

DEVELOPMENT COORDINATION

A. Major Development Partners: Strategic Foci and Key Activities

1. India's energy sector has received a major portion of its external assistance from the Asian Development Bank (ADB), the World Bank, the International Bank for Reconstruction and Development (IBRD) and International Development Association, the Canadian International Development Agency, the Department for International Development of the United Kingdom (DFID), German Development Cooperation, Japan International Cooperation Agency (JICA), the United States Agency for International Development (USAID), and the European Union (EU). India also receives bi lateral financial aid from the United States, the Russian Federation, and Germany.

2. Key focus areas of the World Bank include: infrastructure (roads, transport, power, water supply and sanitation, irrigation, urban development); human development (education, health, social protection); and rural livelihoods). World Bank scaled up its annual lending level to about \$4 billion from 2008. The focus of JICA's operations in India has been on developing power and transport infrastructure, rural development, and improving the environment and public health systems in urban areas. DFID's focus areas include supporting an enabling environment for growth and supporting effective provision of services to the poor. Germany's assistance to India has focused on the infrastructure and social sectors. USAID has focused its program on provision of health care, environmental protection, and demand-side management of energy. The EU provides assistance for rural development, as well as primary education and health. While these development partners have assisted energy sector in many states of India discussion here focuses on the development assistance to the State of Madhya Pradesh. Table 1 provides details of the ongoing projects in Madhya Pradesh.

Major Development Partners – Ongoing Projects in Madhya Pradesh

Development Partner	Project Name	Duration	Amount (\$ million)
ADB	Madhya Pradesh Urban Water Supply and Environment Improvement Project	2004–2011	200.0
	Madhya Pradesh Power Sector Investment Program Tranche -V	2009-2013	166.0
	Madhya Pradesh Power Sector Investment Program Tranche-III	2007-2011	144.0
	Madhya Pradesh Power Sector Investment Program Tranche-IV	2007-2011	90.0
	Madhya Pradesh Urban Water Supply and Environment Improvement Project	2008-2011	71.0
	Madhya Pradesh Power Sector Investment Program Tranche -II	2007-2011	45.0
	Madhya Pradesh Power Sector Investment Program: Tranche-VI	2011-2014	69.0
	Madhya Pradesh State Roads Sector Development Project Phase-III	2011-2015	300.0
	Madhya Pradesh Energy Efficiency Improvement Investment Program: Tranche -I	2011-2015	200.0
	Madhya Pradesh Energy Efficiency Improvement Investment Program Tranche-II	2011-2015	200.0
DFID	Madhya Pradesh Health Sector Reform Program	2007-2015	156.0
	Madhya Pradesh Rural Livelihoods Project Phase-II	2007-2012	54.0

Development Partner	Project Name	Duration	Amount (\$ million)
	Madhya Pradesh Power Sector Reform Program II	2005-2012	9.6
	Strengthening Performance Management in Government Phase-II	2012-2016	20.0
	Madhya Pradesh Urban Infrastructure Investment Program. Phase-II	2012-2016	42.5
IBRD	Madhya Pradesh Water Sector Restructuring Project	2004-2016	394.0
	Dam Rehabilitation and Improvement Project	2010-2013	52.0
	National Hydrology Project Phase-II	2006-2015	4.9
IFAD	Tejaswini Rural Women's Empowerment Program	2006-2015	14.0
JICA	Madhya Pradesh Transmission System Modernization Project	2011-2018	226.0
	District Poverty Initiative Program Ph-II	2009-2014	100.0

ADB = Asian Development Bank, DFID = Department for International Development of the United Kingdom, IBRD = International Bank for Reconstruction and Development, IFAD = International Fund for Agricultural Development, JICA = Japan International Cooperation Agency.

Source: Asian Development Bank.

B. Institutional Arrangements and Processes for Development Coordination

3. Development partners' activities are coordinated by the Coordination and Decision Support System of the Department of Economic Affairs, Ministry of Finance at the central level, and the Project Management Unit of the Finance Department, Government of Madhya Pradesh at the state level. In the energy sector, ADB project processing staff regularly meet development partners involved in energy sector development to enhance synergy and avoid duplications. Coordination at the state level has been achieved without any serious difficulties given few partners are active in the energy sector in Madhya Pradesh.

C. Summary and Recommendations

4. ADB will continue to assist Madhya Pradesh as one of the leading development partners to contribute to the state's economic and social development. Development partner coordination in energy sector to support effective use of resources and achieve development efficiency in Madhya Pradesh is not a serious challenge. However, state level coordination activities are mainly limited to project development stage. Extending the coordination to implementation level is necessary for further enhancing state level coordination. Coordination at the central level to avoid duplication and to ensure efficiency needs more efforts. Allocation of sectors and states among partners at the central level may enhance coordination.