



सत्यमेव जयते

GOVERNMENT OF INDIA  
MINISTRY OF HOUSING AND URBAN AFFAIRS



# ADB'S SUPPORT ON TOD AND SYSTEMATIC URBAN DEVELOPMENT IN INDIA



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# STRUCTURE OF THE PRESENTATION

- 1) ADB's urban sector experience in India**
- 2) ADB's support to TOD in India – Bangalore, Delhi Meerut, etc.**
- 3) ADB's related knowledge product**
- 4) Government of India (GOI) Initiative for capacity building of State agencies**
- 5) Proposed Technical Assistance (TA) to support GOI initiative**

# 1. ADB'S URBAN SECTOR EXPERIENCE IN INDIA

1. ADB's first urban sector investment was in the state of Karnataka in 1995. Since then, ADB has committed **112 loans** to urban sector amounting to **\$6.5 billion** (~11% of ADB's cumulative portfolio of India)
2. ADB's urban sector investments are growing, and ongoing portfolio comprises of **20 loans** amounting to **\$3.38 billion** (~ 18% of ongoing portfolio) spread over **14 states** and **120 cities /towns**
3. ADB approved a policy-based loan to MoHUA in 2021 under programmatic approach to support Government's sector reform agenda under AMRUT 2.0, PMAY and recommendations of XV Finance Commission
4. States supported by ADB's urban investments include Madhya Pradesh, West Bengal, Tamil Nadu, Rajasthan, Andhra Pradesh, Karnataka, etc.
5. ADB is also a major player in the Urban Transport sector, and supporting Bangalore, Mumbai, Jaipur, and Chennai to expand metro networks and also financing Regional Rapid Transport System projects
6. ADB is India's strong development partner to urban sector

## 2. TRANSIT ORIENTED DEVELOPMENT (TOD) SUPPORTED BY ADB IN INDIA



Project Name	TOD-VCF Components
<b>Delhi Meerut Regional Rapid Transport System (RRTS) Project</b>	<ul style="list-style-type: none"> <li>a) Recommendations and action plan on TOD, VCF (value capture finance) instruments.</li> <li>b) Planning, designing, and managing TOD-based urban development schemes and programs.</li> <li>c) Preparation of urban development plans; and</li> <li>d) Implementation frameworks based on the principles of transit-oriented development and multimodal integration (MMI).</li> </ul>
<b>Mumbai Metro Rail Systems Project</b>	<ul style="list-style-type: none"> <li>a) Operational support for non-fare revenue for Mumbai Metro Operation Organization</li> </ul>
<b>Bangalore Metro Project Phase 2A and 2B</b>	<ul style="list-style-type: none"> <li>a) Urban development plans and implementation frameworks based on transit-oriented development principles; and</li> <li>b) Multimodal integration plan and implementation framework</li> </ul>
<b>Chennai Metro Rail Investment Project (planned)</b>	<ul style="list-style-type: none"> <li>a) Multimodal and land use integration improved; and</li> <li>b) Non-farebox revenue mechanism strengthened</li> </ul>
<b>Nasik Neo Metro Project (planned)</b>	<ul style="list-style-type: none"> <li>a) Action plans, recommendations for value capture financing and transit-oriented-development would be prepared and approved</li> </ul>

# DELHI NCRTC EXPERIENCE

- **Sustainable Metro/RRTS operations** in long run;
- **Encourage people to use public transport network** through a mix of infrastructure development (e. g. last-mile connectivity, multi-modal transport hub) and transit demand measures;
- **Development of new revenue stream** through sharing of additional revenue through VCF instruments for sustainable O&M of the transit system.
- **Initiating dialogues and supporting coordination platform for wider urban growth planning** through linking Transit agency projects with State planning and infrastructure agencies
- **Supporting Private sector participation/PPP**

Policy works on TOD VCF for NCRTC



Selecting TOD and Influence Zones



Support to TOD Schematic designs, Business Strategy (non-farebox revenue)



