

TA COMPLETION REPORT

Division: IWTC

TA NO./NAME: 1942-IND:Faridabad-NOIDA-Ghaziabad Expressway Project		TA AMOUNT APPROVED: \$550,000 (Bank-funded)	
EXECUTING AGENCY: Ministry of Surface Transport		REVISED AMOUNT:	
		TA AMOUNT UNDISBURSED: \$5,553.33	TA AMOUNT UTILIZED: \$544,446.67
DATE: Approval Signing: 27/8/93 15/11/93	Field: 23/2/94 to 20/1/95	CLOSING: ORIGINAL: 31/7/94	ACTUAL: 30/9/95

TA DESCRIPTION

1. India's National Capital Region (NCR), centered on New Delhi, consists of New Delhi itself, the New Okhla Industrial Development Area (NOIDA), and portions of Uttar Pradesh and Harayana states. Traffic growth rates in the region are high, and capacity has been reached on many important arterial road links. As part of a wider plan to address this situation, the Government proposed to construct an expressway linking the satellite cities of Faridabad,¹ to the south of New Delhi, with Gaziabad, to the east, and would pass through the New Okhla Industrial Development Area (NOIDA) located on the south-east fringe of the city. The Government had included the expressway in the NCR Master Plan, and also in the country's 8th Five Year Plan (1992/96). It was intended that the expressway be operated as a toll road, and private sector participation in its construction, operation, and maintenance was to be pursued. The Executing Agency for the TA was the Ministry of Surface Transport (MOST).

TA OBJECTIVES AND SCOPE

2. The objective of the TA was to assist the Government with addressing the rapidly worsening traffic congestion in the National Capital Region. Its scope consisted of a study into the feasibility of constructing an expressway that would connect the southern and eastern road corridors into the city. The expressway would allow the large volumes of traffic that move to and from the east and south of the region to bypass the central New Delhi area, thereby reducing congestion in the city and substantially reducing transport costs for traffic that was required to pass through the city, although it had no business there, because there was no alternative route. The feasibility study included a socio-economic profile of the expressway's influence area, alignment selection, economic and financial evaluations, preliminary engineering (in sufficient detail to define costs, land requirement, and social and environmental impacts), social and environmental impact assessments.

TA INPUTS EVALUATION

3. The TA was carried out by N.D. Lea International Limited, Canada, in association with Lea Associates South Asia, India, and Intercontinental Consultants and Technocrats, India. The TA commenced as scheduled in February 1994, and completed slightly later than scheduled, in January 1995. It was implemented in two phases, the first of two months duration for a modal study and alignment selection, and the second of about seven months duration for the feasibility study itself. The consultant's team members all performed well.

4. Inputs from the Government were primarily required for decisions on institutional responsibilities, the alignment, and some other technical matters. Generally the technical decisions were available, although sometimes delayed. Decisions concerning institutional responsibilities, however, were not made in a timely manner. Although MOST was the executing agency, a number of other agencies were also involved. These initially included the Public Works Departments of Haryana and Uttar Pradesh, the National Capital Region Planning Board, and NOIDA management. Subsequently, the Uttar Pradesh Irrigation Department and the Industrial Leasing and Financing Services company also became involved, the former because the project

¹ Where it would connect to National Highway No. 2, being improved to four-lane standard between Faridabad and Agra with Bank assistance (Loan No. 918: *Road Improvement Project*, for \$198.0 million, approved on 10 November 1988).

included a major bridge over the Yamuna River and the latter because it could become involved in private sector financing for the project. All these agencies made up the project steering committee chaired by MOST. The committee's objective, as foreseen by the Bank, was to facilitate decisions for technical and other aspects of the TA and, more importantly, to carry the project forward should it be viable. It became obvious, as the TA neared completion, that the second part of the committee's objective would be difficult to achieve. MOST did not have the authority within the committee to forge a consensus on implementing the project and, because the expressway was not a national highway and hence not a central government responsibility, MOST did not have the interest or ability to carry the project forward itself. None of the other agencies, acting alone, could do so either.

TA OUTPUTS EVALUATION

5. The principle output of the TA was the final report, which included (i) preliminary designs for a four-lane closed system toll expressway, with five interchanges, a major bridge over the Yamuna River, toll collection systems, and other ancillary facilities; (ii) economic and financial evaluations that showed the expressway, with an estimated cost of \$250 million, to be both economically and financially viable; and (iii) social and environmental impact assessment studies. The report was very well prepared and would have formed a sound basis for proceeding with project implementation, either through public or private sector financing modalities.

TA OVERALL ASSESSMENT/RATING

6. The TA itself achieved its objective, which was providing the Government with a reliable study that could form the basis for financing and implementing the proposed expressway. However, the lack of clear institutional authority for the project, and MOST's inability and unwillingness to accept the responsibility for developing and implementing an approach to having the expressway be defined as a national highway, which would have brought it clearly within MOST's control, meant that the project did not proceed further. This was despite the fact that the project was clearly viable, that it remained a high-priority investment for the Government, and the proposed road corridor was relatively free of obstructions and could be acquired for the project relatively easily, and for a relatively low cost (estimated to be about \$50 million equivalent).

7. In summary, the TA successfully achieved its objective, but the broader objective of reducing congestion in the National Capital Region was not achieved. Overall, the TA can be considered generally successful.

MAJOR LESSONS LEARNED

8. Preparations for the TA included detailed discussions with MOST and the Government concerning responsibility for the TA and the subsequent project. As a consequence MOST became the TA's executing agency. In hindsight, some additional effort could have been applied to obtaining a commitment from the Government that MOST would be able to manage project implementation once the TA had been completed. This commitment could have taken the form of an agreement that the expressway would be classified as a national highway. The lesson to be learned is that, for a project that involves a number of agencies, responsibilities should be defined and ownership should be apparent. This applies not only for the TA but also for the project that will be developed from it.

RECOMMENDATIONS AND FOLLOW-UP ACTIONS

9. For future such TAs, where multiple agencies are involved, additional effort is required to ensure that responsibilities exist and ownership is defined. For the project itself, which remains viable and suitable for private sector financing, the Bank has continued to discuss with the Government how the project might be implemented. It was for this reason that this TCR was not completed within the usual 6-12 months after the TA was completed.