state-owned enterprises, as well as financial intermediaries such as banks, financial institutions, and microfinance institutions throughout developing Asia across a wide range of industry sectors.

PSOD extends financing in the form of loans, equity investment, and guarantees, and provides syndication services. Its emphasis is on commercially viable transactions that generate financial returns while also delivering on ADB’s organization-wide mission to promote sustainable and inclusive economic growth. PSOD’s investments are not guaranteed by sovereign governments and are appraised and priced based on risks and commercial viability of the financed projects.

Within PSOD, the private sector portfolio management (PSPM) division is responsible for the pro-active management, reporting, and review of ADB’s growing private sector debt and guarantee portfolio. The private sector debt and guarantee transactions originated by PSOD teams are handed over to PSPM after signing or first disbursement. In a conversation, senior investment specialist Avesh Patil, who leads the PSPM division, discusses its role in managing ADB’s regional private sector operations from the India Resident Mission in New Delhi.

Q1. To begin with, could you provide an overview of ADB’s private sector portfolio?

PSOD’s overall portfolio commitments as of end June 2022 are $12.4 billion. This comprises 71% debt products, 13% equity investments and 16% guarantees. India has the highest share in the total portfolio at 24%, followed by the People’s Republic of China at 14%, Vietnam at 11%, Thailand and Indonesia at 10% each, and other developing member countries comprising the rest. In India, PSOD’s current portfolio comprises over 40 projects with 34% of the portfolio in the finance sector followed by transport and energy infrastructure. The breakdown of India’s portfolio commitments into products and sectors is shown in these charts.

Q2. What is the role of PSPM in private sector operations?

PSPM engages with borrowers to manage the loans/guarantees over their remaining lifecycle. The job involves monitoring credit risk, safeguards compliance, conducting integrity due diligence, and ensuring delivery of the development effectiveness goals of projects. PSPM processes borrowers’ requests for waivers, amendments, and consents. PSPM produces periodic monitoring reports and ratings, prepares Extended Annual Review Reports at project completion or early maturity, and engages as a single point of contact for implementation of environment and social safeguards and achievement of development impact envisaged at origination stage.

Q3. How does PSPM function as a regional hub for ADB’s private sector operations?

The India Resident Mission acts as a hub for PSPM, covering not only India but also other countries within South Asia and Central West Asia regions. The South Asia region accounts for 29% of PSOD’s total commitments while Central West Asia accounts for about 10%. The team also covers select deals from Southeast Asia. In fact, the PSPM team at the resident mission is the largest outside of ADB headquarters, comprising 10 members covering infrastructure, agriculture, social sector, and financial institution verticals of private sector operations. The team is placed strategically to be closer to clients and operating geographies and provides a critical backup location for operations.
ADB WILL FURTHER STRENGTHEN PARTNERSHIP WITH INDIA: ADB VP

The Asian Development Bank (ADB) will further strengthen its partnership with India and support the country’s development priorities for inclusive growth, an official said. ADB Vice-President Shixin Chen, on his India visit during September 5–9, reiterated the multilateral lending agency’s commitment to further strengthen its partnership with India.

OFFICIALS INSPECT ONGOING WORK, OPEN INNOVATION CENTRE AT DUHAI DEPOT

A team of officials from the Asian Development Bank (ADB), along with senior officers of the NCR Transport Corporation (NCRTC), inspected the progress of work on the Regional Rapid Transit System (RRTS) project and also inaugurated a “centre of innovation” at the Duhai depot in Ghaziabad.

ASIA’S ECONOMIC OUTLOOK STARTED TO WORSEN AMID GLOBAL HEADWINDS: ADB PRESIDENT

Asia’s economic outlook has started to worsen amid growing challenges arising from the Russia–Ukraine war, stronger-than-expected monetary tightening in advanced economies, and a sharp exchange rate depreciation, said Masatsugu Asakawa, president, Asian Development Bank. He was addressing a press conference during ADB’s 55th annual meeting.

ADB CUTS INDIA’S GDP FORECAST TO 7% ON HIGH INFLATION, MONETARY TIGHTENING

The Asian Development Bank (ADB) slashed India’s economic growth projection for 2022–23 to 7% from 7.2% earlier, citing higher than expected inflation and monetary tightening.

