India: Capacity Development to Enhance Project Readiness and Results Monitoring for Transport Projects
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TA No., Country and Name: TA 7252-IND: Capacity Development to Enhance Project Readiness and Results Monitoring for Transport Projects

<table>
<thead>
<tr>
<th>Executing Agency: Department of Economic Affairs</th>
<th>Source of Funding:</th>
<th>Amount Approved: $1,500,000.00</th>
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<tbody>
<tr>
<td>Revised Amount: $2,925,000.00</td>
<td>Japan Special Fund/ Technical Assistance Special Fund-Others</td>
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</tbody>
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| Amount Undisbursed: $67,270.19 | Amount Utilized: $2,857,729.81 |

<table>
<thead>
<tr>
<th>TA Approval Date: 18 Mar 2009</th>
<th>TA Signing Date: 01 Apr 2009</th>
<th>Fielding of First Consultants: 01 Jun 2009</th>
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<tbody>
<tr>
<td>TA Completion Date Original: 28 Feb 2010</td>
<td>TA Completion Date Actual: 30 Jun 2016</td>
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<tr>
<td>Account Closing Date Original: 28 Feb 2010</td>
<td>Account Closing Date Actual: 14 Oct 2016</td>
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Description

The Asian Development Bank (ADB) provided support to the Government of India in transport sector development as a core infrastructure operation for inclusive economic growth. The focus of ADB’s intervention has increasingly shifted toward relatively poorer states with weak capacity, supporting the government’s efforts to narrow interstate disparities. Smaller and comparatively weaker states have very limited financial and technical capacity to prepare and implement projects. Many ADB-financed transport projects in India experienced delays that were mainly due to (i) the lack of safeguard considerations in selecting and preparing investment, as well as insufficient support for safeguard planning and implementation, and (ii) the gap between the feasibility phase and the construction phase in support for executing agencies, which are often unfamiliar with ADB procedures for procuring civil works contracts and recruiting consultants. The project executing agency (PEA) of ADB-financed transport projects required capacity enhancement in procurement, environment, social development, resettlement, economics and monitoring results. ADB needed to work closely with the PEAs to ensure project readiness by providing more continuous support and advice on project implementation. The technical assistance (TA) aimed to help the PEAs acquire and adapt international best practices in procurement and safeguard activities while ensuring timely and expert project implementation.

Expected Impact, Outcome and Outputs

The expected impact of the TA was improved efficiency in project implementation and the outcome was improved project implementation readiness and quality. The TA was to strengthen efficiency and ownership in project implementation from the early stage of project preparation, and facilitate project execution with greater results orientation by enhancing the knowledge and skills of PEAs and sharing of project-specific experience among them.

The expected TA outputs included: (i) procurement process initiated within a month of appraisal mission completion; (ii) social and environmental assessments meet agreed standards and timeframes; and (iii) project performance management system provides appropriate information from the monitoring and evaluation system to management according to schedule.

Delivery of Inputs and Conduct of Activities

The TA was carried out by individual international and national consultants (procurement, social development, resettlement, environment, and transport economics), from which the PEAs benefited through acquisition of knowledge and skills. The TA required 10 person-months of international consulting services and 88 person-months of national consulting services; actual inputs upon completion were 50 person-months of international consultants and 163 person-months of national consultants. A total of 19 consultants (3 international and 16 national) were engaged in accordance with the ADB Guidelines on the Use of Consultants. There were no major changes to the original terms of references of the consultants; they all successfully delivered their outputs and had no performance issues.

Eleven government agencies (both central- and state-level) benefited from the TA. Beneficiary states included Andhra Pradesh, Assam, Bihar, Chhattisgarh, Jharkhand, Karnataka, Madhya Pradesh, Maharashtra, Manipur, Mizoram, Meghalaya, Odisha, Sikkim, and West Bengal. The TA contributed to the readiness of a variety of projects on railways, urban transport, state highways, major district roads, and rural roads.

