

 Early Warning System

ADB-54465-002

Industrial Corridor Development Program (Subprogram 2)



Quick Facts

Countries	India
Financial Institutions	Asian Development Bank (ADB)
Status	Approved
Bank Risk Rating	B
Voting Date	2023-12-08
Borrower	Government of India
Sectors	Industry and Trade
Investment Type(s)	Loan
Investment Amount (USD)	\$ 250.00 million
Loan Amount (USD)	\$ 250.00 million



Project Description

According to ADB documents, The Industrial Corridor Development Program (ICDP) supports the National Industrial Corridor Development Program of India (NICDP), a federal program of the government of India (GOI), which aims to develop world-class industrial nodes/parks well connected with multi-modal transport facilities and supported by a strong institutional and regulatory system.

The program will enhance the competitiveness of India's manufacturing sector by supporting implementation of the Government of India's National Industrial Corridor Development Program (NICDP). NICDP aims to enhance manufacturing sector's competitiveness through improved investment climate, well-functioning industrial nodes and industrial parks, and institutional reforms to attract large private sector investments. The proposed program supports policy reforms undertaken by the government to accelerate planning and implementation of NICDP across the industrial corridor states and enhances institutional setup for corridor development at national and state levels.

Subprogram 1 played a critical role in strengthening the institutional and regulatory framework developed by the federal government under the NICDP, and formulating policy and planning guidelines for states participating in the NICDP. Subprogram 2 is intended to (i) ensure that the policies developed under subprogram 1 are implemented through development of master plans in five new nodes and in all future nodes in corridor areas,³ and (ii) facilitate private sector engagement in corridors by improving efficiency of business processes and thereby attracting more investment in industrial nodes.

The Ministry of Commerce and Industry, through the Department of Promotion of Industry and Internal Trade, will continue to be the executing agency, and the NICDIT and the NICDCL will be the implementing agencies. The implementation period for subprogram 1 was from April 2020 to January 2022, while for subprogram 2, it is from February 2022 to October 2023.



People Affected By This Project

Subprogram 2 is classified category B for the environment and C for involuntary resettlement and indigenous peoples in accordance with ADB's Safeguard Policy Statement (2009). Potential impacts associated with the prior actions supported by subprogram 2 have been assessed. They are not expected to directly cause adverse environmental impacts because there is no investment component. However, some prior actions may have indirect adverse environmental impacts related to downstream investment in industrial nodes. These impacts are not anticipated to be significant at a regional or sector level. No prior action will directly entail any involuntary resettlement or adversely affect indigenous peoples.



Investment Description

- Asian Development Bank (ADB)

The government has requested a regular loan of \$250 million from ADB's ordinary capital resources to help finance subprogram 2. The loan will have a 15-year term, including a grace period of 3 years; an interest rate determined in accordance with ADB's Flexible Loan Product; a commitment charge of 0.15% per year; and such other terms and conditions set forth in the draft loan and program agreements. Based on the straight-line method, the average maturity is 9.25 years, and there is no maturity premium payable to ADB.



Contact Information

Responsible ADB Officer Khatiwada, Sameer
Responsible ADB Department Sectors Group
Responsible ADB Division Public Sector Management and Governance Sector Office (SG-PSMG)
Executing Agencies Ministry of Commerce and Industry

ACCESS TO INFORMATION

You can submit an information request for project information at: <https://www.adb.org/forms/request-information-form>

ADB has a two-stage appeals process for requesters who believe that ADB has denied their request for information in violation of its Access to Information Policy. You can learn more about filing an appeal at: <https://www.adb.org/site/disclosure/appeals>

ACCOUNTABILITY MECHANISM OF ADB

The Accountability Mechanism is an independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an Asian Development Bank-financed project. If you submit a complaint to the Accountability Mechanism, they may investigate to assess whether the Asian Development Bank is following its own policies and procedures for preventing harm to people or the environment. You can learn more about the Accountability Mechanism and how to file a complaint at: <http://www.adb.org/site/accountability-mechanism/main>.



Bank Documents

- [Loan Agreement](#) [Original Source]
- [Program Agreement](#) [Original Source]
- [Project Disclosure PDF](#)
- [Report and Recommendations from the President to the Board of Directors](#) [Original Source]