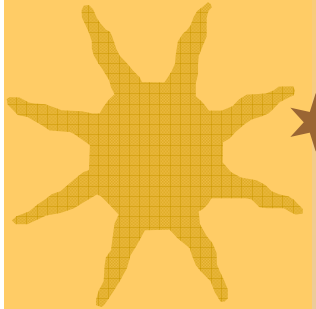


Asian Development Bank Urban Sector Strategy & Operations in India

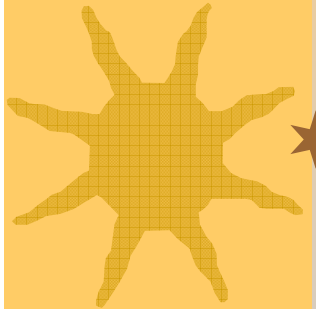
By
Gülfer Cezayirli
Principal Urban Specialist
Asian Development Bank
March 2009



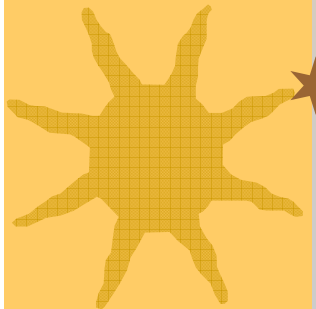
The Guiding Framework: ADB CPS (2009-11)



- ★ Support for Inclusive and Environmentally Sustainable Growth
 - Infrastructure (including urban infrastructure)



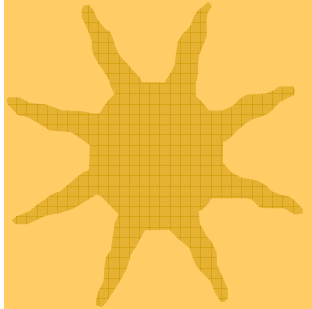
- ★ Catalyzing Investments through the Use of Innovative Financing Solutions



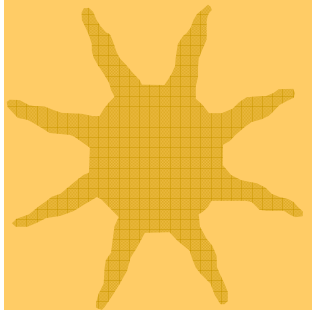
- ★ Strengthening Results Orientation (focus on impact & outcome)



ADB Urban Sector Strategy in India

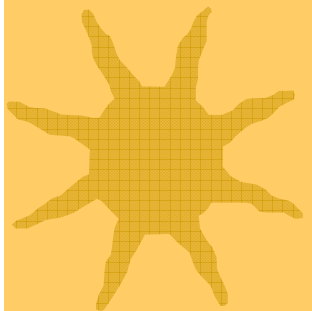


- ★ Builds on ADB's Urban Sector Operations and Experience to date



- ★ Support the Government Urban Agenda with dual objectives of

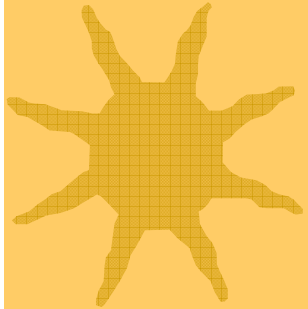
- Improving the quality of life of urban residents



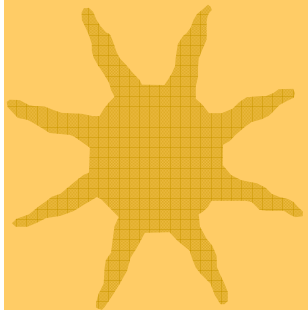
- Enhancing the competitiveness of Indian cities in a globalizing world



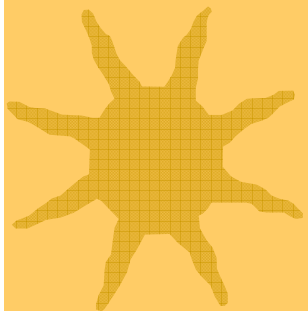
Key Outcome of the Sector Assistance



★ Increasing the access of urban population to urban infrastructure and services through addressing the two key challenges



