Decarbonising Transport in India - Financing Strategies

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Overview

• ADB’s Vision 2030
• ADB’s Operational Priorities
• Sector wise Commitments
• Transport Sector Portfolio – Asia and the Pacific
• Transport Sector Portfolio – India
• Snapshot of some ADB assisted projects in India
ADB’s 2030 Vision and Operational Priorities

**Prosperous**

Addressing remaining poverty and reducing inequalities
- Human development and social inclusion, quality jobs, education and training, better health, social protection

Tackling climate change, building climate and disaster resilience, and enhancing environmental sustainability
- Low greenhouse gas emissions development, approach to building climate and disaster resilience, environmental sustainability, water-food-energy security nexus

Promoting rural development and food security
- Market connectivity and agricultural value chain linkages, agricultural productivity and food security, food safety

Fostering regional cooperation and integration
- Connectivity and competitiveness, regional public goods, cooperation in finance sector, subregional initiatives

**Inclusive**

Accelerating progress in gender equality
- Scale-up support for gender equality; women’s economic empowerment; gender equality in human development, decision-making, and leadership; reducing time poverty for women; strengthening women’s resilience to shocks

Making cities more livable
- Integrated solutions, funding for cities, inclusive and participatory urban planning, climate resilience and disaster management

**Resilient**

**Sustainable**

Promoting rural development and food security
- Market connectivity and agricultural value chain linkages, agricultural productivity and food security, food safety

Fostering regional cooperation and integration
- Connectivity and competitiveness, regional public goods, cooperation in finance sector, subregional initiatives

**Asia and the Pacific**

Public management reforms and financial sustainability, service delivery, capacity and standards
Sovereign Projected Commitments by Sector

2017–2019 (Actual)

- TRA: 30%
- EDU: 12%
- FIN: 9%
- WUS: 9%
- ANR: 11%
- PSM: 6%
- Others: 3%
- Health: 2%

Note: “Others” includes industry and trade, and information and communication technology.

Source: Asian Development Bank estimates.

2021-23 Projections

- Addressing Remaining Poverty and Reducing Inequality: 79%
- Strengthening Governance and Institutional Capacity: 63%
- Tackling Climate Change: 63%
- Accelerating Progress in Gender Equality: 74%
- Making Cities More Livable: 42%
- Promoting Rural Dev. & Food Security: 42%
- Fostering Regional Coop. & Integration: 22%

527 Projects

65.3 Billion
Transport Sector Portfolio - India

India: Cumulative Lending, Grant, and Technical Assistance Commitments as of 31 December 2019

- Total: $47.96 B (730 projects)
  - Transport: $17.10 B (176 projects)
  - Energy: $13.19 B (169 projects)
  - Finance: $5.60 B (73 projects)
  - Water and Other Urban Infrastructure and Services: $4.84 B (96 projects)
  - Multisector: $2.13 B (29 projects)
  - Public Sector Management: $2.06 B (70 projects)
  - Agriculture, Natural Resources and Rural Development: $1.54 B (50 projects)
  - Education: $529.13 M (17 projects)
  - Industry and Trade: $512.42 M (18 projects)
  - Health: $316.83 M (20 projects)
  - Information and Communication Technology: $150.95 M (3 projects)

Source: Asian Development Bank, ADB and India: Fact Sheet (May 2020)
Mumbai Metro Rail Systems Project

ADB Financing - $926 million
Rolling Stock, Signaling and System for Line 2A, 2B & 7 of 58 kms

The project will cause a shift in the mode of travel of people from high GHG-emitting private cars, trucks, and buses to the lower GHG-emitting metro lines. It will also help reduce traffic congestion by shifting travel demand from private vehicles and informal public transport modes to the metro lines.
Delhi – Meerut Rapid Rail Transit System

ADB financing of $1049 million

Corridor Length: 82.15 km
   Elevated - 68.03 km (Delhi - 9.29; UP - 58.74)
   Underground - 14.12 km (Delhi - 3.71; UP – 10.41)

15 RRTS Stations; 13 Local Transit Stations (Metro)

Seamless multimodal connectivity with other modes of transport

Will serve 0.8 million passenger trips per day
Railway Electrification

Non-sovereign ADB loan up to $750 million
Electrification of existing railway tracks spread across 13 states in India
Through Indian Railways Finance Corporation (IRFC)

Advantages:

(i) cheaper to run trains on electric traction compared with diesel-powered trains.
(ii) electric traction is not dependent on a specific primary source of energy (in contrast to diesel) and can therefore be sourced from a range of energy forms taking price and other characteristics into consideration, such as increasing renewable energy capacity in India.
(iii) electric traction makes regenerative braking possible, thereby saving energy by up to 20%.
(iv) use of electricity reduces dependence on imported energy (diesel), thereby helping manage the current account deficit.
Thank you

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