

Asian Development Bank's Experience in Rural Roads Development in India

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Presentation Outline

1. ADB Involvement in India's Road Sector
2. ADB Assistance to PMGSY
3. Measured Impacts of Rural Roads Investment
4. Key Issues to be Further Addressed

ADB Involvement in India's Road Sector

- Started in 1988 with Road Improvement Project including part of Delhi-Agra Road (NH2)
- After NHA operationalized in 1995 until 2002, focus was on National Highways
- From 2002, ADB transport sector portfolio diversified into state roads, rural roads and railways
- ADB's first loan for rural roads approved in 2003 to finance PMGSY in Chhattisgarh and Madhya Pradesh (\$400 million)
- ADB's second lending for PMGSY approved in 2005 covering Assam, Orissa and West Bengal (\$750 million)
- Third loan for PMGSY proposed for 2011

PMGSY (Pradhan Mantri Gram Sadak Yojana) - “Prime Minister’s Rural Roads Program”

- India’s national rural roads program launched in 2000
- Provide **all-weather road connectivity** to rural villages, which are not connected
- Clear-cut eligibility and priority–villages with population above 500 (250 in hilly areas, etc), larger population to have higher priority, roads should be part of “**core network**”
- Time-bound (though the target year has been extended)
- **100% centrally-financed**
- **Ministry of Rural Development** as coordinating agency with newly-established **National Rural Roads Development Agency** providing technical support
- State governments to plan and implement the program, through a “**state rural roads development agency**” and responsible for funding, planning and executing maintenance
- Well-established **standard operating procedures**: detailed operations manual, design codes, procurement documents and procedure, on-line monitoring and reporting system, accounting manual, 3-tier quality assurance mechanism, etc.

ADB Assistance to PMGSY

	State Covered	Project Road Length	Project Cost and ADB Financing
Rural Roads Sector I Project (2003)	Chhattisgarh and Madhya Pradesh	11,000 km	Project:\$571 million ADB: \$400 million
Rural Roads Sector II Investment Program (2005)	Originally Assam, Orissa and West Bengal, Chhattisgarh and Madhya Pradesh to be included	17,000 km	Project:\$940 million ADB: \$750 million
Total		28,000 km	Project:\$1,511 million ADB: \$1,150 million

ADB Involvement (1/2)

- Rural Roads I Project was conceived when PMGSY was at a nascent stage – project appraisal, consultancy services procurement and contract supervision followed procedures used for national highway/state highway projects.
 - > Start-up delays due to time required for project appraisal and procurement of consultancy services.
 - > Unavailability of experienced, qualified experts for construction supervision affected project's progress.
- Rural Roads II Project's design incorporated the above lessons learnt.

ADB Involvement (2/2)

- Rural Roads II Project's features included:
 - use of technical guidelines and manuals successively developed by NRRDA for PMGSY
 - involvement of local communities at an early stage of design preparation through strengthened transect walk -> better community participation and ownership
 - civil works supervision to follow PMGSY procedure -> supervision departmentally or by consultants to best utilize the available local expertise and technical skills

Measured Impacts of Rural Roads Projects (1/2)

Based on impact monitoring under Rural Roads Sector I

Poverty Reduction

- average per capita per annum income increase (2.5 times)
- average per capita per annum expenditure increase (2 times).
- Employment rate increase (9%)
- Decrease in number of people below poverty line (3%)

Transportation

- travel time reduced by about 7%

Health Services

- increase in safe child deliveries (5%),
- increase in immunization coverage (17%)
- decrease in maternal/pre-natal deaths and mortality under 5 years age (6%)

Education

- decrease in number of un-enrolled school age children and post-primary drop outs (8%)

Measured Impacts of Rural Roads Projects (2/2)

Based on impact monitoring under L2018

Agriculture

- increase in visits to nearby haats (20%)
- increase in land value (30%)
- decrease in incidence of agricultural produce being spoiled/damaged in transit (13%)

Housing Facilities

- increase in households possessing movable assets:
 - (i) TV/Radio - 33%, (ii) household furniture - 54%, (iii) agriculture implements - 20%, (iv) cattle stocks – 80%, (v) motorcycles – 35%, (vi) cycles – 80%
- increase in households with connections to
 - (i) electricity – 5%, (ii) telephone – 9%, (iii) drinking water supply – 8%, (iv) sanitation/toilet facilities – 4%

Key Issues to be Further Addressed (1/3)

Institutional Capacity at Macro-level

- funding gap being addressed
 - > Gap in implementation capacity needs augmentation
- departmental capacity being augmented
 - > need for strong leadership and continuity
- staffing requirements for contractors' engineers not fully met
- scarcity of qualified and experienced civil engineers in the road construction sector
 - > Need for measures to attract civil engineers and train them in a sustainable manner

Key Issues to be Further Addressed (2/3)

Proper Resource Allocation for Project Preparation

- Quality of design reports is generally low
 - <- limited budget for design preparation
- Coordination with other departments for necessary statutory clearances, utility shifting, etc, not done in a timely manner
- Consultation with local community not sufficient

Sustainability of investment

- ownership of rural roads and responsibility for financing/implementing road maintenance (particularly after 5 years)

Key Issues to be Further Addressed (3/3)

Behavioral change of road users

- how speeding, over-loading, tampering, etc. can be controlled on vast network of rural roads
- > community-based measures/systems to boost local ownership
- > further involvement of community in project preparation and implementation would facilitate such measures

ADB Involvement: Next Steps

Rural Roads Sector III-programmed for 2011

- Under preparation in 5 states (PPTA)
 - Review phase is being completed
 - Recommendations are being reviewed by MORD/NRRDA and the states
 - Preparation of safeguards on road sample started
- RRS III Project Design: more added value
 - Review of overall operating procedures of PMGSY
 - Design practice being reviewed
 - Road Safety
 - Road Maintenance

**For feedback or more information, please
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