

ADB Transport Forum

**Achieving
High Project Readiness
- India's Transport Projects**

May 2010

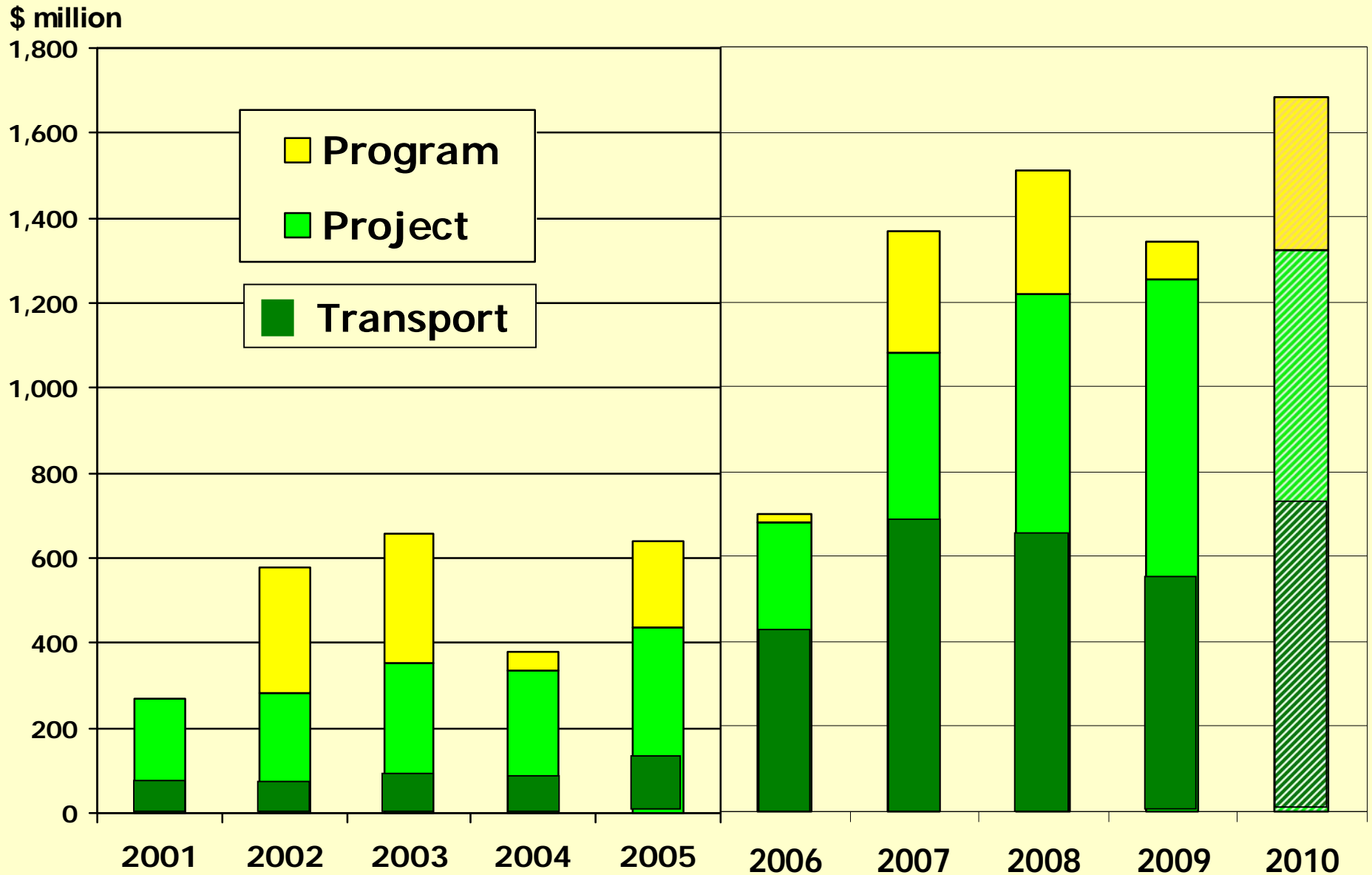
Shige Muramoto, PAU Head, SAUD



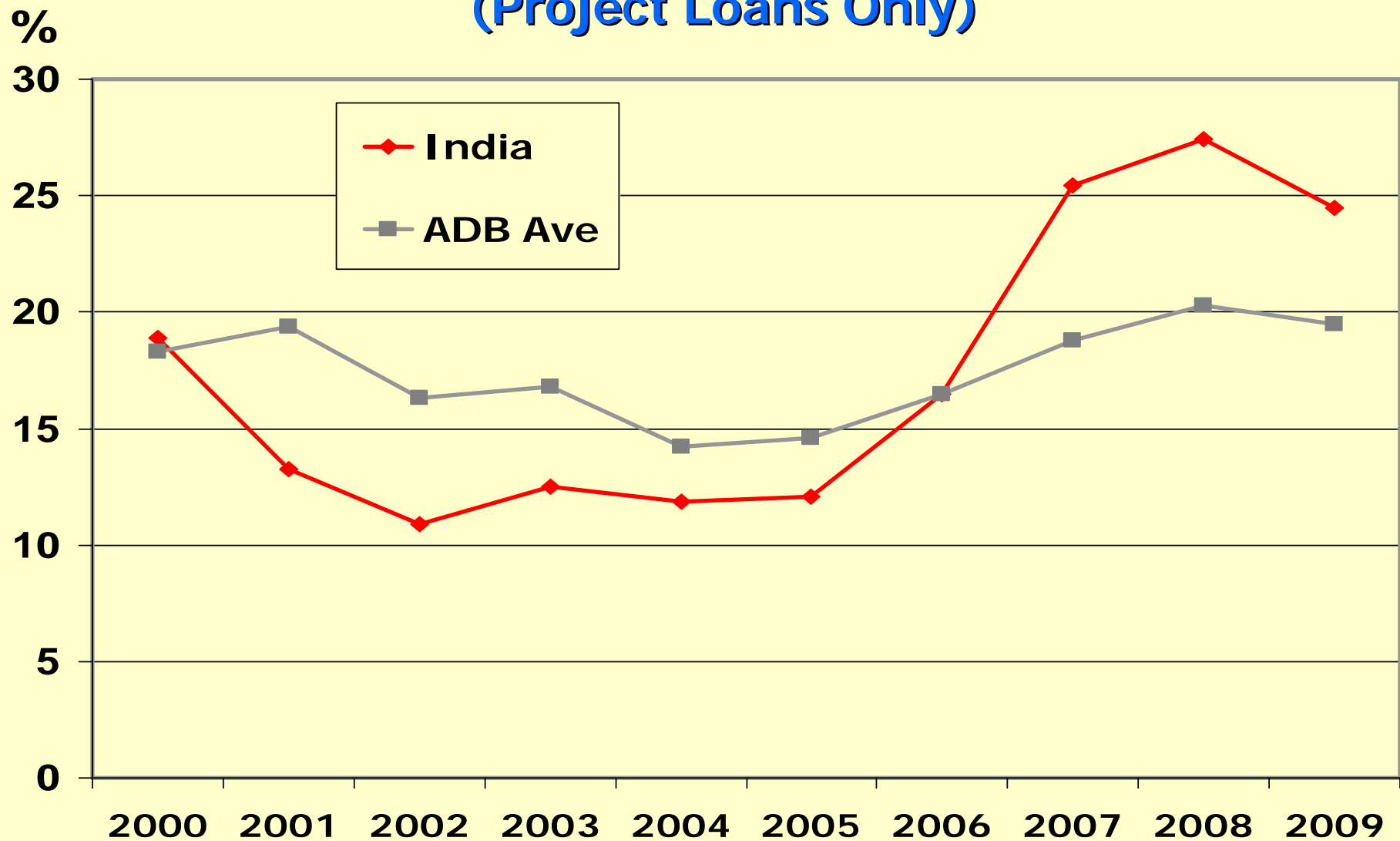
Presentation Outlines

1. India's Portfolio Performance in 2000's
2. Improving Portfolio Performance
3. Loan Preparation and Project Implementation
4. Lesson Learned

1. India's Portfolio Performance Disbursement (All India Sovereign Loans)



Disbursement Ratio (Project Loans Only)



Note: Disbursement Ratio = [Disbursement achieved in the year] / [Total net effective undisbursed loan funds]

2. Improving Portfolio Performance - Issues in Early 2000's

- i.** Poor coordination with the Government
- ii.** Low project readiness for implementation
- iii.** Weak capacity of executing agencies
 - Delay in consultant selection
 - Pre-construction activities left-out
 - Slow procurement
- iv.** Poor performance of contractors and consultants

What Have Been Done?

