

ADB COMMITTED HIGHEST-EVER USD 3 BILLION IN SOVEREIGN LOANS TO INDIA IN 2018

Relevant for: International Relations | Topic: ADB and India

ADB committed to provide USD 3 billion in sovereign loans to India in 2018, the highest level of assistance since sovereign operations began in the country in 1986, said the annual report of multilateral lending agency.

In all, the [Asian Development Bank](#) (ADB), owned by 68 member countries, committed a total of USD 3.88 billion, including sovereign loans and co-financing during the year ended December 2018.

The demand for ADB assistance continued to grow in 2018. New commitments included USD 21.6 billion in loans, grants and investments from ADB's own resources, exceeding the target of USD 19.71 billion and up 10 per cent from 2017, said the report released on Tuesday.

Private sector operations reached USD 3.14 billion, a 37 per cent increase from 2017, which is 14.5 per cent of ADB's overall commitment.

ADB also successfully mobilised USD 14 billion in co-financing from bilateral and multilateral agencies and other financing partners, including USD 7.17 billion in co-financing from ADB's private sector operations.

"In India, ADB committed USD 3 billion in sovereign loans in 2018, the highest level of assistance since sovereign operations began in the country," the report said.

The Manila-headquartered ADB committed several projects in India, including in Bihar, Himachal Pradesh, Madhya Pradesh, Karnataka, Tamil Nadu, Assam and Odisha.

The report also noted that in India, ADB provided a USD 100-million loan to Ostro Kutch Wind, a renewable energy company owned by investment funds under the management of [Actis Capital](#), for constructing and operating a 250-megawatt wind power project in Gujarat.

Among others, it also provided USD 30 million in equity and USD 20 million in debt security to Annapurna Finance, a [microfinance](#) company.

In March 2018, ADB signed a cooperation arrangement with the International Solar Alliance, headquartered in India, to promote solar energy deployment across Asia and the Pacific, particularly in [South Asia](#).

The arrangement includes support for solar power generation, solar-based minigrids, and transmission systems for integrating solar energy into grids.

The alliance's major objectives include global deployment of over 1,000 gigawatt of solar generation capacity and investment of over USD 1 trillion into solar energy by 2030.

"ADB continued to deliver on its climate commitments in 2018 with USD 3.6 billion in financing approved.

"ADB is on target to double its annual climate financing to USD 6 billion in approvals by 2020,"

the report said.

ADB was established in 1966.

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