

INDIA**Punjab State Road Sector Project (Loan 4843-IN)****The 9th Implementation Support Mission (September 4 to 9, 2011)****Aide-Memoire****I. INTRODUCTION**

1. A World Bank team¹ visited the State of Punjab from September 4 to 9, 2011, to review the implementation progress of the Punjab State Road Sector Project (PSRSP). The team conducted site visits of the ongoing upgradation packages and some of the completed upgradation, rehabilitation and periodic maintenance packages and held discussions with the Punjab Roads & Bridges Development Board (PRBDB) and Government of Punjab (GOP). The mission also held discussions with various consultants, engaged under the project to review the current progress in their services.

2. A wrap-up meeting was held and chaired by the Chief Secretary, GOP, on September 8, 2011, and with Department of Economic Affairs on September 9, 2011. This aide-memoire summarizes the findings, recommendations and agreements reached during the mission. The mission thanks GOP for their support and cooperation during the mission. The agreed key actions to address current implementation issues identified by the mission are shown in **Annex 1**.

II. KEY PROJECT DATA & PERFORMANCE RATING

3. This project was approved by the World Bank Board of Directors on December 5, 2006. The Loan and Project Agreements were signed on February 26, 2007 and the loan was made effective on April 2, 2007. The following table summarizes the key project data and updated project performances at this mission.

Key Project Data		Current Ratings and Flags	
Board Date	Dec. 05, 2006	Development Objectives	Satisfactory
Closing Date	June 05, 2012	Implementation Progress	Moderately Satisfactory
Project Age	54 months	Problem Flags	1
% Disbursed	54%		

III. SUMMARY OF FINDINGS, DISCUSSIONS AND AGREEMENTS

4. **Development Objective (DO):** The project's overall development objective is to improve operating conditions of State roads for road users, in a sustainable way, thus helping to provide the business enabling environment necessary to support Punjab's economic development strategy. Progress in achieving the development objective is rated **Satisfactory** since: (a) all Phase I civil works for 10 periodic maintenance packages (354 km) were fully completed, (b) 6 rehabilitation packages (205 km) and one of

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the upgradation packages (41 km) have been substantially completed and (c) the construction of the remaining 2 upgradation packages (111 km) is progressing well. **Annex 7** summarizes the current status of results monitoring and key performance indicator. PRBDB has recently engaged consultants for carrying out traffic and road condition surveys for monitoring the result indicators.

5. **Implementation Progress Rating:** Implementation progress rating has been maintained at *Moderately Satisfactory* Level.

Road Development Component

6. **Phase I Civil Works Progress:** All works, envisaged under the Phase I of the project has been completed except upgrading package UG2 and UG2.

7. **Status of works on the package UG1 (Kharar-Banur-Tepla):** During the site visits conducted by the mission it was observed that despite repeatedly raising the issue during previous missions about the poor quality of road construction on this package, not much has been done to improve the situation. Cracks continue to appear on the finished surfaces including settlement on some locations in Milestone 1 which has been taken over by the Government of Punjab. Similarly, another long standing issue on this stretch is that of the pipeline shifting in Milestone 2. The water pipeline continues to pass underneath the surface resulting in deterioration of the surface. The mission urges that it is important that the shifting of this pipeline is done on priority for this section as rut formation caused due to the pipeline leakage, is gradually becoming a safety hazard. Adding to this, the mission was informed that the EOT granted by PRBDB to the contract was up to December 19, 2010, as against the contractor's request for April 30, 2011. However, PRBDB has been levying LD on the contractor without issuing the completion certificate for Milestone 2 and adequate clarity on the number of days for which the LD is being imposed.

8. **Status of works on the package UG2 (Ludhiana-Malerkotla-Sangrur):**The mission was concerned to note continuing delays in finalization of the investigations for the failed stretches and release of applied liquidity damages to the contractor, which is not acceptable to the bank. Furthermore, the dispute on the canal bridge and lowering of road levels at a settlement site is unnecessarily delaying the contract completion and adding cost to GOP. The mission suggests GOP to consider removing this from the contract and undertaking these works separately. The mission was also extremely concerned to note poor design of roundabouts and finishing of kerbs. The progress was reported to be about 80%.

9. **Status of works on the package UG3 (Attari-Chabbal-Taran Taaran):** The mission observed the road condition under this completed package is good and behaving well. The mission noted that there has been lack of maintenance of the shoulders viz; clearing the vegetation growth, clearing of the rain water spouts at the bridges etc. The mission was assured that appropriate measures will be taken to address this issue. The mission was however very concerned to note the poor and dilapidated condition of the bus shelters built under the project and the kiosk provided along with these shelters. None of the bus shelters on the road had any seats left and the kiosks remained either unused or was being used as a dumping ground by local habitants. The mission believes that there is an urgent need to address this issue either through engaging with the local panchayats and the community or through any other appropriate mechanisms in order to maintain these assets created under the project for the community. In this context, the mission was also concerned to note that no sense of ownership seemed to be prevailing within the implementing agency. The mission was informed that safety devices are being installed under a separate contract for safety enhancements on this package.

10. **Status of works on Rehabilitation and Periodic Maintenance Packages:** The mission visited the completed Rehabilitation packages viz; RH-2, RH-3 and RH-4 and the periodic maintenance packages viz; PM-1 and PM-4. The common issues between all the packages are maintenance of shoulders, developing of cracks on the surface. In the case of RH 4, the key issue remains the blockage of all the

drainage inlets and also the cleaning of the drains provided on this stretch. The mission observed that on most part of the road wherever the drains have been provided, all the rain water inlets have been blocked. The other related issue was with respect to the cleaning of these drains as no provision for opening the drains existed. Similarly in RH3 too drain spouts are blocked at almost all locations in the habitated stretches.

11. Please refer to **Annex 2** for further details of site observations on the civil works.

12. The mission updated the project cost as presented in the following table. As per the current likely costs of completion of phase I works, the available budget for Phase II civil works (OPRC) is estimated to be about US\$ 121.19 million

Updated Project Cost

Component	Total Project Cost in PAD (US\$ million)	Updated Total Cost (US\$ million)	Phase I (US\$ million)	Phase II (US\$ million)
	(1)	(2)	(3)	(2) – (3)
A - Road Development Component 1	310.30	312.64	187.32	125.32
Road Upgradation (UG)	221.50	165.34	108.27	125.32
Rehabilitation (RH)	66.90	104.37	64.57	
Maintenance (PM) and Other works	22.00	42.93	14.48	
B- IS Component 2	11.00	10.76	10.76	
Incremental Operating Costs	12.00	10.00	10.00	
Total	333.40	333.40	333.40	

13. **OPRC Phase II Civil Works Preparation:** The design for Phase II civil works of the entire Project (to be undertaken as Output and Performance Based Road Contracts (OPRC) / DBMOT for Asset Management purpose, has been completed some time ago following which the Final Design Report had been issued in August 2010. The OPRC project, which was initially foreseen to be implemented (simultaneously) by developing 3 southern road networks, has been now phased in order to meet the current financial requirements and the potential financing that could come from a Repeater Project, when it takes place. The immediate, Package 1 civil works, which was initially planned to be tendered in September/October 2010, has been significantly delayed for various reasons; earlier because of the uncertainty of the funding, and lately because of the differences between the Bank requested procurement mode of using a single envelope method instead of the Client's suggested two envelopes method.