THE ROLE OF CITIES IN ENSURING GOOD JOBS

In light of India’s rapid urbanization, ADB’s Rana Hasan looks at various factors which set large cities apart from smaller cities and rural areas: more job opportunities, higher wages, large manufacturing and business sectors, and greater innovation. Although cities already attract workers and firms, he discusses what can be done to make cities even more conducive to job creation. He puts forth policy suggestions, and calls for increased investment in transportation and infrastructure and better coordinated economic and urban planning.
REVAMPING HEALTH AND EDUCATION SECTORS KEY TO POST-PANDEMIC RECOVERY

For India and the world at large, the pandemic highlighted the need for renewed focus on health and education, which suffered huge disruptions. In the United Nations Development Programme’s Human Development Report 2021–2022, India ranked 132nd in the Human Development Index, two places lower than in the prior report. The report notes that India’s decline in human development mirrors an overall global trend, impacted by intersecting crises including the COVID-19 pandemic shock, regional and local conflicts, and climate change.

Severe disruptions to access to health and education services—two of the most important indices making up the index—contributed to dragging down India’s ranking. Rightly so, the Government of India has emphasized these two sectors as requiring immediate and sustained attention in the aftermath of the pandemic.

ADB SUPPORT TO HEALTH

Since 2015, ADB has supported the strengthening of India’s health sector, beginning with assistance to India’s flagship National Urban Health Mission through a $300 million loan. The assistance was meant to (i) strengthen the quality in public health systems-led service delivery, (ii) target the urban vulnerable, and (iii) strengthen comprehensive primary health care. The support has led to operationalization of over 4,000 urban primary health centers across the country.

ADB provided graded assistance during the different phases of the COVID-19 pandemic spread, and for preventive measures to control it. It continues this assistance during the post-pandemic recovery.

The pandemic assistance included programs and projects providing immediate support for the emergency healthcare response and sustained support to social protection programs for the poor and vulnerable, followed by support to India’s vaccination program.

HUMAN DEVELOPMENT KEY OPERATIONAL FOCUS

For its part, ADB seeks to support its developing member countries, including India, to improve education and training outcomes, achieve better health for all, and strengthen social protection systems and service delivery for those in need.

ADB’s Strategy 2030 emphasizes human development and social inclusion as key to addressing non-income dimensions of poverty. ADB’s operational priorities in India include strengthening human capital through investments in education, health, and skills development, with focus on transformative, gender-sensitive projects at the national and state levels.

According to the programme, the concept of human development is directly related to the social and economic development of a country through improving and expanding the range of people’s choices, and increasing opportunities for education, health care, and income.
To assist the Government of India’s immediate pandemic response, ADB in 2020 provided budgetary support of $1.5 billion through the COVID-19 Active Response and Expenditure Support (CARES) Program.

ADB support focuses on improving the states’ capacity to operationalize the National Policy on Skill Development and augment state-level skilling initiatives. ADB directs its efforts towards modernizing technical and vocational education and training infrastructure, introducing outcome-based training norms, establishing credible certification processes, improving competencies of trainers, and expanding the capacity of high-quality vocational education and training.

Further, through a $1.5 billion loan/grant support, ADB in 2021 helped India to expand its COVID-19 vaccination program to help vaccinate 317 million people.

While the pandemic raged across India in 2021, access to non-COVID-19 primary health care suffered, particularly for vulnerable groups. To bridge this gap and support the government’s long-term approach towards health system strengthening and preparedness for future pandemics, ADB approved a $300 million loan. The financing supports the Pradhan Mantri Ayushman Bharat Health Infrastructure Mission and aims to strengthen operations, institutional capacity, and management of urban health and wellness centers at municipal, state, and central levels. The program aims to increase the number of functional health and wellness centers to cater to 256 million urban dwellers, including 51 million urban slum dwellers across 13 states.

Further, ADB will continue to assist India in improving its plans for future pandemic responses, urban primary health care, health service infrastructure, and digitalization in support of the Pradhan Mantri Atmanirbhar Health Infrastructure Mission (PM-ABHIM) scheme.

ADB SUPPORT TO EDUCATION

The government is keen to revamp India’s skills ecosystem as well as the education sector. The National Policy on Skill Development and Entrepreneurship launched in 2015 and the new National Education Policy (NEP) launched in 2020 are steps in this direction. The NEP was approved even as the country grappled with the COVID-19 pandemic.