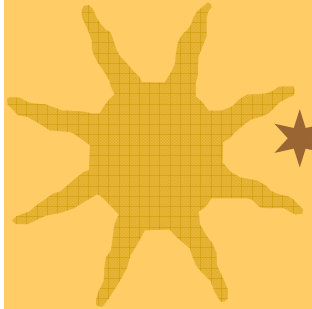
- Providing urban infrastructure in
 - water supply, sanitation, drainage, solid waste management, urban roads and transport, where applicable urban renewal and tourism infrastructure



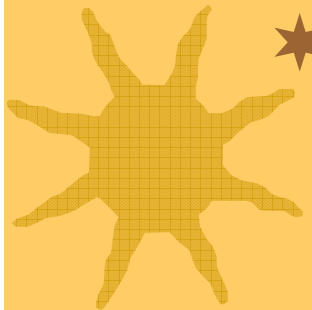
- Ensuring that the improved and expanded infrastructure will result in sustainable and quality service delivery
 - Through supporting urban reforms, innovative financing, capacity development



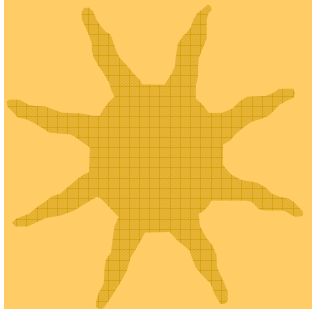
Areas of Interventions



★ Holistic approach to urban development will continue through



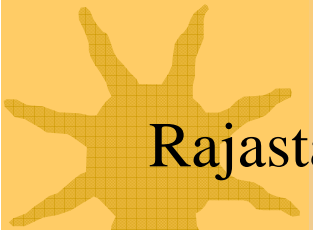
★ Integrated urban development projects in states- incorporating lessons learnt



- With integrated infrastructure and services coupled with urban reforms and capacity development in states and NCR