Transaction Advisory opportunities for selected TOD nodes

## 2 KEY CHALLENGES/ BARRIERS

1. Extensive consultations to various agencies, stakeholders

2. Making entry points for Planning agencies to be involved in the early stage of Mass transit development

# BANGALORE METRO EXPERIENCE

- TOD Policy finalised
- Bengaluru Metropolitan Land Transport Authority Bill, to establish statutory authority to regulate urban mobility initiatives is tabled for legislative clearance
- ADB is assisting DULT to put together a framework for operationalising TOD through a three-tiered planning and approvals framework comprising of:
  1. Town Planning Schemes as per provisions of the KTCP Act at the TOD Zone Level,
  2. TOD Schemes at the project level, and
  3. TOD Buildings (aligning conflicts in existing Development Control Norms and Building Byelaws)
- TOD readiness assessed and 6 TOD nodes identified

Framework for Operationalising TOD



Adopting differential Zoning Regulations for TOD



Incentivising redevelopment through TOD



Enabling the preparation and approvals of TOD Zone Plans and Schemes

## 2 KEY CHALLENGES/ BARRIERS

1. THE SKILLS & CAPACITY GAP

2. CONTRADICTIONS & GAPS IN THE EXISTING STATUTORY & REGULATORY FRAMEWORKS

# LESSONS FROM NCRTC/BANGALORE ENGAGEMENTS

- Extensive stakeholder consultations needed at the State Government/ ULB planning level;
- City growth strategy by Statutory Plans not aligned with compact city principles and TOD based urban planning approaches;
- Variations in the TOD Policy, Regulations, and Building Bye-laws, VCF from states to states;
- More clarity necessary in the approval mechanism for TOD projects and infrastructures;
- TOD Planning should be supported by Comprehensive Mobility Plan, Intermodal Transport Facility (Multi-modal hubs), Last-mile connectivity solutions, Transfer of Development Rights (TDR) etc.;
- A cross-agency platform to widen the urban corridor growth potential and demand for urban infrastructure, housing need should be discussed with the relevant State planning department and Development Authorities;
- The revenue sharing through VCF instruments likely to enhance financial sustainability of mass transit and TOD projects.

