

CHAPTER- 5

EXTERNALLY AIDED PROJECTS

5.1 State Government seeks financial assistance from various external sources including International donors to bridge the resource gap for development programmes. The World Bank, Japan Bank for International Cooperation (JBIC), Asian Development Bank (ADB), KFW, Germany and European Community (EC) etc are some of the major donor agencies that have been funding different projects of the State like Irrigation, Health, Urban Development, Drinking Water Supply, Forestry, Social Justice & Empowerment (programmes for Disadvantaged Groups). External assistance is an important component of plan assistance and is routed through Govt. of India and made available to the State through a budgetary mechanism. Externally Aided Projects during XIth Plan of Rs. 7263 cr. are planned.

5.2 Before 01.04.2005, the assistance from external donors was received either as grant or as a loan initially to Department of Economic Affairs, Government of India. The external assistance received from donor agency by GoI was further passed on, as per terms and conditions prescribed by Department of Economic Affairs, Ministry of Finance, Government of India. The assistance from GoI was passed on as 30% grant and 70% loan to the States, and terms as Additional Central Assistance

5.3 As per the recommendation of the 12th Finance Commission, the external loans are now available to the States on the same terms and conditions as granted by the lending agencies on back-to-back basis.

5.4 Projects that requires external funding are posed to the State Level High Power Committee for EAPs headed by Chief Secretary for approval. Projects approved by the Committee are sent to the concerned line Ministry of Govt. of India where after necessary scrutiny the project is recommended to Department of Economic Affairs to be posed to the Donor Agency. On donor agency sanction, the Appraisal Mission of the donor agencies examines the feasibility of the project. Negotiations with DEA and beneficiary State are based on such reports.

5.5 As soon as the negotiations are completed successfully, State Planning department and Finance Department make financial provisions.

Normally the State Government incurs expenditure first that is reimbursed by the donor on submission of Statement of Expenditure.

5.6 External Assistance has played a significant role in the development process as a tool to supplement the mobilization of additional State Resources. Though, the share of external assistance has been around 10 percent under Annual Plan expenditure of the State, its significance lies in the fact that some of the more important projects in various sectors have been funded by external assistance.

Annual Plan 2008-09:

5.7 There are 11 ongoing projects and 8 live projects in pipeline under consideration by Government of India/donor agency at different stages. Two new project proposals are at formative stage and are under process of examination with State Government.

5.8 Plan outlay for EAP for 2008-09 (BE) is Rs.982.00 Crores., which includes external assistance of Rs. 685 Crores. As per revised assessment of expenditure, tentative expenditure would be of Rs 674.00 crores while expenditure incurred up to Dec 2008 is Rs 422.00 Crores (62 %). Consequently revised external assistance in form of ACA is expected to be Rs 470.00 Crores against which Rs 377 Crores has already been received.

Financial Overview of on going Externally Aided Projects

(Rs. in crores)

S. No.	Name of Project/ Funding Agency/project period	Project Cost	Progress during 2008-09			Progressive Exp-Since Inception to Dec. 08	Cumulative Reimb. (ACA) rec. Since Inception (up to 20 Jan. 09)
			Outlay (BE)	Exp. (Upto Dec. 08)	Likely exp by Mar, 09		
1	Rajasthan Water Sector Restructuring Project WB April 02 to March 2010	734.00	100.00	41.93	68.69	565.96	409.90
2	Rajasthan Health System Development Project WB Sep 04 to Sep 2009	473.00	154.00	49.43	68.00	254.79	191.02
3 & 4	Rajasthan Urban Infrastructure Dev. Project ADB Jan 2000 to March 2009 Drinking Water Supply in Jaipur city (Transmission System) from Bisalpur Dam ADB April 05 to March 09	1775.00	300.00	188.57	300.00	1610.83	994.11
5	Rajasthan Urban Sector Infrastructure Development Project (RUSIDP) i.e. RUIDP Phase II ADB (Feb 08 to Dec 2014)	1560.00	100.00	14.96	20.00	19.05	8.57
6	Rajasthan Forestry & Biodiversity Project JBIC Apr 03 to July 2010	442.00	1.41	2.11	5.72	316.76*	311.52
7	Jaipur Water Supply from Bisalpur Dam (Transfer System) Project JBIC Apr 05 to Dec 2008 (extension proposed)	463.00	225.00	119.25	199.40	305.41	213.02
8	Rajasthan Minor Irrigation Improvement Project JBIC Apr 05 to March 2013	612.00	100.00	1.15	5.00	1.60	0.34
9	Rural Water Supply Scheme Phase-I (Apani Yojna) KFW Jul 94 to June 09	429.00	0.10	0.96	0.10	415.09	351.39
10	Residential School for Disadvantaged Groups KFW June 97 to June 09	83.00	0.35	3.47	5.49	77.26	63.11
11	Mitigating Poverty in Western Rajasthan IFAD Dec 08 to Dec 2014	415.00	0.00	0.00	0.50	0.00	0.00
	Others- District Poverty Initiative Project (DPIP) Phase I (completed) WB (Judy 2000 to Dec 2007)	573.00	0.50	0.50	1.20	572.67	454.25
	Total	7144.00	981.36	422.33	674.10	4139.42	2997.23

* Exp. Relates against JBIC component only.