14. The mission expressed increasing concerns on the continuous delay in the submission of the draft bidding documents for this important project. The reason, as explained to the mission, is related to the method of procurement procedure of the project, namely invitation of bids in two envelopes opposed to inviting bids in single envelope as per agreed Bank procedures. The mission was further informed that PRBDB has sought for guidance from DEA and CVC on the matter. The mission reiterated that the WB procurement guidelines and agreed procedures prescribed in the Legal Agreement would prevail. Moreover, the procurement under the Phase I of the project was entirely based on the agreed procedures and has progressed satisfactorily. The legal agreement signed with the GOI for the entire project is clear on this matter.

15. Furthermore, the mission cautioned GOP about the implications on the issuance of the bidding documents in view of the expected announcement of Code of Conduct for the forthcoming State election. The mission also emphasized that with only around 9 months left for the loan/project to close and taking into account the time required by the Bank for reviewing of the bid documents, the possible announcement

of the code of conduct and the current impasse and the deadlock on the procurement process to be adopted, will certainly make it difficult to issue the bid documents within the limited time left under the project, unless an immediate action by GOP is taken without further delay.

16. The mission was informed that the loan extension application for 5 years has been recently submitted to DEA, which is yet to be formally received by the Bank. The mission was pleased to note that as agreed in the discussions during the mission the finalized bid documents have now been received by the Bank for formal clearance on September 24, 2011, and is currently under review. Detailed mission findings are provided in **Annex 3**.

Institutional Strengthening Component

17. **Integrated Transport Policy and Strategy and Strategic Investment Plan (Transport Sector Master Plan):** The Consultants for the Study presented an update on the current status of the project together with the project details. The last submitted report was the Draft Final Report on the Transport Sector Policy and Strategy and Draft Final Report on Strategic Investment Plan, both dated April 2011, which in general were found as satisfactory and adequately prepared.

18. The next step involves presenting the Draft Reports to the Committee of Secretaries of all departments, scheduled for September 23, 2011, following which the Final Report on Transport Sector Policy and Strategy together with the Options Strategic Investment Plan, will be submitted on October 30, 2011 to the Government of Punjab for formal conversion into a State Policy. The Bank reiterated that these planning documents are actually “living documents” therefore their systematic updating and reviews, most probably on annual basis, is of paramount importance. The updating will be based on a set of qualitative and quantitative parameters, easily accessed and analyzed, and each time a summary report with major features will be issued and shared with all government stakeholders. The detailed comments are provided in **Annex 4**.

19. **Computerization:** The visiting WB mission reviewed the progress of the Program Management Consultancy. M/s Wipro Ltd., Program Management Consultants, gave a presentation to the visiting mission as well as officials of PRBDB and the Ministry. The presentation was also attended by the Secretary, PWD. The project status as against the stipulated dates is given in the table below:

Activity	Due Date	Actual Date
Signing of the Program Management Contract	01 Oct 2010	01 Oct 2010
Acceptance of the study report consisting of As-Is and To-Be documents and the Bid document for procurement of the systems integrator services	31 Jan 2011	Not Concluded as yet
Completion of the Procurement process	31 st April 2011	Not started as yet. Could take up to six months after the bid document is sent to the Bank
Implementation of the initial modules	31 st Oct 2011	Activity not initiated as yet. Could take up to 6-8 months after Systems Integrator are brought on board through successful completion of the procurement process and project kick off.

20. The above table is indicative of the inordinate delays in execution of the project. The current study reports have been submitted, reviewed and re-submitted through two rounds of review and

corrections till now. There is an immediate need to conclude the study phase and send the finalized bid document for procurement of systems integrator services to the World Bank. PRBDB was requested to send a copy of the latest version of As-Is and To-Be documents to WB for review. The consultants were advised to seek domain support in the area of roads sector from a suitable road sector engineer. Given the current delayed timelines of the project, this activity must be completed by the end of September 2011.

21. **HIV/AIDS Prevention:** An overview on the progress of the project and the activities to be completed was presented to the PRBDB and the World Bank team. The project is progressing according to the agreed work-plan. Over the remaining three months of the contract period, the Consultants would be implementing the HIV prevention activities on the roads of Phase II A and Phase II B. With regard to the consultancy services hired under this component, since the consultants' contract is coming to a closure by December 2011 it was agreed that the lessons learned need to be captured as these learning will be useful for sharing and start-up of other such projects in India and other countries. An evaluation of the work undertaken also needs to be taken up. PRBDB could consider engaging an individual or an agency to carry out this task. In this regard, the mission would like to suggest that as there was no baseline figures, two approach could be adopted – (i) the Behavioural Surveillance Indicators of the State of Punjab can be taken as the baseline; or (ii) the study can be a comparison between villages where interventions have happened and villages that were not included in the prevention program. Detailed mission findings are provided in **Annex 5**.

22. **Social Safeguard Management:** The implementation of Resettlement Action Plan and relocation of CPRs of phase I roads have been completed. The mission was informed that draft final withdrawal report of NGO and RAP implementation evaluation report has been submitted by the consultants. It was agreed that PRBDB will share the reports with Bank by September 15, 2011, along with its comments on the report. The mission was pleased to note that previously agreed actions have been adequately addressed (refer **Annex 1** on status of agreed action of earlier mission).

23. The mission during its visit to the upgradation packages III and various rehabilitation and periodic maintenance packages noticed that bus shelters constructed under the project are poorly managed. In most of the cases, the seats and door of the kiosk has been removed. Though it was agreed in November 2009 to hand over the kiosks either to panchayat or a private company, but it is yet to happen. The mission also noticed that footpaths and drains have been encroached upon by commercial establishments in the urban areas.

24. The mission also visited UG 2 and found that the high embankment of approach road to the bridge over the canal at km 64+780 have resulted in loss of access for all the commercial and residential structures on either side of the approach road. The mission discussed the issue with the affected structure owners and the concerned Executive Engineer. The mission was informed that structure owners are facing lot of problem especially during rains as their premises get flooded. Many of them have raised their plinth level as a temporary measure. The affected community suggested lowering the height of the embankment and to provide drains. It was agreed that PRBDB will share its decision with Bank by September 15, 2011.

25. **Procurement:** Mission reviewed the status of Procurement carried out under the project and generally discussed issues of implementation of contracts with specific reference to the status of prior clearances for contract amendments, if any. PRBDB will collate the complete details of all contracts prior cleared with the Bank and inform the status as mentioned above, by September 20, 2011.

26. **Procurement Plan:** PRBDB provided a copy of the updated Procurement Plan to the mission for review after discussions on the revised draft plan and after incorporating comments provided by the mission. PRBDB will furnish a soft copy to the Bank. PRBDB informed the mission of the inclusion of additional contracts that have been covered in the revised Plan as per agreement with the Bank team.

27. **Post Review under the project:** The mission conducted Post-Procurement Review (PPR) of the project with details of sample contract selected from amongst those awarded during the period from July 1, 2010 to June, 2011. Since only one contract had been awarded in this category, the mission reviewed the contract details provided. Bank will share the report once the same is finalized.

28. **Discussions regarding the OPRC Bidding Document:** The mission had a preliminary review of the revised version of the Bidding Document for OPRC, prepared by the Project, based on the Bank's comments provided during discussions held in May and June, 2011. The mission also provided some observations to be incorporated in the same. This version has not been formally forwarded to the Bank for review and clearance, pending decision of GOP in respect of method of invitation of bids, on which GOP has made a reference to DEA/CVC.