Past & Ongoing Assistance



Rajasthan I/II



Gujarat



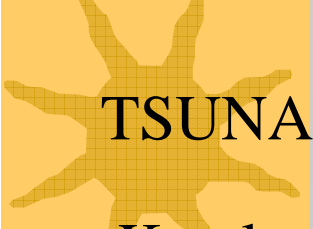
MP

Kolkata

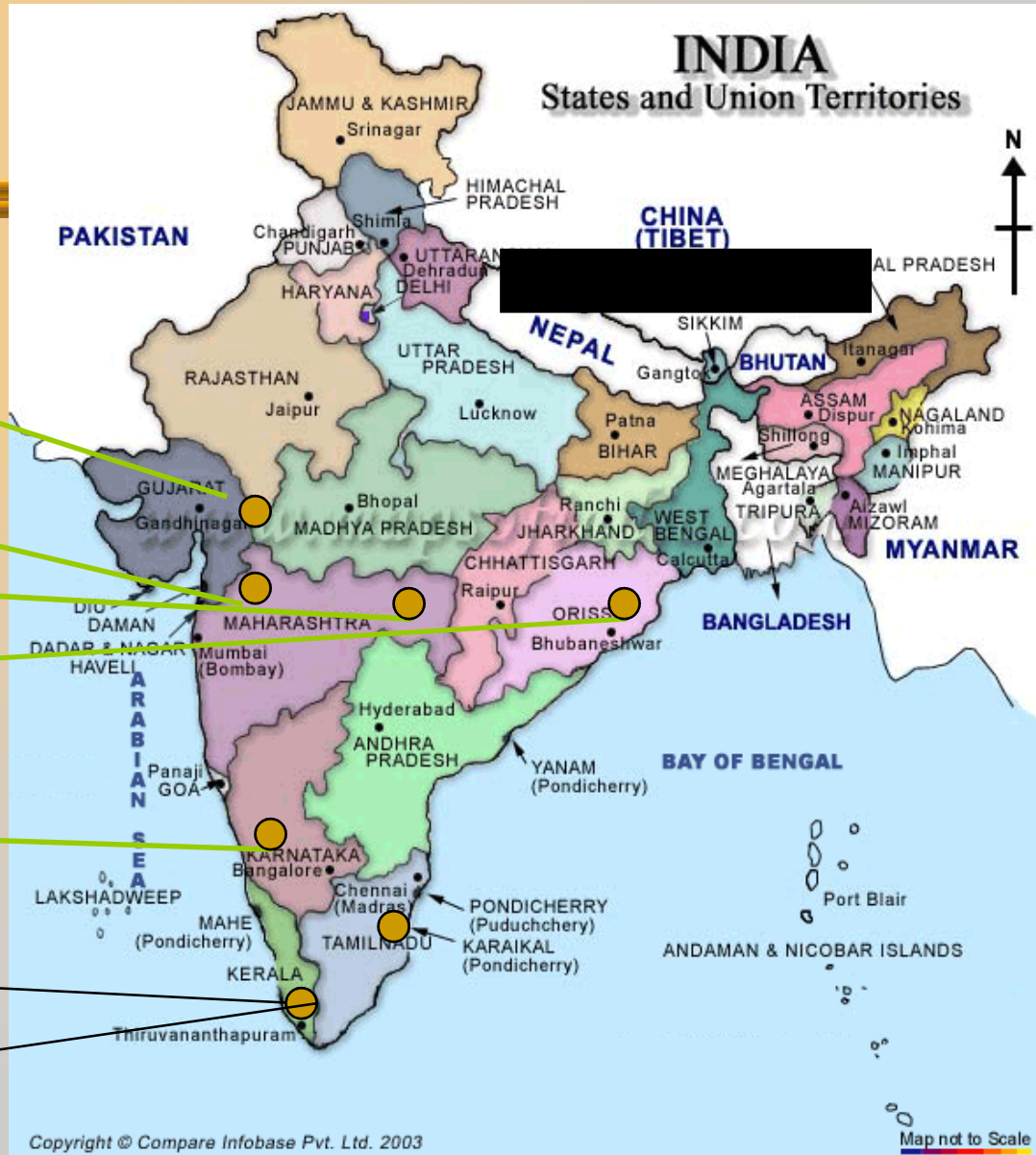


Karnataka I/II/III

TSUNAMI

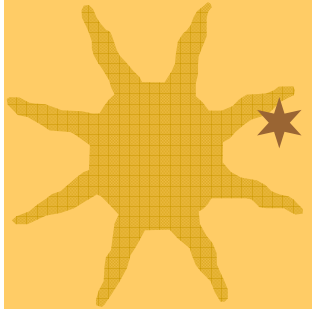


Kerala

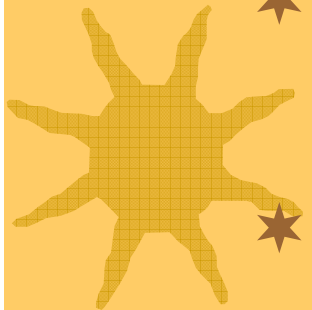




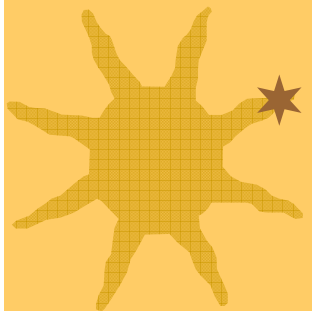
Inclusive Dimension



- ★ Expanding ADB operations in economically weaker states



- ★ Incorporating pro-poor measures into integrated urban projects



- ★ Greater focus on basic services i.e., water supply and sanitation

- ★ Supporting and partnering with major Government schemes for urban poverty reduction e.g., JNNURM- dedicated support