Financial details – Progress - Annual Plan 2007-08 (actual exp.), 2008-09 (likely exp.) & 2009-10 (tentative estimates).

5.9 The financial details regarding XIth Plan projections and actual expenditure incurred during 2007-08, tentative RE exp.–2008-09 and tentative estimates for Annual Plan 2009-10 in prescribed format are at Annexure

5.10 Project wise implementation progress of ongoing Externally Aided Projects is summarized as under:-

1. Rajasthan Water Sector Restructuring Project- (World Bank)

5.11 Project aims at rehabilitating 91-selected irrigation schemes on canal water supply. The structures constructed under the project would be transferred to Water Users Associations (WUAs) there after; the farmers will manage them for O&M purposes. Besides, 14 dams will also be strengthened to ensure their safety.

5.12 Total 506 Water Users Associations (WUAs) have been formed. Similarly, to utilize the canal water, 77 Water Distributory Committees have also been constituted in the project area.

2. Rajasthan Health System Development Project, Rajasthan (WB)

5.13 The project cost is Rs. 472 crores against which approx. Rs. 400.00 crores is expected as disbursement from the World Bank. The duration of the project is from Sept. 2004 to Sept 2009. Total expenditure incurred since start of the project to December, 2008 is Rs 254.79 crores. Looking to likely available saving of WB funds in the project at the time of original date of termination of the project i.e Sept 2009, PIA is considering extension in the project period with coverage of some additional facilities in the project area.

5.14 The Project Development Objectives (PDOs) are to improve the health status of the population of Rajasthan, particular the poor and under-served through; (i) increased access of the poor (BPL) and the under-served population to health care by upgrading health facilities in the remote areas, promoting public private partnership and improving health care seeking behavior through demand side interventions; and (ii) improved effectiveness of health care through strengthened institutional framework for policy development, program implementation and management capacity, and increased quality of health care.

Number of facilities under taken for civil works of renovation / extension

Category		Identified Facilities NO)
DH	District Hospitals	28
SDH	Hospitals SD Hq.	23
	CHCs at SD Hq.	113
CHC / BPHC	CHCs & BPHC within block	72 +2
Total		238

3. Rajasthan Urban Infrastructure Development project (RUIDP) in Six Principal Towns (ADB)

5.15 Total project cost is Rs. 1775.00 crores and revision estimated at 1854 crores. Project duration is January 2000 to March 2009 (with all extended period). RUIDP project covers six major towns namely Ajmer, Jaipur, Bikaner, Kota Jodhpur and Uaipur of the State.

5.16 All reimbursement claims filed against the expenditure incurred till December 2008 have been received. Project is scheduled to terminate in March 2009.

Physical over view:

Total works awarded	209
Works completed up to Dec 2008	201
Works to be completed by 08-09	207

The major works that have been under taken under the project are –

1. Water Supply that includes Water, Pipeline, Pumping Stations, Water Treatment Plants, Tube wells, Tunnel
2. Waste Water Management includes Sewer lines, Sewage Treatment Plant and Property Connection
3. Slum Improvement programs
4. Drainge
5. Solid waste Management
6. Fire Fiting works 6 Drainage
7. Construction of Railway over-bridges/ Fly Overs
8. Building of Hospitals
9. Roads, and
10. Works at Heritage / historical sites.

5.17 Rs 20.00 crores has been proposed during 2009-10. Expenditure would be incurred from the State Plan funds on incomplete works. ADB sanctioned funds have fully been utilized till termination of the project.

4. Jaipur Water Supply Project from Bisaplur Dam (Transmission System Part) Project (ADB)

5.18 The project is divided in two parts. **First part is Transmission system** i.e. carrying water to Balawalagoan Sanganer Tehsil of Jaipur District from Bisalpur Dam located in district Ajmer. This part is being executed with assistance of funds from Asian Development Bank (ADB) on ADB/GoR share of 50:50 basis. ADB contribution would cover available part of saving of approx Rs. 276 crores (US\$ 60M) under RUIDP Phase I. All project activities have been completed. The project is

scheduled to terminate in March 09. work regarding testing of Pipeline from Dam to destination i.e Balawalagoan is also being under taken by PHED.

5. Rajasthan Urban Sector Infrastructure Investment Programme- RUSDIP

5.19 This is ADB assisted project under Multitranchise Financing Facility (MFF). Total cost of project is Rs. 1560 crores (US\$390M). Project period is 7 years (2007-08 to 2014-15). This is first project in the State which would be funded on back to back basis .