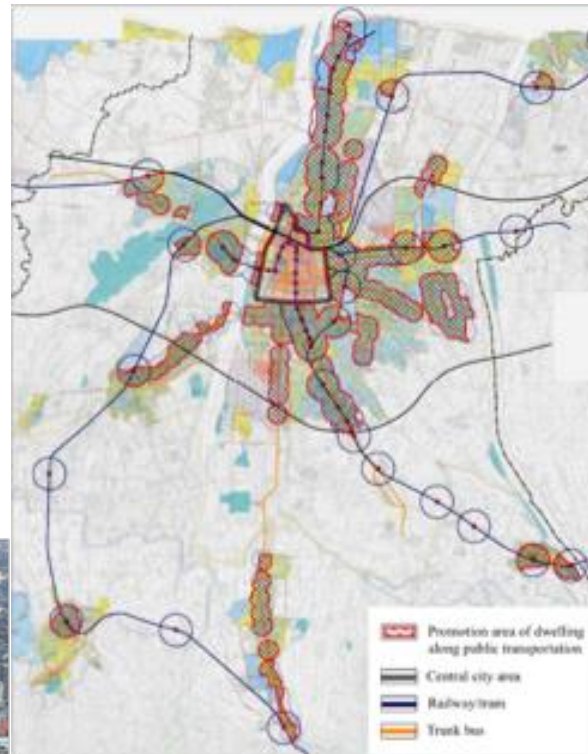


# 3. ADB'S TOD KNOWLEDGE PRODUCTS

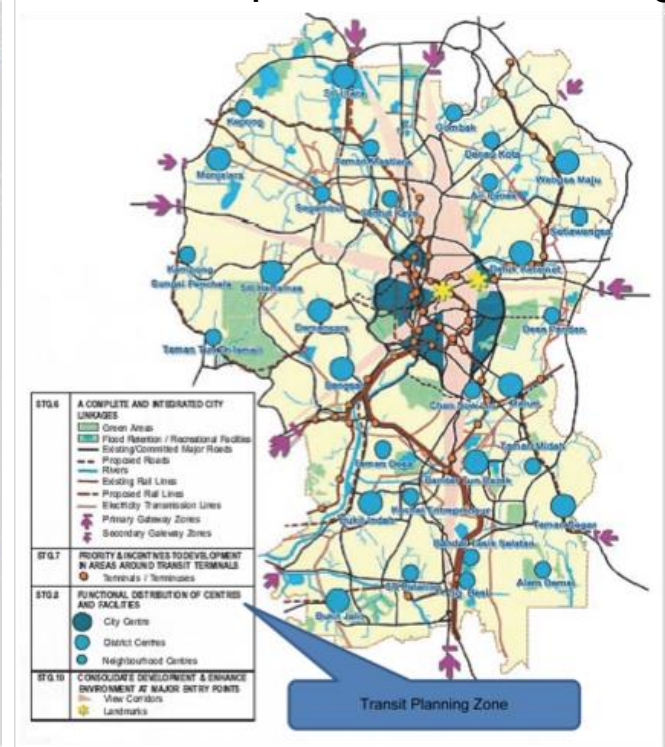
ADB-ADBI issued a Knowledge product (2019) on Urban TOD focusing on examples from Tokyo and Toyama Japan, Denver USA and Kuala Lumpur, Malaysia



## TOD Policy in Toyama, Japan



## Kuala Lumpur Transit Planning



ADBI. May 2019. Tetsuo Kidokoro, *TOD Policies and Station Area Development in Asian Cities*. Working Paper Series No. 947, Tokyo

[Transit-Oriented Development Policies and Station Area Development in Asian Cities | Asian Development Bank \(adb.org\)](#)

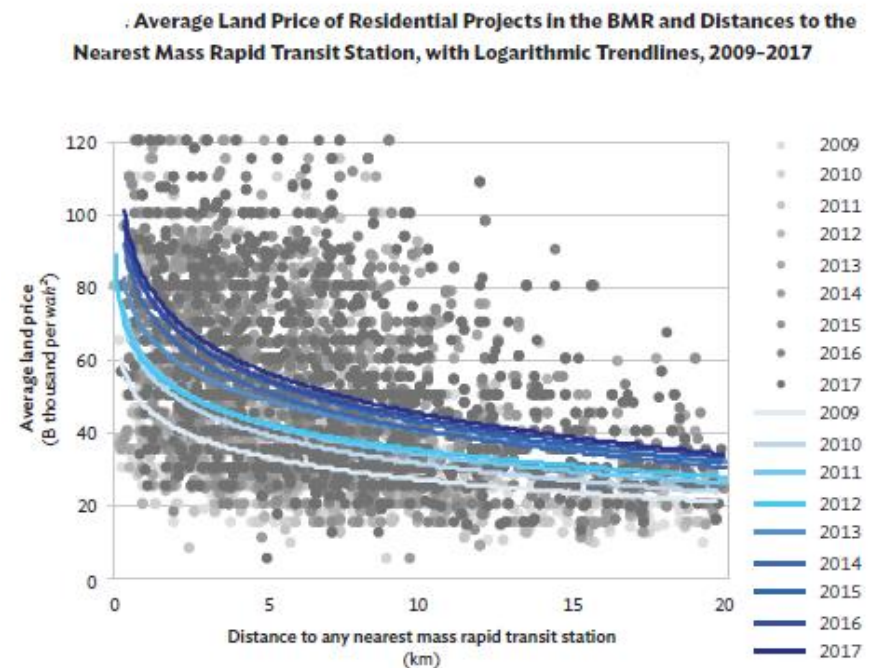


# ADB'S TOD KNOWLEDGE PRODUCTS

## ADB Knowledge product (2019) Sustaining Transit Investment in Asia's cities: A Beneficiary-Funding and Land Value Capture Perspective

- Three Southeast Asian megacities—Bangkok, Jakarta and Manila—were the focus of the report.
- A review of 61 studies of mass rapid transit shows that the price premium for properties within a catchment area of a mass rapid transit station is 5% for residential properties and 30% for commercial properties.
- The right graph shows (i) the downward slope of the lines confirms that property prices are lower the farther one gets from a mass rapid transit station; (ii) the price-distance relationship is stronger in areas closest to mass rapid transit stations; and (iii) the gradient or steepness of the whole curve has risen over the years, for Bangkok. This last finding implies that properties closer to mass rapid transit stations have seen greater increases in land values over time than those farther away.

