India's rapid economic growth in recent decades has lifted the country to become the world’s third-largest economy (in purchasing power parity terms), while major economic reforms have helped dramatically reduce poverty since 2004.

India was a founding member of the Asian Development Bank (ADB) in 1966 and is now the bank’s fourth-largest shareholder. ADB’s operations in India commenced in 1986, and the bank remains committed to helping the country achieve its aspiration of becoming a $5 trillion economy by 2025. India has been ADB’s top borrower since 2010.

ADB’s country partnership strategy, 2018–2022 for India aims to accelerate the country’s inclusive economic transformation. The strategy focuses on building industrial competitiveness to create more jobs, extending infrastructure and services to low-income states, and addressing environmental and climate change concerns. These objectives are pursued while promoting private sector development, gender empowerment and social inclusion, and regional integration through the South Asia Subregional Economic Cooperation (SASEC) and other forums.

ADB’s engagement with India goes beyond filling finance gaps. It strives to add value by combining project financing with knowledge services and capacity development.

Since 1986, ADB has committed 239 sovereign loans totaling $42.26 billion for India. Cumulative loan and grant disbursements to India amount to $31.79 billion. These were financed by regular ordinary capital resources and other special funds.

### ADB-SUPPORTED PROJECTS AND PROGRAMS

ADB’s current portfolio in India includes 69 sovereign loans amounting to $13.4 billion.
In 2019, the bank committed a record $3.18 billion for 10 sovereign projects aimed to develop infrastructure and services in transport, energy, urban services, and agriculture and natural resources.

Improving connectivity and accessibility to services and markets at the state, district, and rural levels remains a key area of ADB’s support in India. The bank committed $490 million for a public-private partnership project to upgrade about 1,600 kilometers of state highways and major district roads in Madhya Pradesh, along with assistance for state highway improvements in Chhattisgarh ($350 million) and Rajasthan ($190 million). Another $200 million was committed to upgrade about 2,100 kilometers of rural roads to all-weather standards in Maharashtra.

To improve urban mobility and decongest crowded suburban rail systems in Mumbai, ADB committed $926 million to operationalize two new lines for the Mumbai Metro Rail System. ADB financing will help procure state-of-the-art carriages incorporating safety features for the elderly, women, and people with disabilities.

ADB committed $206 million to develop water supply and sewerage infrastructure in five cities of Tamil Nadu. The investment will benefit residents, workers, and industries in the state’s economic corridors. Another $26 million was committed to improve drainage infrastructure in Dibrugarh in the state of Assam.

ADB continued its support for India’s national goal to promote energy efficiency and its international commitment to reduce energy intensity. The bank committed a $250 million loan to Energy Efficiency Services Limited to expand investments in energy smart meters, distributed solar photovoltaic systems, and electric vehicles.

To help develop the Chennai–Kanyakumari Industrial Corridor in Tamil Nadu, which is part of the ADB-supported East Coast Economic Corridor (ECEC) that extends to Kolkata in West Bengal, ADB committed $451 million to extend power availability to emerging manufacturing centers in the industrial corridor.

In the agriculture and natural resources sector, ADB committed $91 million to strengthen the capacity of state and basin institutions for integrated water resources management in Karnataka.

Complementing its lending assistance with knowledge support, ADB undertook strategic studies to identify growth pathways, new investment opportunities, and policy advice in sectors covering key industrial nodes in the ECEC, North Eastern Region Economic Corridor, coastal shipping, and the education system.

### NONSOVEREIGN OPERATIONS

As a catalyst for private investments, ADB provides financial assistance to non-sovereign projects and financial intermediaries. Total commitments from ADB’s own funds (in equity and direct loans) in 2019 amounted to $3.00 billion for 38 transactions in economic and social infrastructure, the finance sector, and agribusiness. During 2019 in India, ADB committed financing of $955.06 million for five loan transactions and $10 million for one equity transaction. ADB also actively mobilizes cofinancing from commercial and concessional sources.