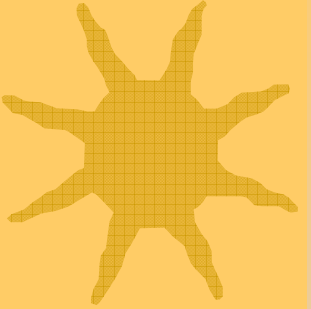
Urban sector Operations in New States

- Jammu and Kashmir
- North East Region 5 Capital Cities
- Uttaranchal Urban Development Project
- North East Region 2-
- Bihar

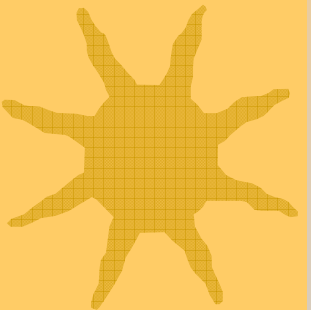




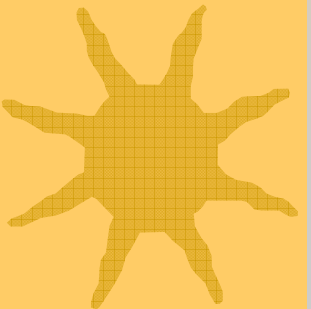
Environmentally Sustainable Urban Development



- ★ Environmental improvements are inherent components and outcomes of urban projects



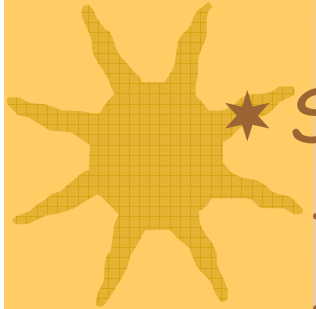
- ★ Additional focus on environmentally sensitive states and cities



- ★ Heritage cities development

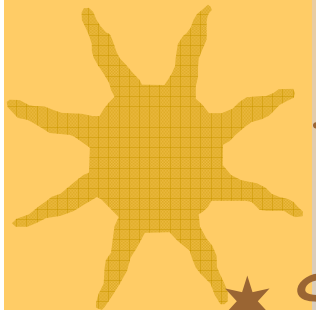


Renewed Focus on Urban Sector Reforms



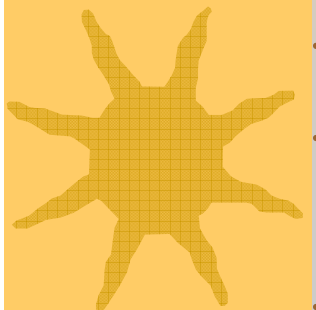
★ Support to decentralization and ULBs

- Clarify the role of regulators & service providers
- Reduce inefficiencies through service performance improvement plans
- Where possible establish contractual arrangements with clear accountabilities



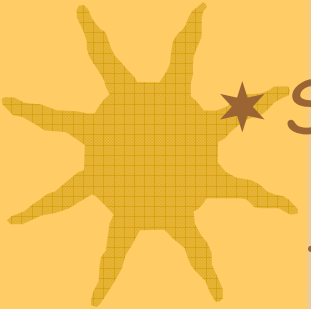
★ Support to municipal finance and sustainability

- Rationalization of user charges; property taxation
- Combine user charge and tariff reforms with financial ring-fencing
- Set up incentive structures



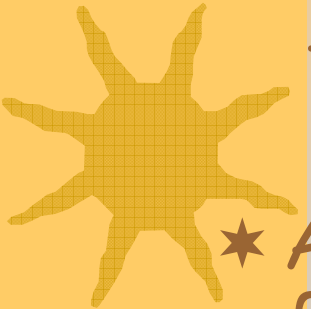


Catalyzing Alternative Innovative Financing and PSP

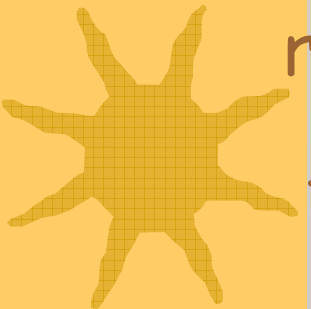


★ Support PSP with two pronged approach

- Continue creation of an enabling institutional and regulatory framework
- Identify the scope and design & implement PSP schemes as part of urban projects or separately