1. Tripartite Portfolio Review Meetings
2. The Project Readiness Checklist
3. Financial assistance for detailed engineering design
4. Project implementation during loan processing
5. Capacity building for EA Staff
6. Business Opportunity Seminars

TPRM – Photos 1



TPRM – Photos 2



Project Readiness Checklist

- ADB introduced concept in TPRM in Sep 07
- MOF made the Checklist operational from July 2008

Objectives

- Disbursement soon after loan signing
- Identify critical paths of project activities and avoid delay due to any omission

Checklist of project preparatory activities before:

1. Fact-finding mission (2 activities)
2. Appraisal mission (10 activities)
3. Loan negotiation (9 activities)
4. Loan signing (1 activities)
5. Loan effectiveness (2 activities)

The Government of India PROJECT READINESS CHECKLIST

Milestone 3: Before loan negotiations

No	ACTION POINTS:	RESPO-NSIBLE AGENCY
3.1	Bidding documents for all contracts, including criteria for consultant recruitment and procurement, to be awarded during first 12 months of project implementation should be prepared, approved and issued. Issue of RFP for consultants and calling of bids for civil works	ADB/EA
3.2	Project Implementation Plan/_Administration Manual/ Memorandum covering scope, organization and its TOR, procurement, budgeting, disbursement, reporting and auditing arrangement be finalized.	ADB/EA
3.3	At least 50% of land acquisition (if required) to be completed	EA

3. Before loan negotiations (Contd...)

	ACTION POINTS:	RESPO- NSIBLE AGENCY
3.4	Establish (a) financial management system (b) auditing arrangement (c) fund flow arrangement (d) system of oversight.	ADB/EA
3.5	All Statutory clearances like environmental/forest clearances to be in place	EA
3.6	Administrative clearances for temporary use of land i.e. right of way taken	EA
3.7	Administrative approval for shifting of utilities taken	EA
3.8	At least 30% of the tendering work should be completed for awarding	EA
3.9	Provision of budget for project implementation in first financial year	EA

Financial Assistance for Detailed Eng. Design — TA4814: Project Processing and Capacity Building

- i. Implementation period: Jun 2006 -Jun 2008
- ii. Amount: \$15 million (DFID funded)
- iii. Achievements:
 - a. 17 Projects/MFF Investment Program and 12 PFRs
 - b. Feasibility studies, subproject appraisal reports, detail engineering designs
 - c. Environmental and Social Safeguards due-diligence e.g. Resettlement Plan, IEEs, EIAs, LAP, IPDP etc
 - d. Institutional development and Sector Road Maps
 - e. Advance actions in procurement and consultant selection
 - f. Capacity building of EAs

Capacity Development Programs



Capacity Building Programs for Executing Agencies (Nation-wide) in 2008 & 2009

Topic	2008		2009		Grand Total	
	EA Staff	Person Days	EA Staff	Person Days	EA staff	Person Days
Procurement	92	254	72	216	164	470
Consultant Selection	80	160	60	120	140	280
Disbursement	92	214	66	198	158	412
Safeguard	45	45	144	144	189	189
Project Management	0	0	40	200	40	200
Contract Administration	0	0	76	152	76	152
Grand Total	309	673	458	1,030	767	1,703

