

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. India's major development partners in the transport sector are the Asian Development Bank (ADB), Japan International Cooperation Agency (JICA), and the World Bank. India's Twelfth Five Year Plan, 2012–2017, and the subsequent Three Year Action Agenda for FY2018–FY2020, continues to emphasize the importance of investing in transport infrastructure as key to promoting regionally balanced and inclusive growth.¹ In line with this, JICA and the World Bank have supported the development of the transport network.

2. ADB's involvement in India's road subsector began in the late 1980s, initially focusing on national highways. Since the launch of the Prime Minister's Rural Road Development Program—Pradhan Mantri Gram Sadak Yojana (PMGSY)—in 2000, ADB-funded projects have diversified into state roads, rural roads, and railways. The World Bank has extensive involvement in the road subsector since the 1960s. More recently, it has focused on large-scale projects such as a dedicated freight corridor and national highway development. JICA has focused on urban transport and logistics infrastructure to improve inter-megacity connectivity, including the Delhi–Mumbai corridor development. A list of projects approved by development partners since 2000 is given in the following table.

Major Development Partners

Development Partner	Project Name	Duration	Amount (million)
ADB	West Bengal Corridor Development Project	2001–2011	\$79
	East–West Corridor Project	2002–2009	\$320
	Madhya Pradesh State Roads Sector Development Program	2002–2008	\$180
	National Highways Sector I Project	2003–2011	\$400
	Chhattisgarh State Road Development Project	2003–2011	\$180
	National Highway Sector II Project	2004–2011	\$400
	MFF, Rural Roads Sector II Investment Program	2005–2014	\$750
	MFF, Uttarakhand State Road Investment Program	2006–2017	\$550
	Madhya Pradesh State Roads Sector Project II	2007–2010	\$321
	Bihar State Highways Project	2008–2013	\$421
	National Highway Corridor (Sector) I Project	2009–2012	\$100
	Jharkhand State Roads Project	2009–2014	\$200
	Bihar State Highways II Project	2010–2015	\$301
	Karnataka State Highway Improvement Project	2010–2015	\$317
	Madhya Pradesh State Roads Project III	2011–2014	\$301
	MFF, North Eastern State Roads Investment Program	2011–2016	\$200
	MFF, Rural Connectivity Investment Program	2012–2018	\$800
	Bihar State Highways II Project, Additional Financing	2012–2018	\$301
	Chhattisgarh State Road Sector Project	2013–2017	\$301
	SASEC Road Connectivity Investment Program	2014–2017	\$500
	Madhya Pradesh District Connectivity Sector Project	2014–2019	\$350
	Second Jharkhand State Road Project	2015–2019	\$200
	Uttar Pradesh Major District Roads Improvement Project	2016–2021	\$300
	Bihar New Ganga Bridge Project	2016–2020	\$500

¹ Planning Commission, Government of India, 2013. *Twelfth Five Year Plan (2012-2017)*. New Delhi.

Development Partner	Project Name	Duration	Amount (million)
	Madhya Pradesh District Roads II Sector Project	2016–2021	\$350
	Rajasthan State Highway Investment Program	2017–2024	\$500
JICA	Hyderabad Outer Ring Road Project, Phase 1	2007–2013	¥41,853
	Hyderabad Outer Ring Road Project, Phase 2	2008–2013	¥42,027
	Bihar National Highway Improvement Project	2013–2017	¥22,903
	Bihar National Highway Improvement Project, Phase 2	2014–2022	¥21,426
World Bank	Third National Highways Project	2000–2007	\$516
	Gujarat State Highway Project	2000–2007	\$381
	Karnataka State Highways Improvement Project	2001–2007	\$361
	Grand Trunk Road Improvement Project	2001–2008	\$589
	Kerala State Transport Project	2002–2010	\$255
	Mizoram State Roads Project	2002–2010	\$60
	Uttar Pradesh State Roads Project	2002–2010	\$488
	Tamil Nadu Road Sector Project	2003–2012	\$348
	Country Wide Rural Roads Project	2004–2012	\$399
	Lucknow–Muzaffarpur National Highway Project	2004–2012	\$620
	Punjab State Road Sector Project	2006–2017	\$250
	Himachal Pradesh State Roads Project	2007–2016	\$220
	Orissa State Roads Project	2008–2016	\$250
	Andhra Pradesh Road Sector Project	2009–2015	\$320
	NHAI Technical Assistance Project	2010–2016	\$45
	PMGSY Rural Roads Project	2010–2015	\$1,500
	Second Karnataka State Highway Improvement Project	2011–2016	\$350
	Assam State Roads Project	2012–2018	\$320
	Rajasthan Road Sector Modernization Project	2013–2018	\$160
	Second Kerala State Transport Project	2013–2019	\$216
	National Highways Interconnectivity Improvement Project	2013–2019	\$500
	Second Gujarat State Highway Project	2013–2019	\$175
	Mizoram State Roads II – Regional Transport Connectivity Project	2014–2020	\$107
	Second Tamil Nadu Road Sector Project	2015–2021	\$300
	Bihar Rural Roads Project	2016–2022	\$235

