

EVALUATION LENS

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MADHYA PRADESH MAJOR DISTRICT ROADS PROJECT EVALUATION

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BACKGROUND. The Madhya Pradesh Major District Roads Project (MPMDRP) is the first project to be evaluated by the Independent Evaluation Office (IEO) of the New Development Bank (NDB).

Madhya Pradesh (MP) is a landlocked state located in the heartland of India, surrounded by five states. It is the second largest state in terms of area, and the fifth largest in terms of population (85 million in 2022), but one of eight states with relatively weak economic indicators. Around 30 percent of its population is multidimensionally poor. Despite its strategic geographic position, it has only 35 kilometres (km) of road per 100 square km, which is less than half of the national average of 75 kms.

PROJECT DESIGN. The objective of the MPMDRP was to improve connectivity of the rural interior of MP with the national and state highway networks, to boost economic activity and productivity in rural hinterlands. This was to be achieved through the upgrading, rehabilitation or reconstruction of approximately 1,500 km of district roads over 24 districts of the state. The total project cost was estimated at USD 500 million, of which USD 350 million was financed by NDB. The project had one main component: Civil Works and Equipment.

The Loan Agreement was signed on 30 March 2017, and implementation was to take place from January 2017 to March 2021, ultimately extended by one year. The MP Public Works Department was the executing agency, which designated the Madhya Pradesh Roads Development



Goi Kavri Dhulkot Road, length: 76.4 km.

Corporation (MPRDC) as the Project Implementation Unit.

MAIN FINDINGS. Overall, by promoting access to roads within the broader policy context of the federal and state governments, the project has contributed to strengthening connectivity and improved general livelihoods in MP. Key determining factors for the success of the project included, the performance and experience of the project implementation unit as well as involvement of the private sector as partners in implementation and maintenance. The MPRDC has established an Accident Response System (ARS) and is currently developing a Road Asset Management System (RAMS) which are expected to further enhance and improve their services.

The project surpassed its original targets. Around 1,551 km of major district roads were upgraded, compared to 1,500 targeted at design. The project contributed to

PROJECT DATA

Approval date:	22 November 2016
Loan Signing date:	30 March 2017
Project closing date:	31 March 2022
Estimated project cost:	USD 500 million
NDB financing:	USD 350 million
GOMP financing:	USD 150 million
Geographic coverage:	24 districts in MP

increased traffic volume by 45 percent (target was 30 percent), reduced travel times (actual 55 percent vs 25 percent target), reduction in fatal road accidents (actual 40 percent vs 25 percent target), and reduced vehicle operating costs (actual 35 percent vs 25 percent target). The engineering design eliminated 130 blackspots or hazardous locations.

Moreover, travel time to primary health care centers and hospitals decreased by up to 46 percent and 29 percent, respectively. The time taken to reach schools, colleges and universities declined by up to 22 percent. The number of small businesses has also increased by close to 70 percent from the start of the project. The total number of beneficiaries along the project roads was 434,000. Most importantly, there has been an increase in the average monthly incomes of beneficiaries by around 55 percent, from 13,500 to 21,000 Indian Rupees.

Some of the areas that limited project performance included: the lack of a broader country strategy to guide the India-NDB partnership; insufficient analytical work to inform choices and priorities at design; weak supervision and implementation support and monitoring and evaluation; and limited attention to knowledge management, policy engagement and innovation. The quality of the design document and loan agreement could have been sharper in several aspects, and better aligned with each other. Frequent changes in the lead NDB project implementation officer and insufficient engagement by senior NDB staff during implementation also limited performance.

THE INDEPENDENT EVALUATION OFFICE

The NDB Independent Evaluation Office was established in April 2022. The Director General of IEO reports directly and exclusively to the NDB Board of Directors. The main objective of IEO is to promote accountability and learning for enhancing the Bank's performance. IEO conducts a range of independent evaluations at different levels: evaluations of projects and programmes as well as of policies, strategies, instruments and corporate processes.

Evaluation Lens provides a short summary of evaluations conducted by IEO. The full evaluation report and related documentation may be accessed through the IEO web pages.

RECOMMENDATIONS

For NDB:

- **Preparation of an India-NDB country strategy.** The country strategy would outline the shared priorities of NDB and India for sector engagement, pipeline development, knowledge and policy activities, partnership development and other aspects.
- **Strengthen design quality at entry.** Project designs should include knowledge management, innovation, exit strategies, provisions for technical assistance and implementation support during both design and project execution.
- **Improve project supervision and implementation support.** NDB should strengthen supervision activities including time spent in the field, broaden deepen the composition of supervision teams, improve the quality of supervision outputs, and ensure coherent follow-up to supervision recommendations.
- **Enhance project monitoring and evaluation.** Project designs should have a dedicated section on monitoring and evaluation (M&E) with a clear statement of objectives, a theory of change, and a well-articulated results management framework. Specific budgets for M&E should be included in the project cost tables, and an M&E officer should be part of the project implementation team.
- **Further articulate the role of the India regional office in country programme delivery.** The India Regional Office can improve NDB engagement, visibility and results in the country. The role, responsibilities and delegation of authority of the Office should be clearly articulated.

For the Government of Madhya Pradesh (GOMP):

- **Prepare a multimodal transport strategy/ plan to support effective connectivity.** GOMP should consider preparing a multimodal transport strategy/ plan. This should link with the recently launched National Logistics Policy.
- **Preserve assets and strengthen road safety.** Measures should be undertaken to ensure the strict enforcement of axle load management. The RAMS and ARS systems should be expanded to inform policymakers of the condition of the network and the effectiveness of maintenance operations.
- **Develop guidelines for road selection and ensure enforcement.** GOMP should make the guidelines for road selection public. If GOMP decides to prepare a multimodal strategy/ plan, these criteria could be included in the selection of future roads.