## Sustaining Transit Investment in Asia's Cities: A Beneficiary-Funding and Land Value Capture Perspective | Asian Development Bank (adb.org)



B = baht; BMR= Bangkok Metropolitan Region; km = kilometer; wah<sup>2</sup> = 4 m<sup>2</sup>.

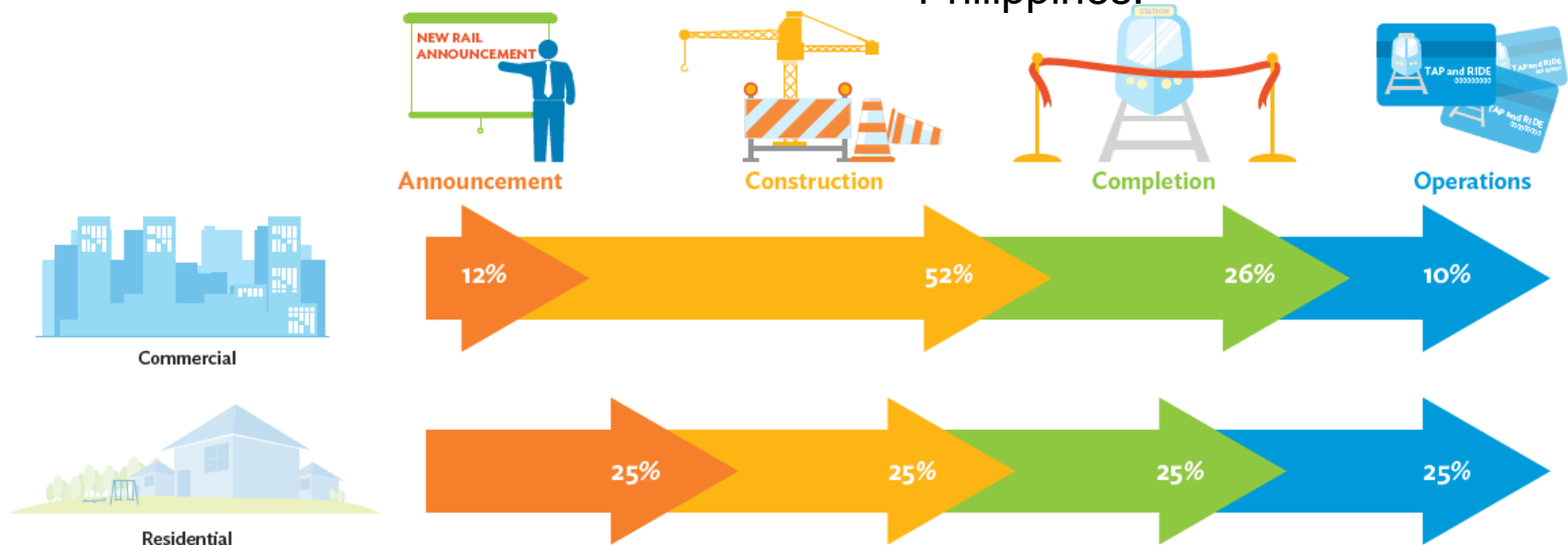
Source: Anantsuksomsri et al. (forthcoming).

# ADB'S TOD KNOWLEDGE PRODUCTS

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The below figure shows how property values changed over time, relative to the scheduling of key phases for an MRT project in Manila, the Philippines.

Figure 3.13: Project Phasing and Value Impact: Evidence from Manila's MRT-2



# ADB'S TOD KNOWLEDGE PRODUCTS

ADB Knowledge product (2019) Sustaining Transit Investment in Asia's cities: A Beneficiary-Funding and Land Value Capture Perspective

***Identified five proven LVC mechanisms that can be used in combination***

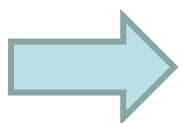
- 1. Value capture through the mainstream taxation system (Regulatory);*
- 2. Special fees and levies (Non regulatory);*
- 3. Auction of development rights (Transferable Development Right);*
- 4. Comprehensive TOD and urban renewal agency with value capture capabilities (can be explored by expanding mandate of Unified Metropolitan Transportation Authority);*
- 5. Direct property-rail agency as developer in the "East Asian" style (explore possibility through piloting by expanding the mandate of Transit Agency)*