29. The mission expressed grave concern over the inordinate delay in decision on the pending aspects specifically as various iterations of bidding documents have been reviewed and discussed over the preceding two years, as also considering that the Bank had made it clear from the very beginning that the Legal Agreements did not provide for deviation to the agreed Procurement Arrangements and the Bidding Documents need to be prepared following agreed procedures.

30. The mission elaborated the options and consequences of the delay inviting that the GOP should arrive at an early conclusion since the Bidding Documents would have to be cleared at the highest level in Bank due to its complexity and cost of procurement.

31. The bidding documents will be revised after resolving the pending issue on the procedural aspects as well as review of cost estimates required as a result of delay and time elapsed between collection of data and finalization of the documents; and forwarded to the Bank (electronic as well as hard copies) for review before September 25, 2011.

32. **Financial Management and Disbursement Aspects:** The following are the recent developments and key issues: (a) Draft *Internal Audit* report for first half of FY 2010-11 was reviewed during the mission and no major internal control weakness are reported. The report has been already reviewed by the project's Review Committee and the internal process of review of the report is working satisfactorily. After acceptance of the Final Internal Audit report by the Review Committee the same will be submitted to the bank by early September, 2011; (b) The project must continue to make efforts to obtain the utilization certificates (UCs) at the earliest. As on date, *advances for shifting of utilities have reduced from `4.01 crores to `2.06 crores*; (c) *Disallowances made / objections raised by Auditors For FY 2006-07 to FY 2009-10:* For FY 2006-07 to FY 2008-09, out of total audit disallowance of `113.97 crores, the Bank has already recovered `42.78 crores from the project and `4.10 crores is recoverable, the remaining paras have been dropped / settled by the AG. The amount of `4.10 crores is for FY 2008-09 and will be adjusted against subsequent claims. For FY 2009-10, it was again highlighted that recertification, if any, for the audit disallowance of `18.75 crores should be sent to the Bank latest by October 31, 2011; (d) *External Audit report* needs to be submitted to the bank latest by September 30, 2011. Based on the above, project Financial Management is rated as **Satisfactory**.

33. Disbursement from the Bank as on August 24, 2011, is at US\$ 134.384 million which represents 53.75% of the loan of US\$ 250.00 Million.. The *Cumulative Expenditure* till end June 2011 is `789.89 crores. The last disbursement of US\$ 20.17 million was made on June 10, 2010 since FMRs for the quarter ending September 2010, December 2010 and March 2011 reflected `45.24 crores, `10.09 crores and `19.03 crores as advance with the project respectively and thus resulted in NIL disbursement. This is because the World Bank is presently restricting disbursements to reimbursement of expenditure only as mentioned in its letter dated December 8, 2010. The detailed findings are given in **Annex 6**.

34. **Compliance with Legal Covenants:** The following legal covenants are out of compliance or partially complied with

- ***Road Fund and its Secretariat:*** GoP needed to establish and fully operationalize, satisfactory to the Bank, the Road Maintenance Fund and its Secretariat by January 31, 2008; refer to Section I-A-6, Schedule of Project Agreement. This covenant is delayed and is partially complied since the approval of the creation of the Fund was given by GoP on May 20, 2009, but Road Fund Secretariat is still not operational. Bank shall facilitate a visit of PRBDB to projects where RMF Secretariat is operational. Thereafter, PRBDB shall share draft TOR with WB before initiating procurement of the Consultancy Services for establishing RMF Secretariat.
- ***Funding for Plan Roads Maintenance:*** GoP needed to disburse to the Road Maintenance Fund, at least US\$25 million by December 31, 2007; refer to Section I-A-7, Schedule of Project Agreement. This covenant is still pending for compliance as no funds have been transferred to the account yet. However, the necessary Government clearances have been obtained and it is likely that this fund in tranches would be transferred to PRBDB in their current capacity as Secretariat for the Road Fund.
- ***Submission of Statutory Audit (external Audit) by September 30, 2009 – Complied***

35. **Results Monitoring:** The updated results monitoring indicators are given in **Annex 7**.

36. **Governance and Anti-corruption Action Plan:** The updated status of the Governance and Anti-corruption Action Plan is provided in **Annex 8**.

The Next Mission: The next full mission is scheduled for end-February or early-March 2012.

Annex-1**Agreed New/Updated Key Actions****Actions agreed during this mission**

<u>No.</u>	<u>Key Actions</u>	<u>By whom</u>	<u>Target Date</u>
Institutional Strengthening Component			
1	Computerization: Conclude the As-Is and To-Be study phase and send the finalized bid document for procurement of systems integrator services to the World Bank	GOP/PRBDB	Sept. 30, 2011
OPRC Implementation (Phase II)			
2	Final decision of GoP on adoption of bidding documents as per agreed Procurement Procedures and revised Bidding Documents updated for comments provided and with revision in cost estimates to Bank for its review and clearance	PRBDB	Sept. 25, 2011
HIV/AIDS Prevention			
3	Carry-out the evaluation of the HIV prevention activities undertaken by engaging an independent Consultant	PRBDB	Nov. 30, 2011
4	Consultants to document the lessons learned in the project closure report	Consultants & PRBDB	Dec. 31, 2011
4	Inclusion of HIV clause in all road development contracts and also develop a strategy on how to carry forward these HIV prevention activities on all road projects	GOP/PRBDB	On-going
Social Safeguards			
5	Handing over Kiosks to either Panchayat / private company	PRBDB	Immediate
6	NGO's withdrawal report and Draft final report of RAP implementation evaluation	PRBDB	Sept. 15, 2011
7	Decision on reducing height of the embankment in UG 2 at km 64+780	PRBDB	Sept. 15, 2011
Procurement			
8	Details on prior-review contracts along with their status to be sent to the Bank.	PRBDB	Sept. 30, 2011
9	Revised Procurement Plan (electronic form)	PRBDB	Sept. 30, 2011
Financial Management			
10	Submit final internal audit report for first half of FY 2010-11	GOP/PRBDB	Sept. 30, 2011
11	Submit external audit report for FY 2010-11	GOP/PRBDB	Sept. 30, 2011
12	Obtain Utilization certificates from other department for shifting of utilities	GOP/PRBDB	Ongoing

Status of agreed actions during earlier mission (s):

