



India: Catalyzing Economic Transformation through strengthening City-Regions, Manufacturing, and Multi-Sector Initiatives

Project Name

Catalyzing Economic Transformation through strengthening City-Regions, Manufacturing, and Multi-Sector Initiatives

Project Number

60151-001

Country / Economy

■ India

Project Status

Proposed

Project Type / Modality of Assistance

■ Technical Assistance

Source of Funding / Amount

TA: Catalyzing Economic Transformation through strengthening City-Regions, Manufacturing, and Multi-Sector Initiatives

Source	Amount
Technical Assistance Special Fund	US\$ 1.00 million

Sustainable Development Goals

■ SDG 11.a

Sector / Subsector

■ Water and other urban infrastructure and services /

Gender

Some gender elements

Description

This Technical Assistance (TA) will support NITI Aayog in undertaking priority analytical work on two critical drivers of India's economic growth: urbanization and manufacturing. This TA will additionally provide flexible capacity to address emerging cross-cutting policy needs related to these drivers. Specifically, the TA aims to: (i) harness the economic potential of urbanization through integrated economic and spatial planning of development activities for City Economic Regions (CERs); (ii) strengthen manufacturing competitiveness by diagnosing binding constraints and developing actionable solutions; and (iii) deliver rapid diagnostics and implementation-oriented recommendations on additional cross-cutting themes identified in consultation with NITI Aayog.

Project Rationale and Linkage to Country/Regional Strategy

Development Problems: As India advances toward its Viksit Bharat @ 2047 vision, NITI Aayog has identified urbanization and manufacturing as two mutually reinforcing pillars critical to the country's structural transformation. These domains are central to achieving sustained, inclusive, and high-quality growth, and present critical challenges that require coordinated support.

Urbanization: India's growth trajectory is increasingly urban-led, with cities contributing over two-thirds of national gross domestic product (GDP).³ The country is expected to add several hundred million urban residents by 2050, reaching over 50% urbanization.⁴ While cities generate powerful agglomeration benefits through denser labor markets, shared infrastructure, knowledge spillovers, and proximity to suppliers and markets, these gains are not automatic. Without coordinated economic and spatial planning, adequate infrastructure investment, and aligned economic strategies, rapid urbanization risks producing congestion, informality, rising costs, and declining productivity rather than sustained growth. India must therefore move beyond isolated urban projects and develop CERs as integrated economic units. These units would span core cities, industrial zones, and peri-urban areas, with economic visions aligned with land use, transport, logistics, skills, and industrial development. NITI Aayog has begun preparing Economic Master Plans for select city-regions and requires analytical and advisory capacity to extend this approach systematically to additional CERs.

Manufacturing: While steady manufacturing growth has been achieved in recent years, the sector has yet to deliver the scale, productivity gains, and employment intensity required to drive structural transformation. ⁵ Key constraints include infrastructure and logistics bottlenecks, low investment in research and development, access to well-serviced land, and shortage of highly skilled talent. Firms also face regulatory complexity and gaps in firm-level capabilities⁶ and limited access to finance particularly among MSMEs.⁷ As a result, many firms struggle to scale, integrate into global value chains, or adopt advanced technologies. Strengthening manufacturing

competitiveness is therefore imperative not only to accelerate growth but also to generate quality jobs, deepen domestic value chains, and enhance India's resilience in an increasingly competitive global landscape.

Alignment with DMC Priorities: The TA is aligned with ADBs India Country Partnership Strategy (CPS), 2023-2027, which identifies three strategic pillars: (i) accelerating structural transformation and job creation, (ii) promoting climate-resilient growth, and (iii) deepening social and economic inclusiveness and the TA directly contributes to Pillar 1 and 3 by strengthening the linkages among industry and urban systems. The knowledge work proposed under the TA will enable systems. This enables urban areas to unlock their potential as engines of growth, promote industrial competitiveness, and support the creation of more jobs. The TA supports India's national development priorities toward Viksit Bharat @ 2047, including flagship programs on industrial development, urban infrastructure, the skill ecosystem, and small businesses. The TA also aligns with the CPS emphasis on upstream strategic studies, diagnostics, and evidence-based analyses to inform identification of transformational interventions and policy advice.

Impact
Outcome
Outputs
Geographical Location
Nation-wide

Poverty Reduction and Inclusion

Poverty Reduction and Inclusion Classification
Summary Poverty and Social Analysis
NA

Summary of Environmental and Social Aspects

Environmental Aspects
Involuntary Resettlement
Indigenous Peoples

Project Participation and Engagement

During Project Design
During Project Implementation

Contact

Responsible ADB Officer
Dasgupta, Madhusree
Responsible ADB Department
South Asia Department
Responsible ADB Division
India Resident Mission (INRM)
Executing Agencies
NITI Aayog

Timetable

Concept Clearance
23 Jul 2026
Fact Finding
22 Apr 2026 to 27 Apr 2026
MRM
-
Approval
-
Last Review Mission
-

Funding

Project Page	https://www.adb.org/projects/60151-001/main
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Date Generated	05 August 2026

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