

India, ADB Sign \$400 Million Loan Pact Supports India's Urban Infrastructure

Why In News

- The central government **signed a USD 400 million** policy-based loan with the **Manila-based Asian Development Bank (ADB)** to support its urban reform agenda to create high-quality urban infrastructure, improve service delivery, and promote efficient governance systems.
- The signatories to the loan agreement **for sub-programme 2** of the Sustainable Urban Development and Service Delivery Programme were Juhi Mukherjee, Joint Secretary, Department of Economic Affairs and Takeo Konishi, Country Director of ADB's India Resident Mission.



India Inks \$400 Million Pact with ADB for Urban Infrastructure Development

Sub Programme 1

- While **Sub-programme 1 approved in 2021** with a financing of **USD 350 million** established national-level policies and guidelines to improve urban services, **Sub-programme 2 supports** investment planning and reform actions at the **state and urban local body (ULB)** levels, the finance ministry said in a statement.
- After signing the loan agreement, Mukherjee stated that the programme supports the government's urban sector strategy with a focus on reforms aimed at making cities livable and centres of economic growth through the provisioning of inclusive, resilient and sustainable infrastructure.



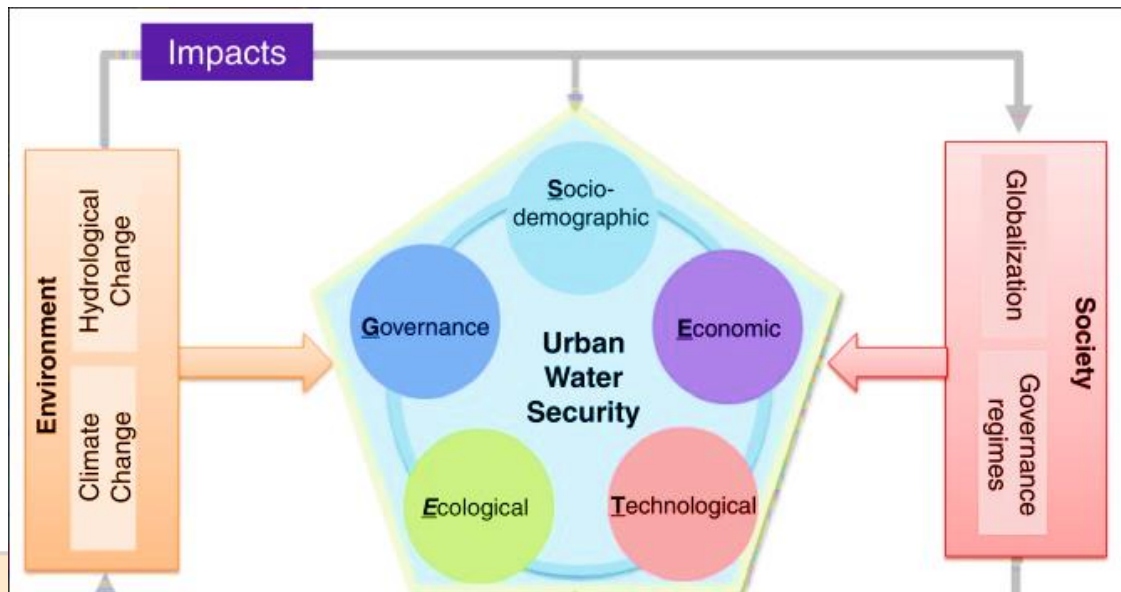
Sub Programme 2

- Sub-programme 2 supports the reforms initiated by states and ULBs in operationalising the national flagship programme of **Atal Mission for Rejuvenation and Urban Transformation (AMRUT) 2.0** targeted for universal access to water supply and sanitation.



- The sub-programme also supports other mission objectives for ensuring **urban water security** through reducing water losses, recycling treated sewage for non-domestic use, rejuvenation of water bodies, and maintaining sustainable groundwater levels.

- The programme also envisages integrated **urban planning** reforms to control urban sprawls and foster systemic and planned urbanisation through enhancing the **entire ecosystem of legal, regulatory, and institutional reforms**, along with capacity building of ULBs and community awareness.



- Specifically, **ULBs will promote the modernisation of building bylaws**, land pooling, urban agglomeration, and comprehensive urban mobility planning through transit-oriented development to help cities become well-planned centres of economic growth.



What Will Be The Benefits ?

- Such integrated planning processes will **incorporate climate and disaster resilience**, promote nature-based solutions, improve the urban environment, and improve cities' **financial sustainability** through the generation of additional revenues.



- Moreover, cities will be incentivised to become creditworthy through various reforms on **enhancing their revenues** like property taxes and user charges, improving their efficiencies and rationalising their expenditures.
- This will substantially **help cities to mobilise innovative financing**, such as commercial borrowings, issuance of municipal bonds, sub-sovereign debts, and public-private partnerships to bridge significant deficits in urban infrastructure investments, it added.



Asian Development Bank

- ADB, **established in 1966** is owned by 68 members-49 from the region.
- It is committed to achieving a **prosperous, inclusive, resilient, and sustainable Asia and the Pacific** while sustaining its efforts to eradicate extreme poverty.
- Further, it assists members and partners by providing loans, technical assistance, grants, and equity investments to promote social and economic development.
- It aims to promote social and economic development in Asia and the Pacific.
- It is headquartered in Manila, Philippines.