No.	Key Actions	By Whom	Target Date	Status
Upgrading Works, Rehabilitation and Maintenance (Phase I & II)				
1	Drainage Issue : Final Report	PRBDB	Aug. 31, 2010	Not Complied. Target date to be amended due to slow progress in UG2.
2	UG2-Detailed work program for completion of all the structures	Contractor	Pending	Not Complied
3	UG-1 – Pavement failure rectification – Action Taken Report	GOP/PRBDB	Mar. 7, 2011	Not Complied. Report expected from CPR by September 30, 2011(??)
Institutional Strengthening Component				
4	Amount provided to Road Maintenance Fund amounts to US\$25 million	GoP	Jul. 31, 2009	Overdue Legal Covenant. Target date revised to Feb. 4, 2011
5	Individual advisor for Road Fund Secretariat to be appointed	PRBDB	Sept. 30, 2009	Overdue Legal Covenant
6	Contract in place for PMC	PRBDB	Jan. 31, 2010	Not Complied – Target date revised to June 30, 2010
7	Computerization – Draft RFP report	Consultants	Feb. 11. 2011	
OPRC Implementation (Phase II)				
8	Draft BD forwarded to the Bank	PRBDB	Feb. 11, 2011	Complied.
9	Bank's review and response	Bank	Mar. 8, 2011	Complied.
10	Subsequent submission of BD	PRBDB	Mar. 30, 2011	Complied with delay (Sept. 24, 2011)
11	Bank's review and final No Objection	Bank	Apr. 20, 2011	Not Complied.
12	Issuing SPN for OPRC (having all BD copies ready for purchase)	PRBDB	May 1, 2011	Not Complied.
13	Submittal of Bids- tendering (4 months duration)		Aug. 30, 2011	Not Complied.
14	Initial Bid Evaluation Report submitted(by PRBDB)	PRBDB	Sept. 20, 2011	Not Complied.
Social Safeguards				
15	CPR Relocation	NGO / PRBDB	Jun. 30, 2009	Complied (June 30, 2011)
16	Draft end term evaluation report	Consultants / PRBDB	Sept. 30, 2010	Complied (April 30, 2011)
17	R&R assistance to one PAP on UG 2	PRBDB	Aug. 31, 2010	Complied.
18	Incorporation of comments in OPRC ESMF	PRBDB	Feb. 10, 2011	Complied
Financial Management				
21	Re-submission of June 2009 FMR to CAAA for documentation	PRBDB/GOP	Feb. 28,2011	Complied.
23	Provide a copy of Final Internal Audit Report for FY 09-10 to the Bank	PRBDB/GOP	Feb. 28, 2011	Complied.
24	Settlement of audit paras of Rs.18.75 crores for FY 09-10	PRBDB/GOP	Oct. 31, 2011	Not yet due.
Environmental Management and Safeguards				
25	Improve EMP implementation on UG1	PRBDB/Contractor/	Immediately	Partially Complied

	and UG2	CSC		Corrective actions taken in UG/02 but the same is pending on UG/01
26	Improve worksite safety on UG/1 and 2	PRBDB/PWD/ Contractor/CSC	Immediate corrective actions and close monitoring required	Not Complied
27	Fill-up the vacant EO position in the CSC set-up for upgrading works	CSC/PRBDB	Pending	Partially Complied (but availability on site is an issue)
28	Complete corrective actions to resolve environmental health and safety issues in case of drain works	PRBDB/PWD/ Contractor/CSC	July 31, 2010	Partially Complied (Action Taken Report covering all concerned contracts from PRBDB is awaited)
29	Finalize environment and social management section in the Bid Document for OPRC component and update ESMF in line with changes made in the Main Document since June 2010	PRBDB/Consultant	Feb. 10, 2011	
30	Drain works - share with Bank an Action Taken Report (ATR) on the current status and corrective actions taken to resolve environmental health and safety issues	PRBDB	June 30, 2011	
31	Undertake corrective actions to improve EMP compliance on UG/1, including completion of enhancement/mitigation works; clearance and proper disposal of debris; cleaning of drains and clean-up/restoration of sites where civil works have been completed.	Contractor/CSC	Mar. 15, 2011	
32	Adoption of SBD document (integrating EHS aspects) after seeking GoP's approval	PRBDB	Jul. 31, 2011	
	Disclosure of final version of all Environment Outputs (such as 4 reports prepared under OPRC component) prepared since April 2010 on PRBDB website and share with Bank a NOC for disclosure of the said reports in Bank's Infoshop	PRBDB	Mar. 31, 2011	
Project Management				
33	Vacant positions ¹ in PRBDB to be appointed	PRBDB	Aug 31, 2009	Project Manager (Proc.) to be appointed.
34	Approved performance based incentives to be paid to PIU staff ²	GoP	July 31, 2009	Not complied

Actions Pending from February 2011 mission

Actions pending from missions prior to February 2011

¹ Legal Advisor, Chartered Accountant and PM(Contract) appointed.

² SLEC has principally approved Performance based incentives to PIU staff

Implementation Progress by Component**Road Upgradation, Rehabilitation and Maintenance Component****Site Visit Observations****Upgradation Packages*****UG1 (Kharar-Banur-Thepla):***

- EOT has been granted by the PRBDB to the contractor up to 19.12.2010. The contractor's request for EOT was up to 30 th April 2011. LD has been imposed on the contractor. The number of days for which LD has been imposed is not determined as the completion certificate has not been issued for MS 2, as some work is yet to be completed.
- The issue of shifting of the water supply line between ch: 0 to 1+200 is not still fully over. There is leakage in the water line & this has led to rut formation in the road at a few places.
- There have been cracks in the road & overlay has been done on the LHS in Km 3 to Km 5.5 & half width on the LHS in Km 10 to Km 11.5. Some patch repairs has been done on the RHS. It was stated that heavy loaded lorries use the LHS carrying cement from the Ambuja, ACC & other factories near Roopnagar. Aggregates from quarries near Roopnagar also use this road. The RHS gets the empty lorries on return journey.
- Cracks were observed on the RHS in MS1 (Banur-Thepla). Settlement was also observed at a couple of locations. The LHS was relatively better. It was stated that overlay was done on the existing road on the RHS.
- Quite a few RPMs were found to be either missing/or damaged.
- It appears that the existing crust was perhaps not sufficient enough where the overlay has been done. The design issue should be gone through in details (including the drainage layer)and at the earliest to find out the cause of the failure of the road in very long stretches

UG3 (Attari-Taran Taran):

- Apart from maintenance of the shoulders in a proper manner, like clearing the vegetation growth and clearing of the rain water spouts at the bridges, the road is behaving nicely.
- There is a very serious issue of the bus queue shelters. The doors of almost all the kiosks are missing. The seats have been removed & the BQSSs have been vandalised. There is no ownership of these. This has resulted in almost all the seats in a large number of BQSSs being removed. The nearest Gram Panchayats/local Gurdwaras should be involved in creating awareness in the general public. The BQSSs may be considered to be handed over to the local Panchayats or other local bodies so that there is a sense of ownership.
- Metallic Crash barriers & RPMs have been provided under a separate contract for safety enhancement. A constant check should be exercised on these items by the PRBDB so that these are not vandalized.

Rehabilitation Packages***RH2 (Sirhind-Landran):***

- Cracks were observed in the road on both sides between the original carriage way & the widening portion. Slurry sealing has been done at quite a few locations. Detailed study may be conducted to find ways & means of improving this situation.
- Safety enhancement has been done in almost 90% of the portion.
- The plant site has been leased out by the land owner to some new agency.

RH3 (Phillaur-Nagar-Rahon):

- Drain spouts are blocked at almost all locations in the habitated stretches in Nagar, Nijjar, Umad, Chakdana, Urapar, Aur etc.
- The shoulders are not being maintained properly. There is lot of vegetation growth on the shoulders.
- There are quite a few cracks in the road, particularly in village Aur.

- Even though the RPMs are visible on the edges but at quite a few locations, the ones provided in the centre line are missing/damaged.
- There was a complaint from one Mr. Sukhwinder Singh that rain water gets into some of the houses as the drainage is not effective. He also suggested that some solar lights and ramble strips should be provided near the school in village Urapar.
- The HM Plant still exists at the site. Apart from this, the camp area has been rehabilitated.
- It was stated by the PRBDB officials that all borrow areas have been rehabilitated. One borrow area near village Aur was inspected & this supported this statement.

