



Asian Development Bank & India

FACT SHEET

Table 1. India: Development Indicators

Non-MDG	
Population in millions	1,166.23 (2009)
Annual population growth rate (%)	1.4 (2007–2009)
Adult literacy rate (%)	66.0 (2007)
Percent of population in urban areas	29.5 (2008)
MDG	
Percent of population living on less than \$1.25 a day	41.6 (2005)
Percent of population living below the national poverty line	27.5 (2004)
Under-5 mortality rate per 1,000 live births	69 (2008)
Percent of population using an improved drinking water source	89 (2006)

MDG = Millennium Development Goal.

Sources: ADB, 2010. *Basic Statistics 2010*. Manila.
UNESCO, 2010. Institute for Statistics Data Centre.
World Bank, 2010. World Development Indicators Online.

Mainly as a result of the economic reforms initiated in 1991, India's long-term trend rate of growth increased from 3.6% during the 1950s–1970s, to 5.2% in the 1980s, 6.1% in the 1990s, and to more than 9% during fiscal year (FY)2005–FY2007. Like other emerging economies, India was affected by the turmoil and uncertainty gripping global financial markets and the world economy since the second half of 2008. Growth rates declined to 6.7% in FY2008, as compared to 9.2% in FY2007 and 9.7% in FY2006.¹ The Government of India took several prompt monetary and fiscal measures to enhance demand, boost credit flows, and lower interest rates to counter the slowdown. Some early indicators suggest that the government's stimulus package has been effective in reviving growth.

As per the advanced estimates by Government of India, the Indian economy is expected to grow by 7.2% in FY2009. The index of industrial production (IIP) registered a growth rate of 9.6% during April–January FY2009 as compared to 3.3% in the same period in 2008; and exports reversed a 13-month decline, growing by an impressive 12.7% in November 2009–January 2010. The IIP has grown at an average of more than 12% since August 2009. This growth is stronger than expected, and cuts across categories, such as transport equipment, metal products, textiles, and mining. From a use-based perspective, too, consumer spending continues to gain strength both in durables and non-durables.

Relationship with ADB

India is a founding member of the Asian Development Bank (ADB) and its fifth largest shareholder. Since the beginning of operations in 1986, ADB has approved 144 loans (sovereign and nonsovereign) amounting to \$22,228.15 million.

As of 31 December 2009, the portfolio included 53 ongoing loans for \$8.4 billion with \$2.8 billion going to transport, \$1.5 billion to water supply and other municipal infrastructure and services, \$2.0 billion to the energy sector, and \$2.1 billion to the finance sector.

ADB's lending assistance to India increased from an annual average of about \$1.16 billion in 2000–2005 to \$1.83 billion in 2006–2009. Actual approvals (subprojects and regular loans) were \$1.3 billion in 2007, \$2.7 billion in 2008, and \$1.8 billion in 2009. ADB lending to India in 2009 was \$1.1 billion (total of three Multitranches Financing Facilities [MFF]) and \$1.3 billion (subprojects). As per the India Country Operations Business Plan 2010, 10 loans (MFF and regular) amounting to \$1,670 million have been programmed in 2010. Since the Board Consideration for the Micro, Small, and Medium Enterprise Development Project was rescheduled from 2009 to 2010, there are currently 11 loans amounting to \$1,720 million in 2010.

ADB's nonsovereign operations started in 1987 for India. ADB has approved a total of \$2,129.3 million in cumulative financial assistance to 35 nonsovereign projects in India (including nonsovereign projects to state-owned enterprises and commercial loans approved under ADB's

¹ Fiscal year 2009 extends from 1 April 2009 to 31 March 2010.

B-loan program). As of 31 December 2009, outstanding balances and undisbursed commitments to projects in India amounted to \$1,032.1 million, representing 23.4% of the Private Sector Operations Department's total nonsovereign operations portfolio (this excludes approved projects that have not been signed or made effective and excludes outstanding/undisbursed balances for B-loans).