## 4. GOI INITIATIVE THROUGH 2022 BUDGET ANNOUNCEMENT: AGENDA FOR HARNESSING CITIES FOR DRIVING GROWTH AND GENERATING JOBS

- 1. With India urbanizing rapidly, the Budget calls for orderly urban development***
- 2. It recognizes the key role of megacities and their hinterlands, as well as Tier 2 and 3 cities, for realizing the country's economic potential and generating livelihood opportunities***

### ***3. Budget 2022 highlights***

- Need for a paradigm change in urban planning*
- Formation of a high-level committee to make recommendations on urban sector policies, capacity building, planning, implementation and governance.*
- Urban capacity building support to states with aim of modernizing building byelaws and implementing Town Planning Schemes (TPS) and Transit Oriented Development (TOD)*
- Need for states to make efficient use of land resources*
- Allocates resources through 'Scheme for Financial Assistance to States for Capital Investment' for PM GatiShakti related and other productive capital investment of the states and reforms related to building byelaws, TPS, TDS, and transferable development rights.*



GOI sought ADB technical assistance to strengthen capacity of states to plan, implement, and manage TOD-based urban development and town planning schemes

# 5. PROPOSED NEW TECHNICAL ASSISTANCE

## 1) TA will respond to GOI request to assist MoHUA in

- Implementation of recent budget announcement to support States adopting new urban development approach (compact city) using TOD, TPS, TDR
- Builds on experience and lessons gained through ADB's ongoing support to MoHUA and various States for transport and urban development projects and programs:

## 2) TA will consist of 3 pronged-components (next slide):

- (a) Skill/Gap Filling, (b) State-level Enabling Policy Framework, (c) Sensitization/Communication;

Will also identify:

- 2 pilot states ( based on multicriteria analysis) to develop enabling policy action plans and possible downstream ADB financing for roll out
- 1 TOD node in one of the pilot state to develop model influence zone and investment plan

## 3) ADB plans to source this from the new Urban Resilience Trust Fund with an envelope of up to \$2.5 million for 3 years



# PROPOSED TA COMPONENTS AND OUTPUTS

## A. CAPACITY BUILDING AND SKILLS AUGMENTATION PROGRAM

- Develop a comprehensive Capacity Building Program for government agencies such as Development Authorities / Planning Authorities, Municipal Corporations, Metro Rail Companies, City Bus Departments, Department of Town and Country Planning, City Water Boards, City Energy Companies etc., and provide customised training.
- Under MoHUA, Support to Urban Development Departments of each State with technical know-how to steer and rollout the Capacity Building at the State level.
- Support one pilot city to develop an influence zone & investment plan for a notified TOD node along mass transit corridor

## B. CREATION OF ENABLING POLICY FRAMEWORKS at STATE LEVEL

- Identify “types” of policy environments in states in terms of their approach to TOD and compact city growth, including integration of economic and urban planning;
- Support creation of enabling policy environment/frameworks including reform action plans for successful implementation of TOD in 2 pilot states.
- Support in policy dialogue and develop rollout plan for reform actions related to building by-laws, TPS, TOD, TDR in pilot states (or cities level).
- Conceptualize downstream ADB financing to incentivize/ provide resources for the implementation of reform actions and meet infrastructure development needs and enable livable city development promoting urban agglomeration and augmentation of municipal revenues.

## C. SENSITIZATION PROGRAM & COMMUNICATION STRATEGY

- Formulate a comprehensive Communication Strategy and Sensitization Program for the policy makers, practitioners and opinion makers

# 5. PROPOSED TA: NEXT STEPS

- ADB internally approved TA concept (17 Oct)
- DEA screening committee approved ADB TOD TA (28 October 2022)
- ADB TA Core Team to further discuss the TA scope and arrangement with MoHUA team (Nov 2022)
- TA Approval by ADB (Jan 2023)
- TA implementation (2023 – 2025)
- ADB's engagement on specific projects (slide 4: Bangalore, Chennai etc) will continue, to further inform the TA implementation and explore synergies

***THANK  
YOU***