RH4 (Taran Taran-Kapurthala):

- During one of the previous missions, defects in the cc pavement done in Govindwal, Fatehabad & other locations were pointed out. Even though action has been taken by the PRBDB to rectify these, it was observed that cracks have again developed at one/two locations. It is suggested that these should be rectified in accordance with the IRC specifications.
- The cleaning of the drains provided in various habituated areas shall be a problem as no openings exist.
- Quite a few RPMs provided are not at all visible, as they are covered with dust & muck. The very purpose of providing these as a safety measure gets defeated.
- The right of way has been encroached upon in the habitated areas.
- The inlets for the rain water into the drains have been blocked at several places, almost everywhere.
- There was a complaint by the residents of Fatehabad that a good number of solar street lights have been out of operation for quite some time.
- At the Beas bridge, muck had collected on the sides, leading to blockage of the rain water spouts & giving an unsightly appearance of the road surface. The poles on which the solar lights have been fixed are getting rusted. Even the lighting fixtures appear to be getting rusted.

Periodic Maintenance packages

PM1 (Ajnala-Ramdas Road):

- There is a lot of vegetation growth on the shoulders
- There are crocodile cracks in a few locations, particularly ch: 29+500 on the LHS, for quite a long length
- There is a great deal of movement of heavy loaded vehicles, particularly coming from Gurdaspur side. That perhaps is one of the main reasons for cracks on the LHS. Empty heavy vehicles ply on the RHS going towards Gurdaspur.

PM1 (Chabal-Chheherta):

- There are a good number of light vehicles plying on this section but very few heavy vehicles.
- The road is behaving well (This stretch was completed in August 2007) except some cracks at a few locations.
- There is some vegetation growth on the shoulders at some locations.
- There is a need to maintain the shoulders properly.

PM4 (Garhshankar-Nawanshahr-Samrala-Khanna):

- Almost the entire stretch of the road is in a bad shape. The Samrala-Khanna section is the worst. There are a large number of cracks in the pavement in the Rahon-Macchiwara section. There is a big volume of heavy vehicular traffic on this road. This has resulted in the development of a very large number of cracks. Some patch work has been already done. The possibility of strengthening of the entire stretch may be thought of at the earliest.
- The shoulders are not maintained properly. There is no edge protection provide. This will lead to deterioration to the road.

Proposed Expansion of OPRC Implementation

Phase II (OPRC) Civil Works Preparation and Draft Bidding Documents

1. The design for Phase II civil works of the entire Project (to be undertaken as Output and Performance Based Road Contracts (OPRC) / DBMOT for Asset Management purpose, has been completed while ago following which the Final Design Report had been issued in August 2010. The OPRC project, which was initially foreseen to be implemented (simultaneously) by developing 3 southern road networks, has been now phased in order to meet the current financial requirements and the potential financing that could come from a Repeater Project, when it takes place. The immediate, Package 1 civil works, which was initially planned to be tendered in September/October 2010, has been significantly delayed from various reasons; earlier because of the uncertainty of the funding, and lately because of the differences between the Bank requested procurement mode of using a single envelope method instead of the Client's suggested two envelopes method. The Package 1 encompasses the network of priority roads of /Sangrur /Bathinda Areas, while the second Package will include the remaining roads from Bathinda/Sangrur and Muktsar Area Roads. The second Package will also look into the possibility of replicating the OPRC method of contracting in several other areas of the State. The second package, which could be tendered later stage, is estimated to about US \$ 126 million for works. The overall financing for Bathinda/Sangrur Area Roads under the OPRC, the Package 1, is about US\$ 145 million for works (prices from December 2010, including the potential amounts for provisional items- purchases of required equipment for measurements, (in the amount of US\$ 600,000), project physical and price contingency of 10% (in an amount of US\$ 14.5 million), and cost of monitoring /supervision consultant and an independent auditor, (amounting to US\$7.6 million) is about US\$ 167.5 million (prices of December 2010). *In addition, there is a potential need for a budgetary provision of about US\$ 51.5 million for various emergency and other potential risks mitigation works. Overall, the total estimated cost of the project over the 10 year period is estimated at US\$220.0 million (prices of December 2010).*

2. In the message to the Secretary of Works, dated September 8, 2011, the Bank Team leader reiterated the Bank's increased concerns on the continuous delay in the submission of the draft bidding documents for this important project. The reason, as explained to the mission, is related to the method of procurement procedure of the project, namely invitation of bids in two envelopes opposed to inviting bids in single envelope as per agreed procedures, explaining further that PRBDB has sought for guidance from DEA and CVC on the matter. Needless to mention that the WB procurement guidelines and agreed procedures prescribed in the Legal Agreement would prevail. Moreover, the procurement under the Phase I of the project was entirely based on the agreed procedures and has progressed satisfactorily. The legal agreement signed with the GOI for the entire project is clear on this matter.

3. The mission explained that once the draft bid documents are submitted to the Bank for its review and clearance, the Bank and the Client may also require 45-60 days for their clarifications, due diligence and a thorough review, given the complexity and value of the procurement; to be followed by a required clearance and No Objection.

4. Furthermore, the mission also discussed about the forthcoming State election and the likelihood of an expected announcement of Code of Conduct that may further impact the issuance of the bidding documents to interested bidders, even if they have been cleared with the Bank. The Project has only 9 months left (loan closing date is June 5, 2012) and therefore taking into account the review of the bidding documents by the Bank and the expected announcement of Code of Conduct, the current impasse and the deadlock will definitively make it difficult to issue the bid documents within the limited time left, unless an immediate action by GOP to address the impasse is taken without further delay. The Bank team has been supportive of GOP's commitment in implementing this innovative OPRC contracting approach under the project. The Team Leader, in an anticipation of the positive solutions to all issues encountered in this innovative and complex project component, has been able to maintain a satisfactory rating of the project and safeguard the uncommitted amount (almost 50% of the loan), despite the legal noncompliance's which were recently resolved and the substantial delays in the implementation of some civil works and of the institutional and policy related activities, such as computerization and transport sector strategy.

5. Although the mission understand that a loan extension application for 5 years has been recently submitted to the DEA, the matters as they stand today, with this impasse, makes it very difficult for the Team to continue to support an extension of the project toward the Bank's management. In that respect, the mission wants to point out that it has become urgently critical for GOP to take now a decision on the next steps and submit the draft bid documents, in compliance with agreed procedures and incorporating our comments provided during numerous discussions on the subject, for the Bank's final review **latest by September 25, 2011**, in order to enable the Bank to take up review of the request for an extension and avoid the forthcoming closing of the project on June 5, 2012.
6. The mission also met the Chief Secretary of the Government on September 8, 2011 and explained the grave situation. The Chief Secretary, already briefed by the Secretary of Works, gave a clear message to the mission that PRBDB and the Secretary of Works will wait for the explanation from DEA and CVC and in an absence of their response, Punjab Government will take a positive decision and issue the Bidding Documents for the Bank review and No Objection, using the Bank's pertinent single envelope procurement procedures. This will be done latest by September 25, 2011. The mission thanked to the Secretaries and departed from Chandigarh, encouraged that the issuing Bidding Documents will finally happen and the project implementation will now return to an expedited implementation track.
7. The draft Bidding Documents dated June 28, 2011 and the estimated cost of the Package 1, based on the field investigations from 2009/10 need to be updated together with the work program and its distribution. as to enable the Client for negotiations with the perspective contracting entity winning the contract. This update will commence immediately and in parallel to the mentioned time table for submittal to the Bank, and will be ready **not later than on September 25, 2011**. In that respect, the PRBDB and the Consultant will immediately reach an understanding, within the framework of their existing contract and inform the Bank accordingly.