The new approvals in 2009 include the North Eastern Region Capital Cities Development Investment Program (\$200 million) MFF covering the five northeastern state capitals of Shillong (Meghalaya), Aizawl (Mizoram), Kohima (Nagaland), Gangtok (Sikkim), and Agartala (Tripura); the Assam Power Sector Enhancement Investment Program (\$200 million) MFF, which will improve transmission and distribution infrastructure and reduce system losses; the Mizoram Public Resource Management and Development Program (\$100 million), which will improve the state government's finances and strengthen service delivery; and Second India Infrastructure Project Financing Facility (\$700 million) MFF, which will enhance the availability of long-term funds for infrastructure through public-private partnership (PPP) initiatives. The \$20 million regional South Asia Tourism Infrastructure Development Project was also approved in 2009.

ADB approved \$40 million in equity investment under its private sector window for Public-Private Partnership for Renewable Energy Development; and a \$100 million nonsovereign loan (i.e., without government guarantee) to the Export-Import Bank of India.

Impact of Assistance

In the agriculture and natural resources sector, promising results were achieved by the Chhattisgarh Irrigation Development Project (L2159-IND) for promoting crucial institutional changes in water management and improving the livelihood of poor farmers. It is estimated that by improving irrigation infrastructure and agriculture extension services, the project has resulted in a 50% yield increase in irrigated rice; 30% yield

Table 2. India: Economic Indicators, 2005–2009

Economic Indicator	2005	2006	2007	2008	2009
Per capita GNI, Atlas method (\$)	740	820	950	1,070	...
GDP growth (% change per year)	9.5	9.7	9.2	6.7	7.2
Inflation rate (% change per year)	4.4	5.4	4.8	8.3	3.6
Unemployment rate (%)
Fiscal balance (% of GDP)	-6.5	-5.4	-4.0	-8.5	-9.7
Export growth (% change per year)	23.4	22.6	28.9	13.7	-15.0
Import growth (% change per year)	32.1	21.4	35.1	19.4	-17.0
Current account balance (% of GDP)	-1.2	-1.0	-1.3	-2.5	-1.9
External debt (% of GNI)	16.7	15.3	14.7	18.5	...

... = data not available, GDP = gross domestic product, GNI = gross national income.

Sources: ADB. 2010. *Asian Development Outlook 2010*. Manila.

ADB staff estimates.

World Bank. 2010. World Development Indicators Online.

Table 3. India: 2009 Loan, TA, and Grant Approvals (\$ million)

Loans		TA	Grants	Total
Sovereign	Nonsovereign			
1,711.0	100.0	19.5	2.0	1,832.5

Cumulative Lending (as of 31 Dec 2009) : \$22,228.1 million
Cumulative Disbursements (as of 31 Dec 2009) : \$13,557.2 million

increase in wheat; and facilitated the successful introduction of new rabi (dry season) crops, such as groundnut and maize, in 25 pilot schemes.

The Assam Power Sector Development Program (\$100.0 million, 2003–2009) has helped restructure the Assam State Electricity Board, developed rules for independent tariff setting, funded a computerized billing system for electric supply services, and lowered transmission and distribution system losses from 41% to 25%. ADB assistance has also increased the reliability of the electricity supply and connected 1,200 villages (approximately 78,000 households) to the state's electricity grid.

In addition, through the Assam Governance and Public Resource Management Sector Development Program (subprogram 1: \$150.0 million, 2004–2007; subprogram 2: \$100.0 million, 2008–2012), ADB has helped Assam bring down the deficit through debt restructuring and settlement, closure of unviable public sector enterprises, and strengthening of tax administration. The ongoing subprogram 2 will consolidate the gains made in subprogram 1 by further strengthening revenue administration, including the use of an information and communication technology system; improving expenditure management through the gradual introduction of an outcome-based budget and improvements in providing operation and maintenance funds; and developing a centralized debt-management system.