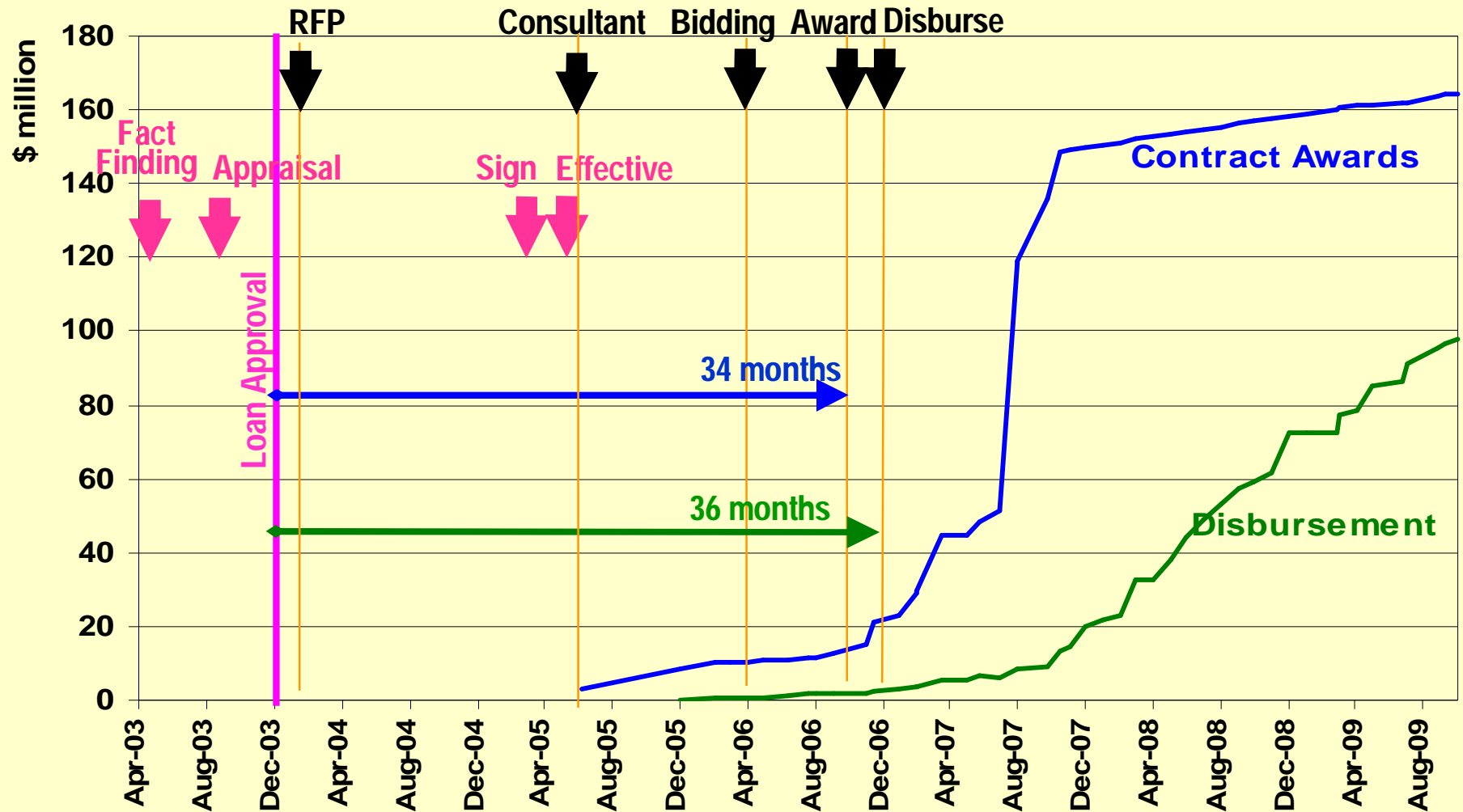
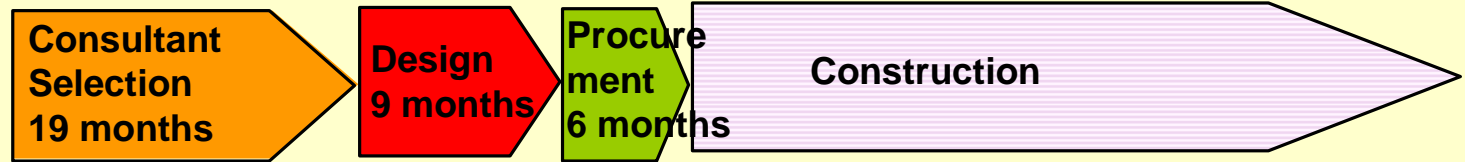
Business Opportunity Seminar