In 2019, ADB mobilized $3.28 billion of long-term cofinancing and $3.69 billion of cofinancing in trade finance, microfinance, and supply chain finance programs. Total outstanding balances and commitments of nonsovereign transactions funded by ADB’s own resources stood at $13.78 billion as of 31 December 2019.

### India: Project Success Rates

#### Year | Success Rate (%) | No. of Independently Evaluated Projects and Programs
--- | --- | ---
2007 | 50.0 | 2
2008 | 50.0 | 4
2009 | 66.7 | 3
2010 | — | 1
2011 | 50.0 | 2
2012 | 100.0 | 5
2013 | 75.0 | 4
2014 | 100.0 | 2
2015 | 50.0 | 4
2016 | 80.0 | 5
2017 | 66.7 | 6
2018 | 50.0 | 8
2019 | 57.1 | 7
Total | 64.2 | 53

Note: The success rates reported are based on the ratings from validated PCRs and independently evaluated performance evaluation reports only and do not include self-evaluations. The ratings are reported not by calendar year but for the year ending June (e.g., 2019 success rates are derived from success rates of validated PCRs and PPERs completed from July 2018 to June 2019). With small sample sizes, success rates do not necessarily represent country operations performance.

Source: PCR validation reports and project/program performance evaluation reports ratings database as of 31 December 2019.

### India: Portfolio Performance Quality Indicators for Sovereign Lending and Grants, 2018–2019

<table>
<thead>
<tr>
<th>Year</th>
<th>No. of Ongoing Loans (as of 31 Dec 2019)</th>
<th>69</th>
<th>Amount ($)</th>
<th>2018</th>
<th>2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Awards (a)</td>
<td>2,190.04</td>
<td>2,626.55</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disbursements (b)</td>
<td>2,146.27</td>
<td>2,084.79</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>No. of Ongoing Grants (as of 31 Dec 2019)</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract Awards (a)</td>
<td>2018 ($ million)</td>
<td>2019 ($ million)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disbursements (b)</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Actual Problem Projects (%) (as of 31 Dec 2019)</td>
<td>3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

(a) Based on commitments.
(b) Includes closed loans/grants that had contract awards or disbursements during the year.
(c) Excludes policy-based lending/grants.
(d) Includes only Asian Development Fund and other ADB special funds.

### India: Projects Cofinanced, 1 January 2015–31 December 2019

<table>
<thead>
<tr>
<th>Cofinancing</th>
<th>No. of Projects</th>
<th>Amount ($ million)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sovereign (a)</td>
<td>38</td>
<td>2,916.03</td>
</tr>
<tr>
<td>Loans and others</td>
<td>12</td>
<td>2,833.54</td>
</tr>
<tr>
<td>Grants</td>
<td>6</td>
<td>47.93</td>
</tr>
<tr>
<td>Technical Assistance</td>
<td>21</td>
<td>34.56</td>
</tr>
<tr>
<td>Nonsovereign</td>
<td>17</td>
<td>2,068.77</td>
</tr>
</tbody>
</table>

(a) A project with more than one source of cofinancing is counted once.

### India: Share of Procurement Contracts for Loan, Grant, and Technical Assistance Projects

<table>
<thead>
<tr>
<th>Item</th>
<th>2018</th>
<th>2019</th>
<th>Cumulative (as of 31 Dec 2019)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Amount ($ million)</td>
<td>% of Total</td>
<td>Amount ($ million)</td>
<td>% of Total</td>
</tr>
<tr>
<td>Goods, Works, and Related Services</td>
<td>2,272.30</td>
<td>18.35</td>
<td>3,574.17</td>
</tr>
<tr>
<td>Consulting Services</td>
<td>65.72</td>
<td>9.31</td>
<td>96.94</td>
</tr>
<tr>
<td>Total Procurement</td>
<td>2,338.02</td>
<td>17.86</td>
<td>3,271.11</td>
</tr>
</tbody>
</table>

As of 31 December 2019.
PARTNERSHIPS

ADB collaborates with multilateral and bilateral development partners in India to exchange information on development operations, lessons, and best practices to augment its financial assistance. It also explores cofinancing opportunities, with a focus on climate finance and urban mobility improvement.