The policy provides the government with various avenues to build a more holistic and resilient education system as India emerges from the pandemic. Addressing the learning loss suffered by children during school closures, particularly children from poor and displaced families, will be critical to recovery. The policy emphasizes a focus on digital technology in future to maintain continuity of education.

Aligned to the government’s objective of boosting the productivity and employability of its growing young workforce, ADB has supported India’s skills sector since 2013. So far, ADB has approved six loans amounting to over $600 million for India’s skills development initiatives in the states of Meghalaya, Kerala, Himachal, Madhya Pradesh, Odisha, and Assam. These loans support skilling priorities at the state level and building institutional capacity for implementing and scaling up skills development initiatives.

ADB’s future support to India’s education sector will emphasize quality improvements, strong foundational learning, and early childhood development including maternal care and integrated nutrition support. Flexible skilling systems will be promoted to respond to technology advances, the changing nature of jobs, and industrial demand.

In addition, ADB provided technical assistance to the ministry and its National Health Authority through several interventions including (i) implementation of Ayushman Bharat–Prime Minister’s Jan Arogya Yojana (AB–PMJAY) and Ayushman Bharat Digital Mission, (ii) COVID-19 vaccination program monitoring, biomedical waste management, and deployment of solar powered equipment, (iii) emergency procurement for strengthening COVID-19 screening at point-of-entry (ports/airports), and (iv) capacity building and improved program management, including for COVID-19.

An ADB-supported skill development project in Kerala has helped increase the employability of higher secondary and undergraduate students.
Himachal Pradesh is one of India’s smallest but fastest growing states and leads in many human development indicators. However, in 2014–15, its gross enrollment ratio in higher education for youth aged 18–23 years was only 28.4% for men and 32.5% for women, and the state was constrained by weak general education at the secondary and college levels, which was inadequately aligned to the needs of the market.

In addition, the state’s technical and vocational education and training programs were outdated and lacked training equipment and facilities. Linkage of these programs with industry was weak.

More than 65% of organized sector employment in Himachal Pradesh was in the public sector, which was not economically sustainable. Far fewer women were in the workforce compared to men, though more women were enrolled in higher education.

The state faced the challenge of “educated unemployment,” where unemployment rate increases with level of education. In June 2016, the state government approved the Himachal Pradesh Skills Development Policy to guide the reform and scaling-up of skills development efforts in the state.

To support the state government’s endeavor to revamp technical and vocational education and training, in September 2017 ADB approved the $100 million Himachal Pradesh Skills Development Project. The project targets creation of a more productive workforce in Himachal Pradesh that is equipped with market-relevant technical and vocational skills.

The project is categorized under the theme of gender equity, and includes affirmative actions to address the challenges faced by women in their access to quality skill training infrastructure, counseling services, and holistic industry-aligned skill trainings.

The key gender features of the project include establishment of a women-only polytechnic, development of accessible skills infrastructure with hostel facilities for women, encouraging participation of women in skills trainings, provision of gender-sensitive counseling support, and establishment of an institutional mechanism to address gender-based violence in industrial training institutions associated with the project.

Setting up an institutional mechanism in industrial training institutions to address gender-based violence through the constitution of internal complaint committees is also envisaged.

The participation of women in the wide range of courses offered under the project has not only improved their technical and employability skills but also boosted their confidence to take on challenges in their professional and personal lives.

Furthermore, the high enrollment of women in skills trainings under the project contrasts with the low enrollment of women in industrial training institutions (at 23% in year 2021), which highlights that targeted gender-sensitive interventions in the skills ecosystem can go a long way in enhancing human capital development among women and increasing their economic empowerment.

I come from a middle-class family and wanted to pursue a career in the hospitality sector. I came to know about the Bachelor of Vocation Degree Program in Tourism and Hospitality through a newspaper advertisement and visited the Nahan Government Degree College for further information. I decided to opt for the program due to its practical orientation and opportunity for industry exposure. Pursuing the degree helped me improve my communication skills and I have gained a lot of confidence, owing to the internships with leading hotels every semester. I am now working with a leading hotel in New Delhi and earning well. I am financially independent and able to help my family too.

—Lalita, Sirmaur district
At first, I panicked, but after I jumped into the river, I felt very good. Now, if you ask me to jump again, I will do it readily. There is no fear as I am confident, I can do much more... Parents do not send their daughters for such trainings and many restrictions are imposed on them, but I would like to say that girls can do everything. This training has boosted my confidence and I am ready to face any challenge.