Integrated Transport Policy and Strategy and Strategic Investment Plan for Punjab State

1. The Consultants for the Study presented an update on the current status of the project together with the project details. The last submitted report was the Draft Final Report on the Transport Sector Policy and Strategy and Draft Final Report on Strategic Investment Plan, both dated April 2011. The Bank commented these reports, which in general were found as satisfactory and adequately prepared.

2. During the slide presentation, the major features of the adopted option and of all elements and aspects necessary for Punjab to take a decision on the way forward, within the planning horizons (immediate, intermediate 2015 and long 2025) were successfully delivered and explained including the major features of the adopted option, summarized as a mobility plan in multimodal fashion, as follows:

- Reduce journey by 50 % from today's situation
- Reduce logistic costs to 9% of product price,
- Urban modal split (public/private transport) max 50 (this is considered by the Bank as not achievable)
- Reduce public transport waiting time to max. 50%
- Reduce accident rate with 50%
- Zero growth in emissions
- Transport infrastructure spending 2.5 % of GDP
- Reduce the transport cost for at least 25 % (as explained by the Bank mission)

3. Each of the above targets has been further identified by its key challenges, goals and objectives. The adapted Option have been already translated into major outcomes- planned projects, with the aim to (i) remove capacity bottleneck and strengthen road network,(ii) strengthen intra and intercity public transport,(iii) develop multimodal infrastructure and expand airports, introduce various financial user's charges in order to increase the fiscal space for the transport investments, (iv) improve management and planning, (v) and enhance use of PPP – to reach the target of 2.5 % of GDP and thus significantly increase the financial microeconomic envelope and fiscal space.

4. The adopted Option also indicated the implementation time table and phased action plan, developed in the phased fashion using 4 Phases: Phase 1- Preparing the Sector (clarify mandates, data collection, establishment of Punjab Transport Committee, develop performance monitoring framework and indicators); Phase 2 – Focus on Improving Performance (introduce annual performance agreements, improve skills of staff, performance monitoring of assets- also use of OPRC models for asset management); Phase 3- Focus Performance on Delivery Outcomes (performance monitoring, focus on outcomes, performance based governance and organization); and Phase 4-Focus Performance on Impact (performance monitoring, lessons learned, realignment of outputs).

5. **Next Steps:** The Draft Reports will be presented to the Committee of Secretaries of all departments, scheduled for September 23, 2011, following which the Final Report on Transport Sector Policy and Strategy together with the Options Strategic Investment Plan, will be submitted on October 30, 2011. The bank reiterated that these planning documents are actually “living documents” therefore their systematic updating and reviews, most probably on annual basis, is of an imperative importance. The updating will be based on set of qualitative and quantitative parameters, easily accessed and analyzed, and each time a summary report with major features will be issued and shared with all government stakeholders.

Annex 5**HIV Prevention Activities**

1. As part of reviewing the HIV component in the 9th implementation mission meetings were organized with the Consultants implementing the HIV prevention program. A site visit was organized to Sangrur where a meeting was organized with the Truck Union. In Sangrur there were over 100 participants and most of them were truck drivers. Following the prevention education session a discussion was held with the Consultants. It was agreed that the session should be made more participatory and the topic being discussed could be made more interesting if the audience is kept more engaged. Like for eg. Sharing a real story, providing more details such as number of people infected in the state, discuss issues of vulnerability of women and issues related to fear, stigma and discrimination in the context of HIV.
2. An overview on the progress of the project and the activities to be completed was presented to the PRBDB and World Bank team. The project is progressing according to the agreed work-plan. Over the remaining contract period of the next three months the Consultants would be implementing the HIV prevention activities on the roads of Phase II A and Phase II B. On the Phase II B roads two construction companies (Contractors) Neeraj and Supreme have engaged workers for the road construction tasks and apparently there has been some level of resistance stating that these contracts are not under the PSRSP. PRBDB should see this as an opportunity and create an environment for the Consultant to work with these companies.
3. As the Consultants contract is to close by December 2011 it was agreed that the lessons learned need to be captured as these learning will be useful for sharing and start-up of other such projects in India and other countries. An evaluation of the work undertaken needs to be also taken up. PRBDB could consider engaging an individual/agency who can carry out this task. As there was no baseline figures the methodology could be that the Behavioural Surveillance indicators of the State of Punjab can be taken as the baseline or another approach is that the study can be a comparison between villages where interventions have happened and villages which were not included in the prevention program.
4. Given the scenario that the Consultants will not be available to implement the HIV prevention activities after the next three months and there is ample evidence that the State of Punjab and especially the road/ transport sector is vulnerable to the HIV epidemic. PRBDB could develop a HIV prevention strategy for itself and institutionalize the same. This directly falls within the mainstreaming activity of the National Program (NACP-III). The strategy could look at all contracts awarded from PRBDB includes a HIV prevention component which will largely focus on the workforce engaged on the road projects. The contractor or supervision consultant could be made responsible to identify a local NGO/ Consultant to conduct the prevention education sessions for the workforce engaged by the contractor on a periodic basis. To identify the Consultant/ Local NGO the support of the Technical Support Unit (TSU) that closely works with the State AIDS control society could be used.

Financial Management Aspects

1. **Budget and Disbursements:** In financial year 2010-11 against the budget provision of Rs 127 crores, the project has expended Rs 94.03 crores. For FY 2011-12, a budget of Rs 225 crores for the Project has been approved by the Government of Punjab.
2. Disbursement from the Bank as on August 24, 2011 is USD 134.384 million which represents 53.75% of the loan of USD 250.00 Million. The last disbursement of USD 20.17 million was made on June 10, 2010 since FMRs for the quarter ending September 2010, December 2010 and March 2011 reflected Rs 45.24 crores, Rs 10.09 crores and Rs 19.03 crores as advance with the project respectively and thus resulted in NIL disbursement. This is because the World Bank is presently restricting disbursements to reimbursement of expenditure only as mentioned in its letter dated December 8, 2010.
3. **Internal Audit:** During the mission, the project shared the internal audit report for the first half of the financial year 2010-11 (April-September 2010) which was received by the project on July 19, 2011. These internal audit reports have been subject to internal review by the Review Committee which consists of Chief Engineer (Chairman), Project Director, Finance Controller and Executive Engineers of the respective divisions. The internal auditor was also invited to this meeting. The final audit report after incorporation of observations of meeting has been submitted to the project and it is expected to be accepted by the Review Committee by end of August. This review process is working satisfactorily and the final reports will be submitted to the Bank by early September, 2011
4. Meanwhile, these reports were discussed along with the project team during the mission and it was noted that there are no major internal control weaknesses. The report also highlights the compliance of the various corrective actions taken against the observations made in the internal audit report of FY 2009-10 i.e. receiving utilization certificate for R&R payments, completing cheque issue register, settlement of advances etc; there is no pending compliance.
5. **Fund Flow:** Due to unavailability of CBS facility in the existing project bank account with Kotak, the project has opened bank accounts with Punjab National Bank wherein now they can avail the facility of transferring the funds to respective divisions through the core banking system at the existing PNB branches at division. This will ensure speedy transmission of funds against the present system of issuing cheques to the divisions as per their fund requirements. The mission notes that funds are sufficiently available with the project and the Kotak bank accounts have been reconciled and closed.
6. **Accounting and Internal Controls:** A review of the accounting and internal control aspects for the Ludhiana divisions was carried out during the mission. The division is maintaining various subsidiary registers such as works register, land acquisition register, LOC register, cheque issue register. The financial records maintained by the division were reviewed and the same were found to be adequate. The accounting software, Tally, at Ludhiana is functioning smoothly and monthly Trial Balance from this software is sent to the Head Office at Mohali for the preparation of the quarterly FMR. A regular back up of data is being taken in external drive and in form of printout of accounts. The printout of accounts is signed by Executive Engineer of the division.
7. **External/ Statutory Audit:** The State AG audit team has already completed the audit of the divisions for the financial year 2010-11. It was advised to the project to ensure that the external audit report for FY 2010-11 is submitted to the Bank latest by September 30, 2011. The audit report for FY 2009-10 was submitted to the Bank in time i.e. by September 22, 2010.
8. A discussion on the outstanding audit paras for FY 2006-07, 2007-08, 2008-09 & 2009-10 was held with the project. For FY 2006-07 to FY 2008-09, out of total audit disallowance of Rs 113.97 crores, the Bank has already recovered Rs 42.78 crore from the project and Rs 4.10 crores is recoverable, the remaining paras have been dropped / settled by the AG. The amount of Rs 4.10 crores is for FY 2008-09 and will be adjusted against subsequent claims. In case, the amounts are recertified these can be claimed again as eligible expenditure from the Bank. For FY 2009-10, it was again highlighted that recertification, if any, for the audit disallowance of Rs 18.75 crores should be sent to the Bank latest by October 31, 2011. As per existing Bank Policies, any unresolved ineligible expenditure needs to be refunded to the Bank.