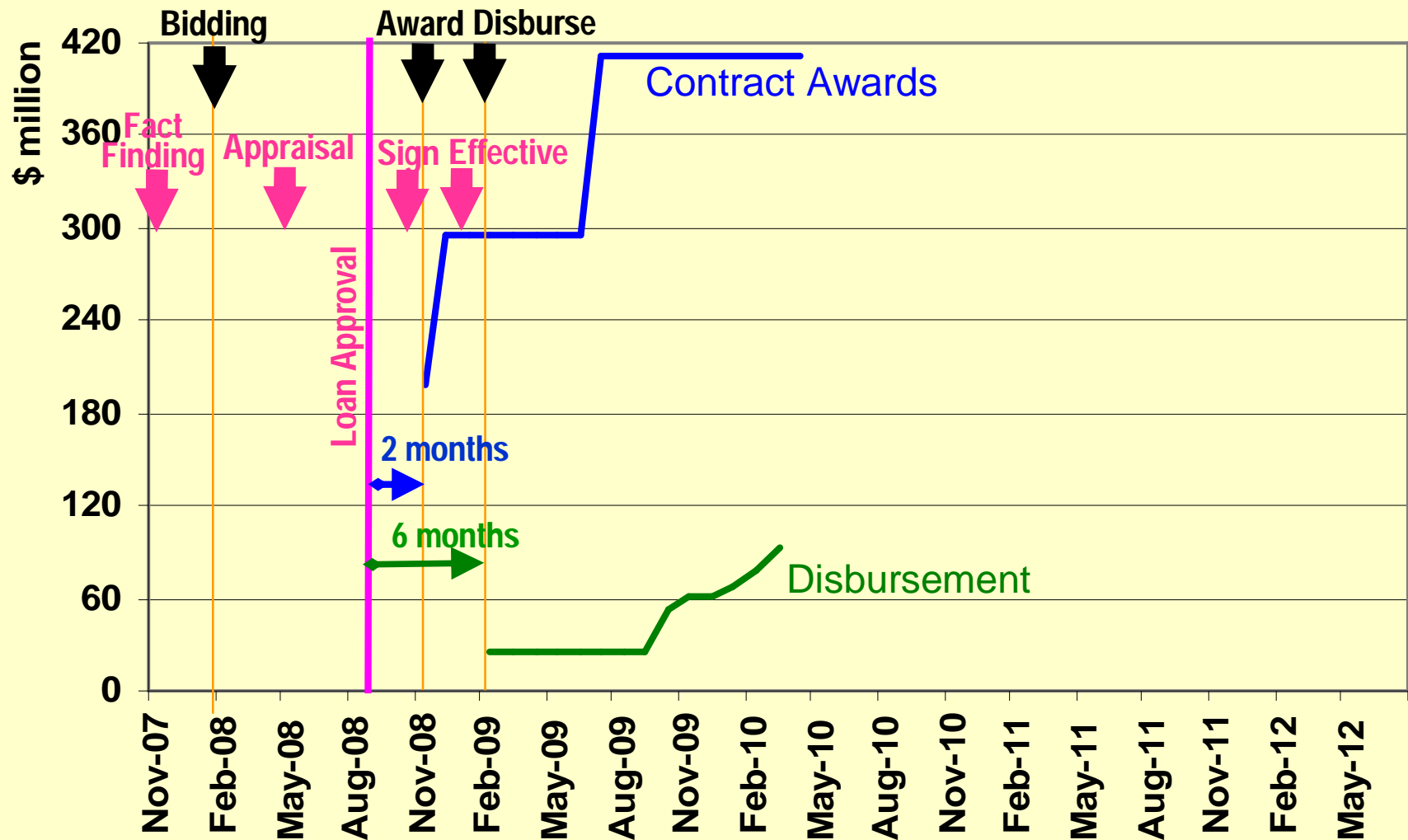
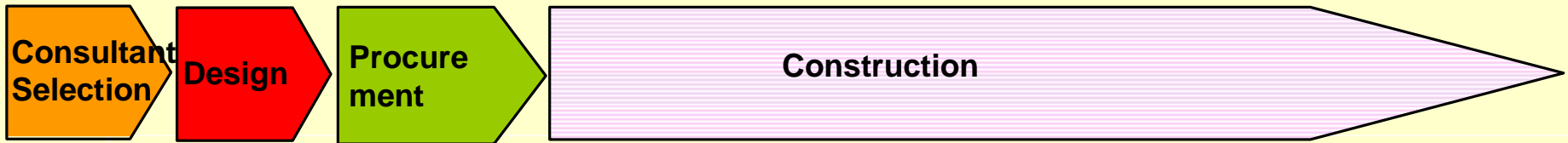
Business Opportunity Seminar

Year	Number of Participants				
	Delhi	Mumbai	Kolkata	Hyderabad	Total
2007	90	68	79	-	237
2008	111	78	70	-	259
2009	183	137	110	120	550
Total	384	283	259	120	1,046

3. Project Implementation and Loan Preparation — A Typical Project Approved in Early 2000's



Project Implementation and Loan Preparation — Bihar State Road (Loan 2443)



4. Lessons Learned

- What was Effective?

- Intensive and regular **country-wide portfolio review**
- **Detailed design by EAs**
- **Financial assistance for detailed engineering design** (TA loan, MFF Tranche 1)
- **The Project Readiness Checklist** covering both the Government and ADB's requirements
- **Project implementation during loan processing**
 - 'Loan is needed only when contracts are in place'
- **Capacity building** for EAs
- Help EAs get **good contractors**

Thank you

ADB

Project Implementation vs Loan Preparation — National Highway II (Loan 2154)