— Neelam Kumari, river rafting trainee, Mandi district

Progress of Key Gender Action Plan Activities under the Project

- Women's Polytechnic has been established in Kangra district with modern equipment, hostel facilities, and accessibility features. The first batch of 77 students has enrolled in computer engineering and civil engineering.
- More than 150 awareness camps have been organized under the training programs that are part of the project with participation of more than 4,000 women. Awareness generation is being done through different media including print, social media, radio programs, and campaigns through an information, education, and communications (IEC) van covering remote and distant areas of the Himachal Pradesh state. Counseling services have been accessed by more than 25,000 youth for enrolment in training programs, of whom 8,599 were women (34%).
- Scope and outreach of short-term training programs is being expanded through different models driven by partnership with private training service providers, government industrial training institutions, and specialized national institutions to cater to the varied technology and vocational education and training requirements and industry demand. Some 30,459 students have been enrolled in the trainings, of whom 14,110 are women (46% against the target of 35%). The focus is on enrollment of women in non-traditional trades such as adventure sports, information technology, banking and financial services, tourism and hospitality, cyber security, and artificial intelligence.
- Special training packages for persons with disabilities were designed and executed for certification in tourism and hospitality and retail sectors. Of 169 enrolled candidates, 46 are women.
- Under the industry-oriented employability and Bachelor of Vocation programs, 10,885 students have been enrolled of whom 6,051 are women (55% against the target of 35% women).
- A workshop for the design of gender-sensitive counseling was organized for counselors, young professionals engaged in Model Career Centers, and district coordinators in collaboration with the Confederation of Indian Industries. Of 24 participants, 18 were females.
- Internal Complaints Committees have been formed in industrial training institutions to address gender-based violence and sexual harassment cases, and capacity development of the committee members is planned.
- Twenty workshops on gender and gender-based violence were conducted in 20 government industrial training institutions, covering 3 districts and with participation of 1,642 students, of whom 536 (33%) were women.
- Workshops and training sessions on gender mainstreaming in technical and vocational education and training, and skill requirements for persons with disabilities are being organized for officials from the executing and implementing agencies.

Success Story of River Rafting Trainees

River rafting trainees under the project were picked for the Himachal Pradesh State River Rafting Team and participated in the 8th All India River Rafting Championship. The state team won 8 gold medals, 13 silver medals, and 14 bronze medals.
REGIONAL COOPERATION & INTEGRATION

MOTOR VEHICLE AGREEMENT TO PAVE WAY FOR GREATER REGIONAL COOPERATION

The Bangladesh–Bhutan–India–Nepal (BBIN) motor vehicle agreement (MVA) marks a significant milestone in subregional cooperation by creating a landscape that enables seamless trade and people-to-people connectivity.

The MVA was signed by the four countries in June 2015 and was ratified by Bangladesh, India, and Nepal. Non-ratification of the MVA by Bhutan necessitated a plan for three-country implementation of the MVA. To set the plan in motion, ADB drafted a memorandum of understanding among the three countries. Bangladesh and India are now ready to sign the memorandum, but the approval of Nepal’s cabinet is pending.

For an accelerated negotiation of the protocols, working groups on transport and customs were proposed. The working groups will discuss technical issues including determining the routes and traffic volumes allowed, axle loads, permit issues, and transmission arrangements; and use of online platforms.

ADB has been providing technical and knowledge support to the development and implementation of the MVA since 2014.

Challenges to Regional Integration

The agreement is expected to reduce transaction costs and time involved in trade by enabling seamless cross-border movement of motor vehicles in the three participating countries. It will also bring transparency and uniformity in cross-border transport practices and help develop robust institutional structures. It complements other initiatives in the subregion on cross-border road connectivity and the development of an economic corridor.

Protocols under the Motor Vehicle Agreement

For the MVA implementation, ADB developed protocols on the movement of passenger vehicles and cargo vehicles. The participating countries are discussing the two draft protocols for finalization.

The MVA will permit the movement of regular, non-regular, and personal vehicles as well as trucks and trailers for cargo. The entry and exit of vehicles will follow specified routes and will go through designated land customs stations and immigration points. Permits will be required for the plying of all categories of vehicles from other countries. The transportation of regular passenger and cargo vehicles will be carried out by
authorized operators with permits issued by participating countries. Parties to the agreement will exchange lists of authorized operators annually.

