

ADB and India: Partnership for inclusive and sustainable development

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In advance of [ADB Managing Director General Rajat Nag's talk at LSE](#), Dr Ruth Kattumuri reviews the bank's India programme and its growing emphasis on skills development, gender mainstreaming, and climate change adaptation.

The scope, composition, and location of the Asian Development Bank (ADB) naturally offer opportunities for enhanced partnership with India. The ADB and India are closely aligned in their objectives of growth that is inclusive and sustainable. Relevance, responsiveness, and results comprise the guiding principles for ADB's India programme. The bank has constantly updated its programmes in keeping with India's evolving development priorities to ensure a high degree of relevance and responsiveness.

India has been among the ADB's founding members since 1966, with operations commencing in 1986. Since 2007, she has been among the top three borrowers of ordinary capital resources (OCR) loans from the ADB—the bank has approved loans worth over US\$23 billion since 1986 with over three-quarters of these allocated to transport, energy, and the urban sector.

During the first decade of its operations, the ADB mainly provided assistance for national programmes in the transport and energy sectors. It modified its country operational strategy in 1996 to focus on state-level operations in the transport, power, and urban sectors. More recently, the ADB has expanded its operations into agribusiness, infrastructure development, and integrated water resource management, with a focus on climate change adaptation and financial inclusion.

The 2012-14 ADB business plan for India proposes an increase in investments for livelihood promotion, sustenance – with a particular focus on water resource management – human resources development, and efficient infrastructure services. The ADB's proposed investment commitment for 2012–14 is US\$1.95 billion in 2012, US\$2.2 billion in 2013, and US\$2.1 billion in 2014, with a sharper focus on innovation, value addition, responsiveness, inclusion, capacity development, the transfer of best practices, and the leveraging of investments for more effective and optimal use of resources.

Skills development and improvements in the delivery of social services comprise eight per cent of 2012–14 operations. Projects with potential for significant gender mainstreaming and equity have a target share of over 40 per cent. The focus on environment and natural resource projects through interventions in water resources and clean energy within broader infrastructure development together account for about 28 per cent. Moreover, the share of projects in economically lagging states has been scaled up to 38 per cent, versus 22 per cent between 1986 and 2011, to help bridge the development divide.

Overall, the priorities for the ADB's 2012–14 programmes highlight the need for enabling policies, stronger institutions, results-based financing, the transfer of regional best practices, and public–private partnerships (PPPs) in order to maximise the development impact.

The government of India and the ADB have been organising detailed tripartite portfolio review meetings (TPRMs) since September 2005 to enable operational effectiveness and improve performance. The bank has also been increasing its resources for capacity building, training, and business development programmes since the design and implementation of programmes in a diverse country with over one billion people will continue to be challenging. The development lessons through TPRMs and other operations need to be disseminated for the transfer of knowledge and best practices between states and sectors within India and beyond.

As India launches its twelfth five-year plan for faster, sustainable, and more inclusive growth there will be opportunities for greater co-operation with the ADB.

To learn more about ADB programmes aimed at promoting inclusive and sustainable growth in Asia, attend [tonight's talk at LSE with Rajat Nag, managing director general of the ADB](#).

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