9. **Utilisation Certificate (UCs) for shifting of utilities:** A review of the outstanding UCs highlighted that for the two departments, the advances have reduced from Rs 4.01crores to Rs 2.06 crores. The concerned divisions should continue to coordinate proactively with service provider departments to obtain the outstanding utilization certificates at the earliest. Since, the amounts are not claimed from the World Bank till the time the UCs are received, so there is a financial implication of this delay as well.

Advances outstanding for shifting of utilities (In Rs Crore)					
Department	2006-07	2007-08	2008-09	2009-10	Total
Electricity Board	1.14	0.02	0.15	0.15	1.46
Water Supply/Sewerage Board	0.54	0.06	-	-	0.60
Total	1.68	0.08	0.15	0.15	2.06

10. **Staffing:** The position of the Controller Finance of the PRBDB is presently vacant and the Assistant Finance Controller of the PRBDB, an officer on deputation from the Finance Department, is holding the charge of the Controller Finance. He has been in this position since August 2011. All divisions are fully staffed with Divisional Accountants and Tally operators. There continues to be regular interaction between these staff and PRBDB staff at head office, Mohali.

11. **Financial Accounting Software:** Tally is operating at all divisions and they have adopted IT measures such as (i) access control through password; (ii) taking adequate back up in external drive as well as printouts signed by the Executive Engineers;(iii) desktop systems, servers and workstations are protected with an approved license anti-virus software product and it is kept updated according to vendor recommendations; (iv) Executive Engineer and Divisional Accountant signed monthly trial balance is sent to the Head office at Mohali for preparation of the quarterly FMR.

12. **Financial Accounting Software:** Tally is operating at all divisions and they have adopted IT measures such as (i) access control through password; (ii) taking adequate back up in external drive as well as printouts signed by the Executive Engineers;(iii) desktop systems, servers and workstations are protected with an approved license anti-virus software product and it is kept updated according to vendor recommendations; (iv) Executive Engineer and Divisional Accountant signed monthly trial balance is sent to the Head office at Mohali for preparation of the quarterly FMR.

Results Monitoring Indicators

Project Outcome Indicators	Baseline (Nov 2006)	MTR Target Value (YR3)	Current Value (year 2011)	Remarks
Average network speed (kmph)	33.5	39	43	The reported network speed for current year is on the phase-1 roads covered under PSRSP. For the entire network, the analysis is in progress and the results are likely to be available by 1st week of Oct'2011.
Reduction in VOC (%)	0%	6%	---	The HDM analysis is in progress and the results are likely to be available by 1st week of October'2011.
Maintain number of fatal accidents	2,655	2,655	3424 (Calendar Year 2010)	The no. of fatalities i.e. 2655 pertain to year 2003, for year 2006 the fatalities were 3060. For the calendar year 2010 the fatalities were 3424.
User Satisfaction	61.11% (Baseline survey undertaken in year 2009)	-	63.33% (Mid-term survey undertaken in 2010 and reported in 2011)	As per the Survey Report, the overall Road User Satisfaction has shown slight improvement.
Efficiency of Road Agency (PWD, PRBDB)	60.27% (Baseline survey undertaken in year 2009)	-	63.27% (Mid-term survey undertaken in year 2010 and reported in 2011)	As per the Survey Report, in popular perception, the Efficiency of PWD has marginally increased.
Results Indicators for Each Component				
Component 1: About 1,050 km of roads rehabilitated, resurfaced and maintained (km)	-	550 km	640 km	Phase I (except structures on UG2) completed
Reduction in IRI	6.9	5.3	---	Field data collected analyses in progress. Survey results expected by 1 st week of Oct'2011.
Reduction of network in poor and bad condition	52%	25%	---	Field data collected analyses in progress. Survey results expected by 1 st week of Oct'2011.
Component 2: Routine and periodic maintenance fully funded during the project period; training program	INR 750 Million	INR 2200 Million	INR 2800 Million	Under 3054 (Non-Plan)
About 250 km of roads maintained	0	100	0	Bidding Documents being finalized.

through performance based contracts				
Department wide computerization and use of integrated systems for planning, management, financial accounting, monitoring	Partial	Full computerization	Not yet done	The contract agreement with Project Management Consultant signed on 20 th Sep 2010, services in progress.

Governance and Anti-corruption Action Plan: Implementation Status**Disclosure of information**

Topics	Documents to be disclosed	Status
Procurement	The overall project Procurement Plan	Uploaded on PRBDB website and updated regularly
	All bid invitations and related documents (SPN, Expression of Interest, Letter of Interest)	Uploaded on PRBDB website as well as on UNDB online / dg market
	All Contracts awarded for consultancy services and for Rehabilitation, Up-gradation and Maintenance of Roads awarded on ICB/NCB or any other method of procurement.	Uploaded on PRBDB website as well as on UNDB online / dg market
Financial Management	Project Financing Plans	Uploaded on PRBDB website
	Budgetary allocation for the project	Uploaded on PRBDB website
	Expenditure Statement	Uploaded on PRBDB website by the way of QPR & the Audited Financial Statements of PSRSP
Safeguards	R & R Policy translated in Punjabi and Hindi	Uploaded on PRBDB website and World Bank's infoshop, kept in DC's Office, Gram Panchayat Offices, PWD field divisions and distributed among PAPs.
	Corridor specific RAPs.	Uploaded on PRBDB website and World Bank's infoshop, kept in DC's Office, State & District Libraries, Block Development Office, Tehsil & Panchayat office and PWD field divisions.
	Information regarding impacts and entitlements	Uploaded on PRBDB website. List of PAPs with impacts and entitlements pasted in the village panchayat offices and also at public info kiosks at sites.
	NGO's monthly progress report. This report should contain. Extent of land and other immovable properties acquired. ID cards distributed to number of PAPs. ID cards distributed to number of PAPs. Number of joint accounts opened. Compensation disbursed to number of title holder PAPs. Assistance disbursed to number of titleholder and non-titleholder PAPs. Training imparted to number of PAPs for income restoration. Number of cases registered with Grievance Redressal Committee and cases redressed. Number of awareness generation camps held for HIV/AIDS and road safety.	All reports uploaded on PRBDB website pertaining to Implementation and Evaluation of RAP and awareness generation on HIV/AIDS
	Disclosures of grievance redress process	Grievance Redressal Process forms a part of the R&R Policy and thus stands disclosed.
	Advance intimation of planned consultation	Intimated to the PAPs only
	Details of consultation carried out (listing of date/venue/participants in generic name e.g. panchayat representatives, photographs, and brief summary of suggestions accepted/adopted.)	Disclosed in Public Information Kiosks, Field PWD divisions, to individuals and Panchayats and disclosed in PRBDB website also.
Environment Management	EA Summary	Uploaded on PRBDB website and World Bank's info-shop, kept in State & District Libraries, Construction sites/campus, PWD field divisions and information kiosks.
	Environment Screening & Scoping Report	