For greater ease of facilitation, permits for regular passenger and cargo transportation will be multiple entry, valid for one year, and renewable.

Non-regular passenger vehicles will be permitted temporary admission for up to 30 days on a case-by-case basis. Regular and non-regular passenger transportation will be operated on a reciprocal basis by respective countries. The protocols entail mutual recognition of permits, registration certificates, fitness certificates, and driving licenses.

Duty-free temporary admission will be granted to motor vehicles, their accessories and essential spares, and the fuel and oils contained in their supply tanks. The protocols also envisage installation of an electronic cargo tracking system on motor vehicles and containers.

Way Forward

While the MVA is the overarching framework to fulfil the commitment to enhance regional connectivity, the formulation of required protocols and procedures will help realize the ultimate objective of free movement of people and goods in the region.

This would need to be supplemented through building and upgrading roads, railways, and waterways infrastructure, energy grids, communications, and air links to ensure smooth cross-border flow of goods, services, capital, technology, and people.

ADB is providing support to the three countries for early implementation of the MVA. Upon request of the participating countries, ADB has been conducting technical studies that will help the effective implementation of the agreement and usher in new technical solutions in the subregion.

Trial Runs for the Implementation of the Motor Vehicle Agreement

ADB supported Bangladesh and India in facilitating cargo trial runs (i) along the Kolkata–Dhaka–Agartala route (about 600 kilometers) in November 2015 and (ii) from Dhaka to Delhi (1,780 kilometers) from 29 August to 5 September 2016.

There was positive and effective participation of the private sector in the trial runs, which demonstrated savings in time and cost in cross-border trade. The use of an electronic cargo tracking system enabled real-time tracking of cargo vehicles. It also ensured that there was no customs clearance at the border point between Bangladesh and India; instead, customs procedures were carried out at the destination in New Delhi.

BBIN Trial Report Analysis Electronic Tracking

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Average Speed (kmph)  
VIDEOS, BLOGS, AND PROJECT FEATURES

**Videos**

**55th ADB Annual Meeting: CNBC Debate—Managing Asia’s Energy Transition**
Panelists discussed how economies in Asia and the Pacific can achieve an energy transition that also meets rapidly rising energy demand. The event, delivered in conjunction with CNBC, was held as part of the 55th Annual Meeting of the ADB Board of Governors.

Panelists addressed three important questions: whether developing Asia is prepared for economic recovery, what principles can help ensure that recovery is sustainable and climate-resilient, and what role ADB and other development partners can play in supporting recovery objectives.

**55th ADB Annual Meeting: A New World—How Innovative Finance Can Help Win the Battle Against Climate Change**
A diverse panel of distinguished representatives from ADB, donors, developing member countries, and the private sector discussed the financing gap for climate change action, and the challenges and pathways for innovation in the way we fight climate change.

**Blogs**

**Confronting Asia’s Triple Threat: Climate Change, Biodiversity Loss, Food Insecurity**
Without progress on climate and biodiversity, there will be no progress on food security. ADB experts argue that to address these interlinked challenges, we need an unprecedented level of multilateral, private, and public sector cooperation.

**How Do We Stop These Devastating Floods? Start With These Six Steps**
The devastating floods in the Hindu Kush Himalaya Region have shown the urgency of actions needed to protect vulnerable communities from the impact of climate change, argues a new ADB blog post.

**Insight**

**Casting the Digital Net Wide in India**
Inclusive digitalization involves expanding information and communications technology access, adopting user-centric digital designs, and promoting digital literacy. This article discusses India’s massive digitalization push.

**A Strategy for Boosting Tourism Recovery in the Bay of Bengal Region**
ADB experts discuss how cross-border circuits can help tourism in the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation subregion recover from the impacts of COVID-19.

**Think20 Indonesia Urges G20 to Pursue Global Cooperation on Economic Recovery and Environmental Sustainability**
International cooperation remains crucial for post-pandemic economic recovery and environmental sustainability. Countries must put geopolitical tensions aside to work together to address urgent challenges related to global health, digital transformation, and climate change. This was the key message of Think20 (T20) Indonesia at the T20 Summit in Bali on 4–6 September. The T20 brings together leading think tanks and research institutions to serve as the knowledge bank of the G20.
In this report, ADB lowered its forecast for economic growth in developing Asia and the Pacific to 4.3% in 2022 and 4.9% in 2023, amid mounting challenges. Its theme chapter looks at how digital entrepreneurship spurs growth and innovation.