The TA completion date was extended five times, resulting to a cumulative extension of 75 months. The primary reason for all the extensions was to continue supporting the PEAs in improving their capacity for project processing and implementation. The original TA completion date of 28 February 2010 was first extended to 31 December 2010 to accommodate changes in preparation actions and milestones required for project approvals, and sufficiently cover early implementation of the upcoming and ongoing projects of PEAs that required support. An additional two international procurement specialists were recruited to further assist the PEAs. To prepare projects programmed in 2011, the TA completion date was extended to 31 December 2011.
The TA was further extended to 31 December 2013 with additional financing of $600,000 from ADB’s Technical Assistance Special Funds (TASF-others) and increased consultants and inputs for enhanced support and guidance for new PEAs that were inexperienced in working with ADB. The extension until 31 December 2014 with additional financing of $375,000 enabled ADB to increase inputs of both international and national consultants. This was crucial in ensuring the successful delivery of ADB’s regional cooperation integration and sustainability objectives. To keep up the momentum of the rapidly expanding transport sector portfolio in India by ensuring continued and adequate resources for all projects, an increase in the TA budget of $225,000 was further made. The processing of major projects such as the Madhya Pradesh District Roads II Sector Project\(^1\) and implementation of large-scale transport projects such as SASEC Road Connectivity Investment Program\(^2\) required an additional financing of $225,000 and extension of the TA until 15 June 2016. The extension and additional financing was crucial in continuing to develop the capacity of the PEAs in enhancing project readiness and strengthening project implementation in the transport sector.

During implementation, the consultants worked closely with the respective PEAs of projects and other related ministries, agencies, and state governments. Trainings and workshops on procurement, safeguard matters, and economic and development impacts of projects were conducted. The supervision provided by ADB was timely and efficient. The executing agency and ADB agreed that all the TA inputs provided were satisfactory. The government’s support during implementation was also satisfactory. The performances of the executing agency and ADB are therefore rated satisfactory.

**Evaluation of Outputs and Achievement of Outcome**

All the expected outputs and outcome of the TA were met. Because of this, the portfolio of transport projects in India has been robust, with an average of 3–4 project approvals per year totaling between $800 million and $1 billion. ADB’s ongoing assistance in the Indian transport sector amounts to over $5.3 billion as of July 2017. The TA has contributed to nearly every single ongoing project approved since 2009. The TA has substantially improved timeliness of safeguard compliance, project processing and implementation readiness. PEAs had benefitted from the TA and are fully appreciative of the knowledge and skills acquired from it.

**Overall Assessment and Rating**

The TA was successful based on the ratings for relevance, effectiveness, efficiency, and sustainability. It was relevant as the TA was aligned with ADB and government plans and strategies, particularly on supporting transport projects. It was effective in achieving the outcome and outputs, as demonstrated by the strong performance of the transport portfolio in India. The TA was also efficient. While the implementation was extended by six years, the main reason was not delays but because of additional funds and support provided to PEAs, enabling more accomplishments under the TA. The extensions minimized recruitment time and enabled flexible deployment of resources and quick response to clients’ urgent requests, such as for safeguards, procurement and contract management, and financial and economic analyses. The TA is likely sustainable as the TA built the capacity of PEA staffs which has long term benefits in ensuring readiness in future project designs and quality implementation.

**Major Lessons**

The TA was instrumental in ensuring project readiness in the transport sector where the planning stage is critical and success of the ensuing project depends on the level of preparedness. The TA supplemented the capacity of PEAs in areas where additional attention and expertise were required, and often where gaps exist between government processes and ADB guidelines. This led to smoother and quicker approval of projects.

**Recommendations and Follow-Up Actions**

Given the successful outcome of the TA, it may be considered replicating this kind of TA for countries with new and/or weak PEAs.

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2. ADB. 2015. Report and Recommendation of the President to the Board of Directors: SASEC Road Connectivity Investment Program. Manila.