ADB = Asian Development Bank, JICA = Japan International Cooperation Agency, MFF = multitranchise financing facility, NHAI = National Highways Authority of India, PMGSY = Pradhan Mantri Gram Sadak Yojana (Prime Minister's Rural Road Development Program), SASEC = South Asia Subregional Economic Cooperation.

Sources: Asian Development Bank, Japan International Cooperation Agency, and the World Bank.

B. Institutional Arrangements and Processes for Development Coordination

3. Within the overall development framework provided by the government's Three Year Action Agenda and in support of key sector development initiatives such as the National Highway Development Program and the PMGSY, ADB support has been closely coordinated with other development partners, particularly JICA and the World Bank. ADB's collaboration with them is maintained through regular communication and staff meetings to explore development synergies. The collaboration mechanism was institutionalized to facilitate the exchange of information between key sector coordinators at the country offices.

4. In the rural road segment, it is the National Rural Roads Development Agency (NRRDA) that assists nationwide coordination with the World Bank and JICA. Therefore, regular communication regarding potential collaborative assistance to India should be maintained

through this organization. ADB-supported initiatives such as the development of rural road network management units and rural connectivity training and research centers under the multitranche financing facility for the first Rural Connectivity Investment Program should be well communicated to development partners through the same agency.

C. Achievements and Issues

4. ADB has formed a close partnership with the Department for International Development of the United Kingdom (DFID) to provide technical assistance projects in areas that contribute to poverty reduction in India. The two organizations have been regularly holding coordination meetings. Coordination and collaboration with the World Bank and DFID have produced many good initiatives, including (i) the establishment of a trust fund to assist in preparing projects with a focus on poverty reduction (with DFID), (ii) harmonized intervention in the rural roads segment (with the World Bank), and (iii) close coordination in developing assistance packages for the state of Bihar (with DFID and the World Bank). However, based on an agreement with the Government of India, DFID will not approve any new financial grant aid to India, and was to complete all commitments to ongoing projects by 2015.² DFID will focus on sharing skills and expertise in priority areas such as economic growth, trade and investment, skills, and health, or on making investments in private sector pro-poor projects.

5. In 2001, ADB and the World Bank jointly developed a coordinated assistance strategy for the road subsector, which enabled them to focus on India's targeted national, state, and rural programs.

6. The evaluation of ADB's assistance program in India for transport operations found that (i) ADB's strategic selection and priority areas of involvement in the sector were significant and appropriate to the country's needs; (ii) ADB assistance helped improve the quality and capability of road and railway infrastructure; and (iii) ADB added significant value in the areas of policy development, institutional strengthening, encouragement of private sector participation, and reinforcement of compliance with and public awareness of social safeguards, road safety, and related issues.³ The evaluation identified poor project design, limited enforcement of safeguards, and lack of progress in addressing some key policy issues as the main weaknesses. Project designs are being simplified to focus on improving executing agency performance in core functions, and assistance is being provided during the preparatory stage to manage issues of safeguard compliance.

D. Summary and Recommendations

7. Transport infrastructure investment is crucial in fostering economic growth and inclusiveness by enabling larger populations to better access markets and basic services. According to the NRRDA, more than 11,400 rural communities are yet to be connected to the core national network. Therefore, financial assistance to rural road development in the states of Assam, Chhattisgarh, Madhya Pradesh, Odisha, and West Bengal is critical to enhancing such connectivity and access to socioeconomic growth centers in rural areas. The NRRDA is the key rural roads agency at the central level, and is expected to play a core role in developing the rural road network. Further coordination with other development partners will be pursued to achieve the goal effectively.

² Government of United Kingdom, DFID. India. *India is a Growing Global Power and a Key Partner for the UK*. <https://www.gov.uk/government/world/organisations/dfid-india> (accessed 26 February 2016).

³ ADB. 2007. *Country Assistance Program Evaluation: India*. Manila.