This study assesses how the implementation of transit-oriented development can help address urban development challenges in India.

This book examines clean energy financing and approaches in hydropower and demand-side energy efficiency projects, along with policies and strategies based on experiences in South Asia.

The Hybrid Annuity Model (HAM) has significant potential to enable developing members of ADB to boost investments in public infrastructure through public-private partnerships. The paper identifies the key drivers and innovative features of HAM. Its innovative features include financial risk-sharing between the government and private sector, amenable qualification criteria to sustain the supply and demand base beyond large companies, high project readiness requirements, and flexibility to promote innovation.

The agriculture sector in Asia and the Pacific accounts for the largest share of greenhouse gas emissions in the region, contributing massively to climate change. Reducing greenhouse gas emissions in agriculture requires an assessment of agricultural production, agricultural value chains, and consumption patterns.

This tip sheet provides an overview of how ADB mainstreams gender into private sector projects and the business case for advancing gender equality.
UPCOMING PROJECTS

ASSAM SOUTH ASIA SUBREGIONAL ECONOMIC COOPERATION CORRIDOR CONNECTIVITY IMPROVEMENT PROJECT

This project will upgrade, reconstruct, and rehabilitate about 313 kilometers of state highways and major district roads in Assam. These include six road sections in the western, central, and southern regions to enhance (i) inter-district connectivity within Assam; (ii) interstate connectivity with Meghalaya, Manipur, Tripura, and Mizoram; and (iii) international connectivity. The project road sections form part of the priority roads of the Asom Mala program and are aligned with the South Asia Subregional Economic Cooperation Program corridors, helping to increase trade with Bangladesh at Sutarkandi–Sheola.

RAJASTHAN STATE HIGHWAY INVESTMENT PROGRAM—TRANCHE 3

The proposed Tranche 3 loan will continue improvement of road connectivity in Rajasthan with the upgrade of about 290 kilometers of state highways and major district roads. The program, approved in 2017, envisaged upgrading 2,000 kilometers of state highways and major district roads to two-lane or intermediate-lane standards in keeping with road safety requirements. The program is also improving road asset management, road safety, and project management capacity of the state Public Works Department.

CHENNAI METRO RAIL INVESTMENT PROJECT

The project will contribute to the expansion of the existing metro rail network in Chennai, the capital of Tamil Nadu. It will contribute to the development of three new metro lines, which will connect the central area of Chennai to major destinations in the south and west of the city. The investment project and the attached technical assistance project will improve the overall livability, inclusiveness, and competitiveness of the Chennai Metropolitan Area by providing affordable alternative transport, enhancing non-fare-box revenue generation, and enabling transit-oriented development, and first- and last-mile connectivity.

STRENGTHENING MULTIMODAL AND INTEGRATED LOGISTICS ECOSYSTEM (SMILE) PROGRAM

The program is a programmatic policy-based loan to support the government undertake wide-ranging reforms in the logistics sector in India. SMILE 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. The program is fully aligned with ADB’s India Country Partnership Strategy 2018–2022, boosting economic competitiveness to create more and better jobs (strategic pillar 1), involving cross-cutting themes related to private sector participation in transport and logistics, and encouraging private financing of infrastructure projects.
ADB Vice President (Operations-1) Shixin Chen visited India on 5–9 September and conducted stakeholder consultations on the forthcoming ADB country partnership strategy for India, 2023–2027. The vice president and Department of Economic Affairs Secretary and Alternate Governor Ajay Seth opened the consultation workshop in New Delhi, which was attended by about 70 senior officials from central line ministries and state governments.

In his opening remarks, Vice President Chen highlighted the pathways through which ADB could support the Government of India’s efforts to accelerate structural transformation, catalyze green growth, raise public–private sector synergies, and deepen social inclusiveness.

In his meeting with Mr. Seth, Vice President Chen discussed ADB’s India program and priorities for ADB operations, including regional cooperation and integration through the South Asia Subregional Economic Cooperation platform. In Bengaluru, Vice President Chen led the consultation meeting with senior officials of the Government of Karnataka and discussed ADB’s support across various sectors in the state.