Table 4. India: Cumulative ADB Lending as of 31 December 2009

Sector	Loans (no.)	Amount (\$ million)	% ^a
Agriculture and Natural Resources	2	62.61	0.28
Education			–
Energy	47	7,540.39	33.92
Finance	18	2,570.00	11.56
Health and Social Protection	1	20.00	0.09
Industry and Trade	5	275.90	1.24
Public Sector Management	8	1,050.00	4.72
Transport and ICT	34	6,751.85	30.38
Water Supply and Other Municipal Infrastructure and Services	18	1,927.40	8.67
Multisector	11	2,030.00	9.13
Total	144	22,228.15	100.00

– = nil, ICT = information and communication technology.

^a Total may not add up because of rounding.

Table 5. India: Project Success Rates

By Sector	Percentage ^a	No. of Rated Projects/ Programs
Energy	81.3	16
Finance	71.4	7
Multisector	66.7	3
Public Sector Management	33.3	3
Transport and ICT	45.5	11
Water Supply and Other Municipal Infrastructure and Services	66.7	3
Total	65.1	43
By Year of Approval		
1980s	70.0	10
1990s	64.0	25
2000s	62.5	8

ICT = information and communication technology.

^a Based on aggregate results of project/program completion reports (PCRs), PCR validation reports (PCRVRs), and project/program evaluation reports (PPERs) using PCRVR or PPER ratings in all cases where PCR and PCRVR/PPER ratings are available.

Sources: PCRs, PCRVRs, and PPERs containing a rating circulated as of 31 December 2009.

Further, ADB has financed 24 public–private partnership infrastructure projects under the first tranche of the India Infrastructure Project Financing Facility (2008–2010). The first facility has leveraged more than 10 times its own resources from other commercial sources. The development impact will also be significant in that more than 1,100 kilometers of highway expansion is being funded, and more than 22 million person-days of employment will be created, largely in the rural sector.

Future Directions

Poverty reduction and social development through faster and more inclusive growth is the focus of India's 11th Five-Year Plan 2007–2012. It identifies several development challenges: creating jobs; providing essential services to the poor; reinvigorating the rural economy; increasing manufacturing competitiveness; developing human resources; protecting the environment; and bridging the divides between regions, sectors, and genders. The Plan emphasizes the urgency of addressing the following key constraints: (i) infrastructure bottlenecks and lack of long-term funds for infrastructure investment; (ii) the weak performance of agriculture and the urgent need to reinvigorate the overall rural economy; (iii) interstate disparities in terms of economic and social indicators; (iv) relatively poor education and health indicators

Table 6. India: Portfolio Performance Quality Indicators for Sovereign Lending, 2008–2009

	2008 (\$ million)	2009 (\$ million)
Number of Ongoing Loans (as of 31 Dec 2009)		53
Contract Awards/Commitments	1,154.0	1,657.1
Disbursements	1,507.7	1,339.8
Loans at Risk (%)	9.1	5.7

Note: Totals may not add up because of rounding.

Table 7. Cumulative Nonsovereign Operations Portfolio Distribution by Top Countries, 1983–2009^{a,b}

Country	No. of Projects	Total ADB Approvals (\$ million)
China, People's Republic of	24	2,188
India	35	2,129
Indonesia	15	919
Philippines	26	768
Pakistan	24	721
Thailand	10	395
Kazakhstan	4	375
Sri Lanka	12	280
Viet Nam	7	280
Bangladesh	8	242
Afghanistan	6	198
Lao People's Democratic Republic	1	100
Azerbaijan	4	66
Nepal	4	59
Georgia	1	25
Papua New Guinea	1	25
Other DMCs	12	62
Regional	38	1,895

DMCs = developing member countries.

^a Includes nonsovereign projects processed by the Private Sector Operations Department and various regional operations departments of ADB. Regional operations departments started nonsovereign operations in 2007.

^b Net of facilities cancelled in full before signing.

Source: Private Sector Operations Department.

despite the economic progress made over the past decade; and (v) ensuring that growth is environmentally sustainable.

