

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. The major development partners of the Asian Development Bank (ADB) in the India transport sector are the Japan International Cooperation Agency (JICA) and the World Bank. India's Twelfth Five-Year Plan emphasizes 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 the development of the transport network. The Government of the United Kingdom has provided technical assistance to support the sector.

2. ADB's involvement in India's road subsector began in the late 1980s, and was initially focused on national highways. Since the launch of the Prime Minister's Rural Road Development Program in 2000, ADB support has diversified into state roads, rural roads, and railways projects. The World Bank has had extensive involvement in the road subsector since the 1960s. In recent years, the World Bank has focused on large-scale projects, including the 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 to improve connectivity of the national highway network. JICA has focused on urban transport and logistics infrastructure to improve inter-mega-city connectivity, including the Delhi–Mumbai corridor development. In the road 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 Highways 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 Project II – Additional Financing	2012–2018	\$301
Chhattisgarh State Road Sector Project	2012–2018	\$301	
JICA	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 Phase 1	2007–2013	¥41,853

Development Partner	Project Name	Duration	Amount (million)
World Bank	Hyderabad Outer Ring Road Project (Phase 2)	2008–2013	¥42,027
	Bihar National Highway Improvement Project	2013–2017	¥22,903
	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 Highways 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	\$1500	
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= multi-tranche financing facility, NHAI = National Highways Authority of India, PGMSY = Pradhan Mantri Gram Sadak Yojana.
Source: ADB, 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 5-year plans and in support of the key sector development initiatives such as the National Highway Development Program and Prime Minister's Rural Road Development Program, 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 for transport operations has been particularly active. 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 ADB, DFID, JICA and World Bank.

C. Achievements and Issues

4. ADB has formed a close partnership with DFID in providing technical assistance in areas that contribute to poverty reduction in India. The two organizations have regularly held 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 subsector (with the World Bank), and (iii) close coordination for developing assistance packages for the state of Bihar (with DFID and the World Bank).

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 could focus on its targeted programs at national, state, and rural level.

6. The sector assistance program evaluation 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 of private sector participation, and increasing compliance with and public awareness of 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 subsector. Project design is being simplified to focus on improving the performance of executing agencies 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 for regional cooperation and integration initiatives involving India. ADB has focus on regional cooperation in South Asia through the South Asia Subregional Economic Cooperation program, which was launched in 2001. The proposed investment program is key to regional road connectivity, which also involves more private sector participation through performance-based maintenance, and a new modality of procurement through engineering, procurement and construction. The investment program provides a good platform for further coordination with other development partners so as to make development activities complementary and mutually reinforcing.