In separate meetings in Delhi, the vice president met and discussed ADB’s support with the secretaries of the ministries of road transport and highways, new and renewable energy, and environment, forest, and climate change, and the head of the Energy and Resources Institute. He also visited the ADB-financed Delhi–Meerut Regional Rapid Transit System project site and the metro project in Bengaluru, and led separate consultations with development partners and a select group of private sector partners.
CPS CONSULTATIONS WITH OTHER STAKEHOLDER GROUPS

As part of the consultative process for the new country partnership strategy, ADB organized separate consultations with private sector, civil society organizations (CSOs), academics, and think tanks.

Comprehensive consultations were organized with diverse CSOs. In the main consultation meeting held on 13 October, over 30 international and national CSOs joined the discussions and endorsed the ADB focus to deepen social and economic inclusiveness. Country Director Takeo Konishi led the discussions and highlighted entry points and opportunities for CSO engagement in the design and implementation of ADB operations in India. In-depth consultations with identity- and advocacy-based CSOs were led by Chief of the Social Development Thematic Group Wendy Walker and Principal Social Development Specialist Francesco Tornieri on intersectional aspects of gender equality, disability, old age, sexual orientation, gender identity and expression, and sex characteristics. In the consultation held with private sector partners on 8 September, over 50 representatives participated in an engaging discussion on new areas of ADB support in the new country strategy. A separate consultation held on 3 November with a select group of academics and think tanks was attended by about 40 participants, including staff from ADB headquarters and the resident mission.

ADB JOINS HIGH-LEVEL CONFERENCE ON NEW TECHNOLOGIES FOR CLEAN ENERGY TRANSITION

Country Director Takeo Konishi joined a conference on new technologies for clean energy transition hosted by the International Solar Alliance on 19 October in collaboration with the Ministry for New and Renewable Energy and ADB. In his remarks, Mr. Konishi emphasized the importance of collaborative global efforts in enabling the transition to clean energy as part of climate change mitigation. Aside from its positive impact on the local environment and health, he asserted that access to clean and affordable energy would have a cascading impact on stimulating growth and jobs creation.

Highlighting ADB’s focus on energy transition through multiple renewable energy projects in its developing member countries, the country director called upon global institutions and technology developers to facilitate the transfer of new technologies across countries through financial support for large-scale applications. India’s New and Renewable Energy Minister Raj Kumar Singh delivered the keynote address while ministry Secretary Indu Shekhar Chaturvedi gave the special address. Deputy Country Director Hoe Yun Jeong gave closing remarks at the day-long conference attended by over 100 representatives from government agencies, technology experts and developers, and financing partners from across the world.
ADB in India

WORKSHOP DISCUSSES ADB STUDY ON INDIA’S ONE NATION ONE RATION CARD SCHEME

India’s Department of Food and Public Distribution Secretary Sudhanshu Pandey, along with Country Director Takeo Konishi, launched on 6 October an ADB-supported study on the uptake of ration portability in the One Nation One Ration Card scheme. In his remarks, the country director noted that the study provides a roadmap to further strengthen the scheme to support India’s efforts to enhance efficiencies in social protection and public service delivery, especially for vulnerable people. The findings of the study, which was supported through ADB technical assistance under the COVID-19 Active Response and Expenditure Support Program, suggest the scheme benefited migrants immensely during the pandemic-induced lockdowns, as they could access rations at subsidized prices in nearby fair-price shops. Senior officials from central and state governments, along with representatives from multilateral and bilateral agencies and civil society organizations, joined the workshop to discuss the study’s key findings and recommendations.

COUNTRY DIRECTOR MEETS WITH CANADIAN HIGH COMMISSIONER

Country Director Takeo Konishi on 3 October met with High Commissioner of Canada in India Cameron Mackay and made a presentation on ADB’s ongoing operations in India. The country director highlighted new focus areas for ADB’s operations, including climate change and disaster resilience, strategic engagement with states, regional cooperation initiatives through the South Asia Subregional Economic Cooperation Program, and non-sovereign operations. The High Commissioner said that a delegation of Canadian private companies will visit India in late November and would appreciate being introduced to ADB operations. Mr. Konishi agreed to have further discussions on the possibility of conducting a session for their exposure to ADB India operations.