ADB works closely with India’s Department of Economic Affairs and project partners to build project pipelines, enhance implementation readiness and capacity before loan signing, and devise robust implementation monitoring and management systems. Regular portfolio review meetings involving ADB, the government, and executing agencies help discover and resolve implementation issues and foster information sharing. Regular review missions are conducted by ADB staff to support project implementation.

ADB provides secretariat functions to SASEC, which has seven member countries (Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka) and promotes regional cooperation through project investments and coordinated policy actions for transport, energy, and trade facilitation.

ADB also engages regularly with India’s private sector, business federations, and civil society organizations to strengthen the relevance, quality, and effectiveness of the assistance it provides.

FINANCING PARTNERSHIPS

Financing partnerships enable ADB’s development partners, governments or their agencies, multilateral financing institutions, and commercial organizations to participate in financing ADB projects. The additional funds are provided in the form of loans and grants, technical assistance, and other nonsovereign cofinancing such as B loans, risk transfer arrangements, parallel loans and equity, guarantee cofinancing, and cofinancing for transactions under ADB’s Trade Finance Program and Supply Chain Finance Program.

ADB began cofinancing operations in India in 1987. Since then, sovereign cofinancing commitments for India have amounted to $4.09 billion for 36 investment projects and $136.12 million for 126 technical assistance projects. Nonsovereign cofinancing for India has amounted to $2.97 billion for 26 investment projects and $1 million for two technical assistance projects.

In 2019, India received a total of $529.94 million in loan cofinancing from KfW, the New Development Bank, and the Clean Technology Fund for three projects.

A summary of projects with cofinancing from 1 January 2015 to 31 December 2019 is available at www.adb.org/countries/india/cofinancing.

PROCUREMENT

Each year, ADB provides loans, grants, and technical assistance to fund projects and activities in its developing member countries and several billion dollars in contracts to procure goods, works, and consulting services. Most contracts are awarded on the basis of international competition, which is open to firms and individuals from any ADB member, regional or nonregional.

Share of ADB’s Procurement Contracts

Goods, Works, and Related Services
ADB’s procurement contracts in Asia and the Pacific for goods, works, and related services under loan and grant operations totaled $12.38 billion in 2018 and $14.27 billion in 2019. Cumulative procurement since 1966 has been $194.28 billion covering 219,119 contracts.

In India, 14,208 contracts worth $28.7 billion have been awarded to contractors and suppliers since 1966.

Consulting Services
ADB’s procurement contracts in Asia and the Pacific for consulting services under loan, grant, and technical assistance operations totaled $706.15 million in 2018 and $745.02 million in 2019. Cumulative procurement since 1966 has been $13.4 billion covering 63,327 contracts.

In India, 4,071 contracts worth $919.8 million have been awarded to consultants since 1966.

OPERATIONAL CHALLENGES

ADB operations in India—spanning six sectors and covering more than 20 states—involves a diverse range of project partners with varied experience and capacities. ADB aims to establish stronger partnerships in low-income states, including those in the country’s northeast, to help strengthen project implementation capacities and systems. As part of those efforts, ADB introduced project readiness financing to assist states in preparing feasibility studies, detailed designs, advance procurement
actions, safeguards due-diligence reports, legal services, and more robust cost estimates. As a result, India has strengthened its implementation performance.

