

## DEVELOPMENT COORDINATION

### A. Major Development Partners: Strategic Foci and Key Activities

1. India's major development partners in its 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 continues the emphasis on the importance of transport infrastructure investment as key to promoting regionally balanced and inclusive growth. 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* (the national rural roads mission)—in 2000, ADB-funded projects diversified into state roads, rural roads, and railways. The World Bank has extensive involvement in the road subsector starting from the 1960s. More recently, it has focused on large-scale projects, such as a dedicated freight corridor and national highway development. In October 2013, the World Bank approved a \$500 million loan for the National Highways Interconnectivity Improvement Project. JICA has focused on urban transport and logistics infrastructure to improve inter-megacity connectivity, including the Delhi–Mumbai corridor development. JICA approved two national highway improvement projects in Bihar in February 2013 and January 2014.

#### Major Development Partners

Development Partner	Project Name	Duration	Amount (million)
ADB	Road Improvement Project	1988–1999	\$198
	Second Road Project	1990–2000	\$250
	National Highways Project	1993–2002	\$245
	West Bengal Corridor Development	2001–2011	\$79
	East–West Corridor	2002–2009	\$320
	Madhya Pradesh State Roads Sector Development Program	2002–2008	\$180
	National Highways Sector I	2003–2011	\$400
	Chhattisgarh State Road Development Project	2003–2011	\$180
	National Highway Sector II	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
	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	2014–2018	\$350
Second Jharkhand State Road Project	2015–2019	\$200	

<b>Development Partner</b>	<b>Project Name</b>	<b>Duration</b>	<b>Amount (million)</b>
<b>JICA</b>	National Highway-2 Improvement Project	1992–2000	¥4,855
	National Highway-5 Improvement Project	1994–2004	¥11,360
	National Highway-5 Improvement Project (II)	1995–2003	¥5,836
	National Highway-24 Improvement Project	1997–2002	¥4,827
	Calcutta Transport Infrastructure Development Project	1997–2005	¥10,679
	Hyderabad Outer Ring Road Project Phase1	2007–2013	¥41,853
	Hyderabad Outer Ring Road Project (Phase2)	2008–2013	¥42,027
	Bihar National Highway Improvement Project	2013–2017	¥22,903
	Bihar National Highway Improvement Project (Phase 2)	2014–2022	¥21,426
<b>World Bank</b>	Country Wide Road Project	1961–1967	\$60
	Rural Roads Project – Bihar	1980–1985	\$35
	National Highways Project	1985–1993	\$200
	Rural Roads Project – Gujarat	1987–1995	\$119
	National Highway Project (02)	1992–2002	\$306
	Andhra Pradesh State Highway Project	1997–2004	\$350
	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	2011–2016	\$350
	Assam State Roads Project	2012–2018	\$320
	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

ADB = Asian Development Bank, JICA = Japan International Cooperation Agency, MFF = multitranches financing facility, NHAI = National Highways Authority of India, PMGSY = *Pradhan Mantri Gram Sadak Yojana* (national rural roads mission), SASEC = South Asia Subregional Economic Cooperation.

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

## **B. Institutional Arrangements and Processes for Development Coordination**

3. Within the overall development framework provided in the government's five-year plans and in support of key sector development initiatives such as the National Highway Development Program and the national rural roads mission, ADB support has evolved in close collaboration

with other development partners, particularly the World Bank and JICA. With the World Bank, mini-retreats for transport operations in South Asia have become a regular practice for headquarters staff. With JICA, coordination is regularly exercised to explore development synergies. A broad-based sector collaboration mechanism has been institutionalized to facilitate the exchange of information between key sector coordinators at the country offices.

### **C. Achievements and Issues**

4. ADB has formed a close partnership with the Department for International Development (DFID) of the United Kingdom to provide technical assistance projects in areas that contribute to poverty reduction in India. The two organizations have had regular coordination meetings. Coordination and collaboration with the World Bank and DFID have produced many good initiatives, including (i) 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 subsector (with the World Bank); and (iii) close coordination for developing assistance packages for the state of Bihar (with DFID and the World Bank). DFID will not approve any new financial grant aid to India, and will complete all commitments to ongoing projects by 2015.<sup>1</sup> This is based on an agreement with the Government of India that DFID will focus on sharing skills and expertise in priority areas such as growth, trade and investment, skills, and health, or on making investments in private sector pro-poor projects.

5. ADB developed a coordinated assistance strategy for the road subsector jointly with the World Bank in 2001. With this coordination, both ADB and the World Bank have been able to focus on their national, state, and rural targeted 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 capacity of road and railway infrastructure; and (iii) ADB added significant value in the areas of policy development, institutional strengthening, encouragement of private sector participation, as well as compliance with and public awareness of social safeguards, road safety, and related issues.<sup>2</sup> As the main weaknesses, the evaluation identified poor project design, limited enforcement of safeguards, and lack of progress in addressing some key policy issues. Project designs are being simplified to focus on improving executing agency performance in core functions, and assistance is being provided during project preparation to manage issues of safeguard compliance.

### **D. Summary and Recommendations**

7. Transport infrastructure investment is crucial when it comes to fostering economic growth and inclusiveness by enabling larger populations to better access markets and basic services. The proposed project is crucial to greater connectivity between the northern and southern regions of Bihar. In the south, JICA-funded national highway improvement projects are ongoing. Development and improvement of Bihar's road network at both national and state level is expected to play a vital role in meeting increasing traffic demand. Further coordination with other development partners will be pursued to achieve the goal effectively.

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<sup>1</sup> Government of United Kingdom. <https://www.gov.uk/government/world/organisations/dfid-india>

<sup>2</sup> ADB. 2007. *Country Assistance Program Evaluation: India*. Manila.