ADB JOINS FRANCE–INDIA BUSINESS COUNCIL EVENT

Country Director Takeo Konishi in his remarks at the event on 28 September highlighted the need for convergence on policies related to the infrastructure, logistics, urban, and skills sectors for India’s inclusive and sustainable growth. Highlighting ADB’s current operational focus and priorities of its upcoming country partnership strategy for 2023–2027, the country director emphasized the need to establish a better enabling environment for public–private synergies and frameworks for engagements on climate change and environment management.

Mayank Choudhary, Principal Investment Specialist of ADB’s Private Sector Operations Department, made a presentation on ADB’s private sector operations in India. The France–India Business Council organized the event attended by representatives of French companies as well as International Finance Corporation Country Manager Wendy Werner.
ADB TREASURER MEETS WITH INDIAN OFFICIALS

ADB Treasurer Pierre Van Peteghem met with Department of Economic Affairs Additional Secretary Rajat Kumar Mishra in New Delhi on 19 September to discuss issues related to taxation and pending Reserve Bank of India approval of ADB’s use of Indian rupees in its operations in Bhutan, Maldives, and Nepal. The treasurer also discussed the parameters allowing ADB’s sovereign borrowers to convert their loans from floating to fixed rate or from US dollars to another currency, and provided updates on ADB’s Indian rupee funding operations in bonds and derivatives. He also met with Reserve Bank of India Deputy Governor T. Rabi Sankar in Mumbai on 20 September. Assistant Treasurer Jonathan P. Grosvenor joined the meetings.

ADB BOARD MEMBERS VISIT INDIA

Three members of the ADB Board of Directors visited India from 31 October–8 November and met with Finance Minister and ADB Governor Nirmala Sitharaman, and senior central government officials to gain a better understanding of the country’s development priorities in the context of the new country partnership strategy for India for 2023–2027. The Board members traveled to the sites of ADB-funded projects in the transport, energy, and agriculture sectors in the states of Uttar Pradesh and Maharashtra to inspect ongoing and completed interventions and interacted with projects’ beneficiaries. They met with Maharashtra Chief Minister Eknath Shinde and Uttar Pradesh Chief Secretary Durga Shanker Mishra and also spoke with a select group of civil society organizations, private sector partners, and India Resident Mission staff. Country Director Takeo Konishi briefly discussed with the Board members ADB’s India portfolio and the ongoing consultative process for the new country partnership strategy. The Board members were Chantale Wong, Executive Director who represents the United States; Sameer Kumar Khare, Executive Director for Afghanistan, Bangladesh, Bhutan, India, Lao People’s Democratic Republic, Tajikistan, and Turkmenistan; and Sergio Lugaresi, Executive Director for Belgium, France, Italy, Portugal, Spain, and Switzerland.

ADB JOINS FORUM ON RESHAPING INDIA’S LOGISTICS SECTOR

Deputy Country Director Hoe Yun Jeong on 21 October spoke at a forum themed Logistics Beyond Boundaries: Reshaping Logistics Sector hosted by the Merchants’ Chambers of Commerce and Industry. The deputy director described ADB’s longstanding support to India in improving its logistics efficiency to help reduce business costs and boost industry competitiveness. Among others, ADB has helped accelerate policy reforms and develop infrastructure for economic corridors and multimodal logistics parks, coastal shipping, and regional connectivity with South and Southeast Asia. More recently, ADB has been engaged with the government in implementing the PM Gati Shakti National Master Plan and the National Logistics Policy. The forum, which discussed current trends and prospects in logistics and supply chain management, and multimodal cross-border connectivity, was attended by prominent policymakers, industry leaders, and experts in logistics.

ADB TREASURER MEETS WITH INDIAN OFFICIALS

ADB Treasurer Pierre Van Peteghem (seated center on the right) met with Department of Economic Affairs Additional Secretary Rajat Kumar Mishra (seated first left) in New Delhi.

ADB BOARD MEMBERS VISIT INDIA

Deputy Country Director Hoe Yun Jeong speaking at the forum on Reshaping India’s Logistics Sector in Kolkata.

ADB TREASURER MEETS WITH INDIAN OFFICIALS

Deputy Country Director Hoe Yun Jeong (seated left on head chair) in New Delhi. ED Wong is seated next to Finance Minister while ED Lugaresi is seated third from right. ED Khare (hidden from view) is seated second on the left along with DEA Additional Secretary Rajat Kumar Mishra.
WORKING WITH ADB

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ADB in India

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