In more advanced states, there is a growing need to address complex challenges such as urbanization, industrialization, lack of well-paid jobs, environmental degradation, and climate change impacts, while mobilizing private capital and municipal resources. ADB is pursuing development of integrated multimodal urban transport systems, promoting anchor investors in economic corridors, and revitalizing public–private partnerships. Through technical assistance, the bank continually supports integrated development planning and adoption of global best practices.

**FUTURE DIRECTIONS**

ADB’s country partnership strategy for India is closely aligned with the government’s development priorities and transformative programs. ADB will continue to focus on support for industrial corridor development; national road safety, micro, small, and medium-sized enterprises; the Jal Jeevan Mission; and logistics efficiency and urban transport, including metro rail and rapid rail transit systems. ADB will also expand its support to social sectors such as national education and health programs. Support to promote regional cooperation and integration will continue through SASEC. Using its One ADB approach, the bank will integrate its sovereign and nonsovereign operations to deliver better operational outcomes and client service.

In 2019, ADB achieved its targets of $4 billion in annual sovereign and nonsovereign lending commitments to India. The bank intends to sustain this lending over the next few years, including annual investments of $1 billion each in economic corridors and low-income states. ADB will specifically seek to accelerate efforts for financial leveraging to attract private investments and promote local resource mobilization.

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**ABOUT INDIA AND ADB**

**ADB Membership**

Joined 1966

**Shareholding and Voting Power**

Number of shares held: 672,030 (6.317% of total shares)

Votes: 711,144 (5.347% of total membership, 8.211% of total regional membership)

Overall capital subscription: $9.29 billion

Paid-in capital subscription: $464.74 million

**Contributions to Special Funds Resources**

India has contributed to the Asian Development Fund (ADF), which is ADB’s window for concessional lending to its borrowing members up to 31 December 2016 and retaining the ADF support as a grant-only operation from 1 January 2017; and to the Technical Assistance Special Fund (TASF), which provides grants to borrowing members to help prepare projects and undertake technical or policy studies.

- Contributions to the ADF (committed): $64.43 million
- Contributions to the TASF (committed): $11.81 million

**Sameer Kumar Khare** is the Director and **Bayrammuhammet Garayev** is the Alternate Director representing India in the ADB Board of Directors.

**Kenichi Yokoyama** is the ADB Country Director for India. The India Resident Mission was opened in 1992 and provides the primary operational link for activities between ADB and the government, the private sector, civil society stakeholders, and development partners. The resident mission engages in policy dialogue, country partnership strategy development and programming, and portfolio management, while also acting as a knowledge base on development issues in India.

The Indian government agency handling ADB affairs is the Department of Economic Affairs, Ministry of Finance.

**ABOUT THE ASIAN DEVELOPMENT BANK**

ADB is a multilateral development bank owned by 68 members, 49 from the region and 19 from other parts of the world. ADB’s main instruments for helping its developing member countries are policy dialogue, loans, equity investments, guarantees, grants, and technical assistance. In 2019, lending volume was $20.47 billion (133 projects), with technical assistance at $237.31 million (252 projects) and grant-financed projects at $844.07 million (31 projects). In addition, $11.86 billion was generated for sovereign and nonsovereign cofinancing in the form of loans and grants, B loans, risk transfer arrangements, guarantee cofinancing, parallel loans, parallel equity, and cofinancing for transactions under ADB’s Trade Finance Program. From 1 January 2015 to 31 December 2019, ADB’s annual lending volume averaged $17.41 billion. In addition, investment grants and technical assistance funded by ADB and Special Funds resources averaged $702.60 million and $202.27 million over the same period. As of 31 December 2019, the cumulative totals excluding cofinancing were $296.28 billion in loans for 3,221 projects in 44 countries, $10.23 billion in 409 grants, and $4.72 billion in technical assistance grants, including regional technical assistance grants.

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**NOTES:**

ADB welcomed Niue as its 68th member in March 2019.

Figures are estimated by ADB unless otherwise stated. “$” refers to United States dollars.

Data are updated as of 31 December 2019 unless otherwise indicated.