

## DEVELOPMENT COORDINATION

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

1. The major development partners of the Asian Development Bank (ADB) in India's transport sector are Japan International Cooperation Agency (JICA) and the World Bank. India's Twelfth Five Year Plan<sup>1</sup> has continued to emphasize the importance of transport infrastructure investment as the key to promoting regionally balanced and inclusive growth. In line with this, JICA and the World Bank have supported development of the transport network. The Government of the United Kingdom has provided technical assistance (TA) to support the sector.

2. ADB's involvement in India's road transport (non-urban) subsector began in the late 1980s, initially focused on national highways. Since the launch of India's Prime Minister's Rural Road Development Program, Pradhan Mantri Gram Sadak Yojana (PMGSY or 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 transport (non-urban) subsector, starting in the 1960s. Since 2002, the World Bank has focused on large-scale projects including the dedicated freight corridor and national highway development. In October 2013, it approved a \$500 million loan for the National Highways Interconnectivity Improvement Project. JICA has focused on urban transport and logistic infrastructure to improve inter-megacity connectivity, including the Delhi–Mumbai corridor development. In the road transport (non-urban) subsector, JICA approved the Bihar National Highway Improvement Project in February 2013.

### 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

<sup>1</sup> Government of India. Planning Commission. 2013. *Faster, More Inclusive and Sustainable Growth*. Twelfth Five Year Plan. Delhi.

Development Partner	Project Name	Duration	Amount (million)
<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
<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	

ADB = Asian Development Bank, JICA = Japan International Cooperation Agency, MFF = multitranché 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 the 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 the key sector development initiatives such as the National Highway Development Program and PMGSY, ADB support has been developed in close collaboration with the World Bank, JICA, and the Department for International Development of the United Kingdom (DFID) as key development partners. Coordination with the World Bank and JICA has particularly been active for transport operations. 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. For the resident missions, a broad-based sector collaboration mechanism has been instituted to facilitate the exchange of information between key sector coordinators of both institutions.

### C. Achievements and Issues

4. ADB has formed a close partnership with DFID—providing TA in areas that contribute to poverty reduction in India. The two organizations have been holding coordination meetings regularly. 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 road transport (non-urban) subsector (with the World Bank); and (iii) close coordination for developing assistance packages for the state of Bihar (with DFID and the World Bank). However, DFID will approve no new financial grant aid to India,<sup>2</sup> and will complete all commitments to ongoing projects by 2015.

5. ADB developed a coordinated assistance strategy for the road subsector jointly with the World Bank in 2001. Through coordination between ADB and the World Bank, each institution can focus on its targeted programs at national, state, and rural level.

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

### D. Summary and Recommendations

7. Transport infrastructure investment is crucial to foster economic growth and inclusiveness by enabling more people to better access markets and basic services. The proposed project is crucial to enhancing development of the state road network, providing more efficient and sustainable movement of people and goods—in line with the country's strategy. The project provides a good platform for further coordination with other development partners to make development activities complementary and mutually reinforcing.

8. Madhya Pradesh Road Development Corporation (MPRDC), the executing agency for the project, is also approaching the Government of India with a request to JICA for funding of the improvement of additional lengths of major district roads, as well as this project. While the JICA proposal is still at a preliminary stage, such cooperation will be welcome, and assistance will be provided to JICA, as required.

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<sup>2</sup> Department for International Development of the 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>

<sup>3</sup> Independent Evaluation Department. 2007. *Sector Assistance Program Evaluation: Transport Sector in India — Focusing on Results*. Manila: ADB.