ADB's India Country Partnership Strategy (CPS) 2009–2012 has been designed to support the government's efforts in addressing some of the binding constraints identified in the 11th Five-Year Plan, and supporting the government's efforts toward facilitating inclusive growth. The strategic pillars of the CPS are as follows: (i) support for inclusive and environmentally sustainable growth; (ii) catalyzing investment through the use of innovative business and financing solutions; and (iii) strengthening results orientation and emphasizing knowledge solutions; and (iv) support for regional cooperation.

The CPS 2009–2012 has been prepared within a results-based framework and aims to significantly strengthen ADB support for infrastructure development in the relatively poorer states of India, promote public–private partnerships in infrastructure, support climate change adaptation and mitigation, and encourage innovative financing modalities (nonsovereign loans and cofinancing) to increase the leverage of ADB operations.

The strategic pillars of the CPS are in line with ADB's Strategy 2020, which emphasizes three agendas: support for inclusive growth, environmentally sustainable growth, and regional integration to reduce poverty in the Asia and Pacific region. In addition, the five drivers of change emphasized in Strategy 2020—private sector development and private sector operations, good governance and capacity building, gender equity, knowledge solutions, and partnerships—have been mainstreamed into all sector road maps.

Table 8. India: Contractors/Suppliers Involved in ADB Loan Projects, 1 January 2005–31 December 2009

Contractor/Supplier	Sector	Contract Amount (\$ million)
Larsen and Toubro, Ltd.	Multisector	187.84
KEC International, Ltd.	Energy	161.97
Bharat Heavy Electricals, Ltd.	Energy	149.64
Gammon India Limited	Multisector	145.62
BSC-C&C (JV)	Transport and ICT	114.78
Nafed Ashram Chowk/MMTC Ltd./PEC Ltd.	Multisector	112.97
Hindustan Construction Co. Ltd.	Energy	109.57
CGGC Soma JV	Transport and ICT	94.08
IVRCL Infrastructure and Projects Ltd.	Multisector	92.61
Kalpataru Power Transmission Ltd.	Energy	80.08

ICT = information and communication technology.

Table 9. India: Top Consulting Firms Involved in ADB Loan Projects, 1 January 2005–31 December 2009

Consultant	Number of Times Contracted	Contract Amount (\$ million)
Scott Wilson, India, Private Ltd.	5	18.95
Intercontinental Consultants and Technorats	6	16.53
Span Consultants Pvt., Ltd.	6	9.03
Consulting Engineering Services (India) Pvt.	2	8.72
Shah Technical Consultants Pvt., Ltd.	5	8.70
Wilbur Smith Associates Pvt., Ltd.	2	6.26
Operation Research Group, India Pvt., Ltd.	5	6.00
Stup Consultants Pvt., Ltd.	3	5.76
PricewaterhouseCoopers Pvt., Ltd.	2	5.68
Water and Power Consultancy Services (I), Ltd.	1	5.04

Operational Challenges

India's development needs are far larger than what all external agencies combined can provide. The need for long-term funding to finance infrastructure development projects, especially in the lagging states, is critical. ADB will continue to leverage additional resources through cofinancing, tapping concessional money for climate change mitigation and adaptation, and focusing more on value addition (through innovative financing modalities—public–private partnerships, nonsovereign operations, better project design and implementation, capacity building, incorporation of best practices, and support for weaker and poorer states).

ADB has been working closely with the Government of India to further reduce delays in project implementation and to improve the overall quality of portfolio performance. Measures taken include introduction of new financing products, preparation of a detailed project readiness checklist to improve quality at entry, earmarking of additional resources for capacity building and hands-on support, simplification of procurement and consultant selection procedures, and streamlining of ADB's approval processes. While implementing these measures, ADB is paying careful attention to safeguarding (i) integrity in procurement, (ii) quality of works of suppliers and consultants, and (iii) social and environmental aspects. The government has appointed nodal officers in each state to facilitate interagency coordination and removal of obstacles to smooth project implementation. A tripartite portfolio review meeting with participation from ADB, the government, and executing agencies is held up to three times a year to review the implementation status of the entire portfolio. The review encompasses status of contract awards and disbursements, achievement of project outputs and outcomes, and implementation of the reform agenda to ensure sustainability of interventions. ADB is also assisting executing agencies by establishing project support units staffed by project implementation and procurement specialists in selected states that have weak project implementation capacity. These joint initiatives by ADB and the Government of India have yielded significant results to date—contract awards have increased from \$550.5 million in 2004 to \$1.66 billion

in 2009, while loan disbursements have risen from \$381.0 million to \$1.34 billion over the same period.²