★ Assist selected states/cities in tapping debt financing, sub-sovereign borrowing, and raising funds from capital markets



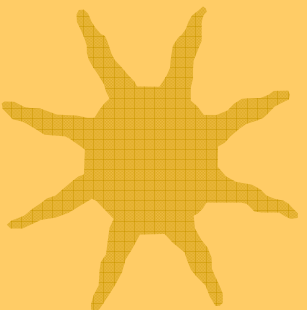
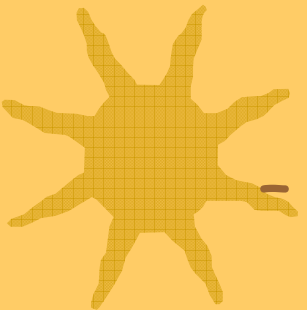
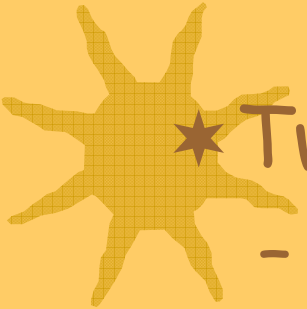
- Direct support to ULBs and utilities through sub-sovereign lending
- Establishing Specialized Financing Vehicles



Capacity Development

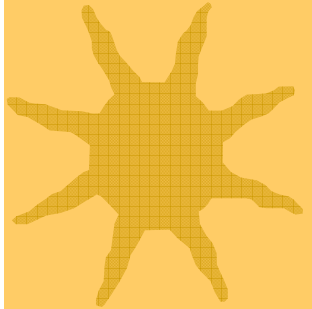
★ Two pronged approach

- Mid and long-term capacity development to support the accomplishment of urban reforms
- Short-term capacity development to enhance urban project management and implementation capacities



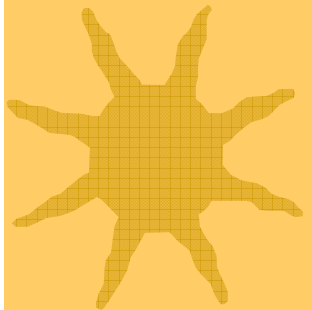


Modality of ADB Assistance



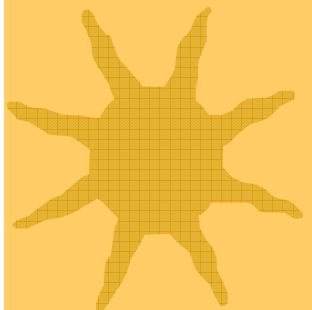
★ Lending Support

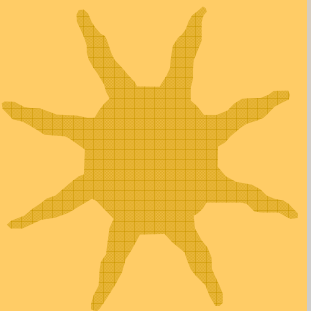
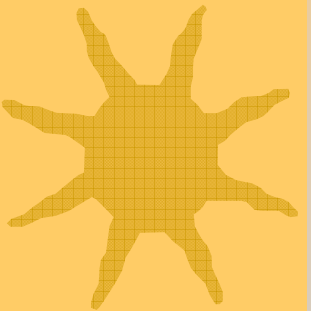
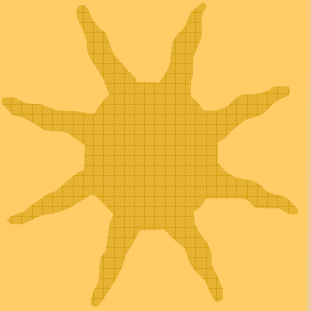
- Project Loans
- Multi-tranche Financing Facility
- Sub-sovereign Lending (newly initiated)



★ Non-lending Support

- Project Preparation
- Capacity development
- Policy and advisory
- Research and Knowledge Promotion





Thank You