	Corridor specific EMPs	
	Quarterly Status Report	Through Quarterly Progress Report, uploaded on PRBDB website.
Engineering	List of roads proposed to be undertaken clearly indicating start and end points of the contract.	Uploaded on PRBDB website and available with PWD field divisions.
	Proposed works/treatment giving details of widening, bypasses, junction improvement, drainage, traffic safety feature including proposed cross section and strip plan depicting major features etc.	Available in Public Information Kiosks
	Physical and Financial progress of each contract to be updated quarterly.	Uploaded on PRBDB website by the way of QPRs. However this is not being printed in any print media.
	Contract details of the concerned division, PRBDB, contractors and consultants.	Uploaded on PRBDB website and displayed on the display boards at the sites.
	Construction program with milestones and completion dates	Being submitted by the Contractor and relevant information being put in the information kiosks at work sites.
Institutional Development Strategy	Long Term Strategy for Road Sector by MTR	Final Report uploaded on the website.
	RMF Report	Road Maintenance Fund (RMF) and the Technical Secretariat with-in PRBDB, for management of same has been established.
	State of the network report	Baseline survey data uploaded on the website.
	User satisfaction surveys	Midterm surveys have been conducted and reported .Final surveys are scheduled to be started in Jan'2012.
	Project outcome & output indicators.	Field work for Phase I (Mid-Term Survey) of the services for Project outcome & output indicators completed, Phase I is to finish complete with analyses by 1 st week of Oct'2011.

Action Plan to Increase Oversight

Transparency/ Disclosure Aspect	Action to be taken	Status
To facilitate CSO	Oversight, of procurement process and the implementation, shall be encouraged and facilitated, by inviting independent observers from local universities or other independent institutions.	Attempted but not succeeded fully due to poor response from educational institutes.
	The project will pilot use of CSO during the construction of roads.	Can be attempted in Phase II.

Action Plan to Manage Conflicts, Suggestions and Grievances

Transparency/ Disclosure Aspect	Action to be taken	Status
A system needs to be developed to handle comments, suggestions and grievances with clearly defined responsibilities and procedures.	A comments, suggestions and grievances handling system, which includes maintaining a project log and filing to monitor status of follow up of each received comments, suggestions and grievances, will be established by the PRBDB and the Bank. The mechanisms will include provision for follow up investigations of substantial complaints by the internal Auditors, or third party audit to ensure independency and reliability of the system.	PRBDB has a link on its website wherein all the complaints / suggestions / grievances can be logged. These are monitored regularly. In addition, all the information on comments, suggestions and grievances is also made available through Monthly & Quarterly Progress Reports.
	A comments, suggestions and grievances handling component will be included at the PRBDB web site; http://prbdb.gov.in/ .	The PRBDB has a complaints link on its website which logs the comments, suggestions and grievances as and when received concerning the project. However, there is no provision to lodge a complaint or a grievance directly from the website.
	A policy describing incentives and sanctions will be developed and publicized.	Not done yet
	Tracking of the status of investigations and measures taken will be reported in monthly reports to management and the Bank. Complaints deemed possible serious infringements may be further investigated by the Bank.	The current status of investigations and measures taken are routinely reflected in Monthly & Quarterly Progress Reports.

Procurement - Risk Management Action Plan

Observation Head	Agreed Action	Status
Lack of clarity on Public Procurement Processes	GOP will arrange for adequate training on regular basis through dedicated structured modules for the state agencies.	PRBDB regularly sends its officers as well as the officers from PWD for training with reputed organizations/institutes like NICMAR, NIFM, CRRI, IIT, Administrative Staff College of India and NITHIE on a yearly basis to strengthen the expertise of its officers on implementation aspects related to the project. Some of these institutes also provide structured modules of training as requested by PRBDB.
Deficient Planning, Monitoring, Evaluation and Reporting with respect to Projects.	Provide structured training to the officials through reputed Institutions and improve the monitoring and reporting of the projects for stricter and proper coordination of project related procurement.	
Weak Implementation	Provide structured training to strengthen the departmental expertise on implementation aspects and develop procedures and formats for pre-audit by the supervising officials to obviate slippages on contractual matters.	

Non transparency in decision making since the decision making is generally individual centric	To develop systems and procurement procedures consistent with international best practices, engaging renowned experts. Ensure oversight of independent observers during bid evaluation process and civil society during implementation phase of the projects as confidence building measures, in addition to an elaborate disclosure policy and compliance to RTI Act, 2005.	A Tender Evaluation Committee (consisting of 5 members) and a Tender Acceptance Committee (Consisting of 2 members) has been formed to streamline the procurement. All the information regarding the procurement is uploaded on the PRBDB website and dgMarket as soon as it is available.
Weak Implementation Audit and Vigilance follow up	The pending audit and vigilance cases to be pursued to conclusion and future cases to be closely monitored and followed-up with a time-frame for response and compliance.	Every audit observation by the AG/other audit agencies is attended to and disposed of promptly in PRBDB.
Inadequate Record keeping	PRBDB will maintain all records duly catalogued and indexed in a manner and the form which facilitates the Right to Information under the RTI Act, 2005 and ensure that all records that are appropriate to be computerized are, within a reasonable time and subject to availability of resources, computerized and connected through a network all over the state on different systems so that access to such records is facilitated.	The records and files related to the project are catalogued and indexed and each project manager looking after respective consultancies is responsible for its proper upkeep so that these are available as and when required by any agency or under RTI.

List of Key Persons Met

Government of Punjab

Mr. S. C. Agarwal, Chief Secretary, Government of Punjab
Mr. S. K. Sandhu, Secretary, Public Works Department, Government of Punjab

Public Works Department

Mr. Ram Paul Chief Engineer (PSRSP)
Mr. G.R.Bains, Chief Engineer (Plan Roads)
Mr. Yogesh Gupta, Chief Engineer (PRBDB)

Punjab Roads & Bridges Development Board (PRBDB)

Mr. Yogesh Gupta, Project Director
Mr. Anil Kumar Sharma, Deputy Project Director
Mr. Ripdaman Singh Seth, Project Manager
Mr. P. N. Roy, Project Manager – Social
Mr. Navdeep Asija, Project Manager – Road Safety
Mr. Harpreet Singh, Project Manager – Design
Mrs. Seema Kumar, Chartered Accountant
Mrs. Mona Puri, Legal Advisor

Contractors of upgrading packages and Consultants engaged for other ongoing consultancy services