Partnership

In India, ADB collaborates closely with multilateral and bilateral development partners, such as the World Bank, United Kingdom's Department for International Development (DFID), Japan Bank for International Cooperation (JBIC), and the European Union. Modalities for cooperation include ongoing consultations, programming-related meetings, cofinancing, and knowledge sharing. For example, ADB, the World Bank, DFID, and JBIC have been coordinating closely in Bihar since 2007. ADB has had a decade-long partnership with DFID in India. A poverty-focused \$50 million Trust Fund, which spanned from 2001 to 2008, was followed by a successor partnership approved to run through 2009–2013. The partnership with DFID has supported mainstreaming of poverty reduction objectives across the ADB India program and is supporting capacity enhancement in projects in weaker capacity and poorer states, such as Bihar, Chhattisgarh, Jharkand, and Madhya Pradesh.

ADB has been working closely with the Government of Japan in India. An example is the parallel financing of related components of a water supply project in Bisalpur under the Rajasthan Urban Infrastructure Development Project (2004–2010). ADB and the Japan International Cooperation Agency (JICA) have been coordinating closely regarding possible support for the huge Dedicated Freight Corridor Project. Germany is currently cofinancing ADB's loan on the Rural Cooperative Credit Restructuring and Development Program (for about \$200 million), which will support policy and institutional reforms in the cooperative credit structure in India.

ADB also cooperates extensively with civil society organizations to strengthen the effectiveness, quality, and sustainability of the services it provides. For example, extensive stakeholder consultations were held while preparing the India Country Partnership Strategy. Representatives of a range of stakeholder groups took part, including the government of India, state governments, nodal agencies, development partners,

Table 10. **India: Top Consultants (Individual Consultants and Consulting Firms) Involved in Technical Assistance Projects, 1 January 2005–31 December 2009**

Consultant	Number of Times Contracted	Contract Amount (\$ million)
PricewaterhouseCoopers Pvt., Ltd.	16	11.25
Visionri Connexion Services Private	6	4.76
Infrastructure Professionals Enterprise	6	3.18
Stup Consultants Ltd.	4	2.19
Intercontinental Consultants and Technorats Pvt.	4	2.16
Scott Wilson, India, Private Ltd.	1	1.49
DSCL Energy Services Company Ltd.	3	1.14
SMEC (India) Pvt., Ltd.	1	0.91
Wilbur Smith Associates Pvt., Ltd.	2	0.81
Lea Associates South Asia Pvt., Ltd.	2	0.78
Individual Consultants	486	20.28

Table 11. **ADB Assistance to DMCs, 2008–2009^a**

	2008 (\$ million)	2009 (\$ million)	Change (%)
Lending	10,123.92	13,230.19	30.68
ADF, Sovereign	1,763.56	2,210.31	25.33
OCR, Sovereign	6,838.78	10,577.01	54.66
OCR, Nonsovereign	1,521.58	442.87	(70.89)
Public Sector	300.00	134.30	(55.23)
Private Sector	1,221.58	308.57	(74.74)
Equity Investments	123.08	220.00	78.74
Grants	808.90	1,113.48	37.65
Technical Assistance	273.20	267.20	(2.21)

ADF = Asian Development Fund, DMCs = developing member countries, OCR = ordinary capital resources.

^a Excludes terminated loans, equity investments, technical assistance, and grants.

² India's disbursement ratio (excluding programs loans) was 27.4% in 2008 as against the ADB-wide ratio of 20.3%. Its contract awards ratio (excluding programs loans), at 29.5%, was similarly better than the ADB-wide ratio of 24.9%.

academia, civil society, and the private sector. Consultations were held for the transport, energy, urban, agriculture, water resources, and financial sectors. Discussions revolved around the Government's development strategy, ways of improving the design and delivery of ADB operations, as well as the role ADB should play in the years ahead. Nearly 200 civil society organizations have been involved over time as partners in consultations in loan projects and grant projects, including the Japan Fund for Poverty Reduction. The India Resident Mission responds to more than 150 requests for information from civil society each year.

Cofinancing and Procurement

Cofinancing enables ADB's financing partners—government or their agencies, multilateral financing institutions, and commercial organizations—to participate in financing of ADB projects. The additional funds are provided in the form of grants, official loans, or credit enhancement products.

As of year-end 2009, cumulative direct value-added cofinancing for India amounted to \$1.2 billion for 12 investment projects, and \$62.73 million for 66 TA projects.

A summary of projects with cofinancing from 1 January 2005 to 31 December 2009 is available at www.adb.org/Documents/Fact_Sheets/India/cofinancing.asp.

From 1 January 1968 to 31 December 2009, contractors and suppliers were involved in 186,281 contracts for ADB loan projects worth \$96.29 billion. During the same period, contractors and suppliers from India were involved in 6,578 contracts for ADB loan projects worth \$10.80 billion.

From 1 January 1968 to 31 December 2009, consultants were involved in 10,945 contracts for ADB loan projects worth \$4.38 billion. During the same period, consultants from India were involved in 294 contracts for ADB loan projects worth \$268.02 million.

From 1 January to 31 December 2009, consultants were involved in 20,087 contracts for ADB TA projects worth \$2.52 million. During the same period, consultants from India were involved in 1,148 contracts for ADB TA projects worth \$99.68 million.

A summary of procurement contracts awarded to companies and consultants from India for goods and works, and consulting services can be found at www.adb.org/Documents/Fact_Sheets/India/procurement.asp.

About India and ADB

ADB Membership

Joined 1966

Shareholding and Voting Power

India is the third largest shareholder among regional members and the fourth largest overall.

Figures are as of 31 December 2008, before the fifth general capital increase process began. The process is ongoing, and the final figures are expected to be available by 31 December 2010. Current subscription levels are available from the Office of the Secretary.

Shares held	224,010 (6.32%)
Votes	237,242 (5.35%)

Ashok K. Lahiri is the Executive Director and **Md. Aminul Islam Bhuiyan** is the Alternate Executive Director representing India on the ADB Board of Directors.

Hun Kim is the ADB Country Director for India. The India Resident Mission (INRM) was opened in 1992 and provides the primary operational link between ADB and the government, private-sector, and civil-society stakeholders in its activities. INRM engages in policy dialogue and acts as a knowledge base on development issues in India.

The India government agency handling ADB affairs is the Ministry of Finance.

About the Asian Development Bank

ADB is a multilateral development bank owned by 67 members, 48 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 (TA). In 2009, lending volume was \$13.23 billion (93 projects), with TA at \$267.2 million (313 projects) and grant-financed projects at \$1.11 billion (64 projects). In addition, \$3.16 billion in direct value-added loan cofinancing was generated. Over the last 5 years (2005–2009), ADB's annual lending volume averaged \$9.18 billion, with TA averaging \$245.7 million and grant-financed projects \$855.4 million. As of 31 December 2009, the cumulative totals were \$155.94 billion in loans for 2,206 projects in 41 countries, \$5.19 billion for 315 grant projects, and \$3.81 billion for 6,863 TA projects.

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Useful ADB websites

Asian Development Bank
www.adb.org

Country website
www.adb.org/india

Asian Development Outlook
www.adb.org/Documents/Books/ADO/2010/IND.pdf

Annual Report
www.adb.org/Documents/reports/annual_report/2009/

Depository Libraries
www.adb.org/Publications/Depositories/ind.asp