5.20 Total 15 towns have been covered under the project. These towns are; **Alwar, Baran-Chhabra, Barmer, Bharatpur, Bundi, Chitorgarh, Churu, Dholpur, Jaisalmer, Jhalawar-Jhalrapatan, Kaurli, Nagaur, Rajsamand, Sawai Madhopur and Sikar.**

5.21 The Investment Programme will improve the urban environment and promote on-going reforms for sustainable, efficient and responsive urban services delivery in selected and identified urban local bodies (ULBs) of Rajasthan with economic growth and tourism potential.

5.22 The loan for Tranche –I amounting to Rs 275 crores (US\$ 60M) was made effective from 28th Feb 2008. The City Level Investment Plan for Jaisalmer, Alwar and Jhalawar-Jhalrapatan have been prepared and finalized by Work Finalization Committee.

5.23 Based on the negotiation held on 2.12.2008 between DEA/ADB/GoR for the Tranche –II, The ADB Management has approved Tranche II with total investment cost of Rs 875 crores (US\$ 219M) Loan component is US\$ 150M (INR 600 crores). Final Project Loan Agreement is expected to be signed shortly.

5.24 The City Level Investment Plans (CLIPs) for Tranche-2 towns have been prepared and works have been identified by City Level committees and approved by Work Finalization Committee and Empowered Committee. This includes 25 sub- projects of water supply, waste Water, Bridges, and Drainages.

6. Transfer System of Bisalpur Jaipur Water Supply Project- JBIC

5.25 The Jaipur Bisalpur Water Supply Project **Transfer System** is second part of Jaipur Drinking water Supply project assisted from JBIC, Japan and is being executed by PHED.

5.26 Total project cost of this project is Rs. 463 crores against which Rs. 345.00 crores disbursement is estimated from JBIC. Original period of project was from April 2005 to December 2008. Total expenditure incurred since start of the project to December, 2008 is Rs 305.41 crores.

5.27 Considering delay in finalizing of required manner of design of works as well as time consumed in process and approval of works, the awarded work could not be completed in stipulated period of project,

therefore, PHED has reviewed the matter with Review Mission of JBIC both in term of revision of project cost as well as extension of the project period.

5.28 Works are divided in 8 packages, out of which Major works of 6 packages relating to lying of Mains (pipelines), Pumping stations are expected to be complete by March/June, 2009.

7. Rajasthan Forestry Development and Bio-Diversity Project- JBIC

5.29 The project duration is from April 2003 to March 2010. Eligible disbursement includes expenditure to be incurred on maintenance of the activities under taken during implementation of the project. JBIC funds would be available up to July 2010.

8. Rajasthan Minor Irrigation Improvement Project- JBIC

5.30 The project aims at

- Increasing the agriculture productivity by rehabilitating existing minor irrigation facilities
- Improving water management and agriculture practices, thereby enhancing agriculture income and alleviating poverty.
- Induction of public participation approach under the project area. This will be achieved with formation of Water Users Associations (WUAs) of beneficiary farmers for operation and maintenance of created infrastructure in the project area.

5.31 Project Coverage of Area:

- A) Construction of new minor irrigation schemes/ renovation/rehabilitation etc
- B) Technical and Institutional Supports related to Ground Water and Agriculture Extension activities
- C) Consulting Services for monitoring and evaluation of the project programmes

5.32 E&M consultant was appointed in April 2008 only, prior to which no activity was permitted. Tenders for Survey, Investigation and detailed Project report (DPR) of 280 schemes have been received. Technical evaluation approved by the Committee in Jan 2009.

9. Rural Water Supply Project: (Appni Yojna) Phase-I - KFW

The achievements are as under:-

5.33 Potable water connectivity was to be provided in total 376 villages. The water supply connectivity in 362 villages has been made. Inhabitants of 11 villages are reluctant to participate under the project. Amongst remaining three villages distribution pipelines have been laid and tested in two villages. Pipelines from ESR to village transfer chamber are yet not commissioned therefore the villages also not commissioned yet.

5.34 Two towns namely **Taranagar** and **Sardarsahar** of Churu district have been benefited under the project.

5.35 The social measures of the project were carried out through Community Participation Unit (CPU), formed by a consortium of 5 locally active NGOs, including, IIHRM, IIRM, GVM, BCT and URMUL Field team of coordinators and facilitators carry out social mobilization activities to set up functional and sustainable village level institutions.

10. Residential Schools for Disadvantaged Groups Project (KFW)

The Achievements are as under

- Construction of 10 residential school buildings completed
- Academic session in all 10 schools has been started.

5.36 The Education Department has carried out an evaluation study through SIERT (State Institute of Education Research & Training). The report has given very positive findings regarding running of educational activities and management of schools building.

District Poverty Initiative Project (DPIP)

5.37 The project was terminated in Dec 2007 (including two years extension) DPIP office is functional to complete the audit of project accounts / record and preparatory action for DPIP Phase II. As such, token budget provision has been made during CfY.

- The project programmes have been implemented in 7 districts of Rajasthan namely Baran, Churu, Dausa, Dholpur, Jhalawar, Rajsamand, and Took. The project programmes are supervised by selected Non - Governmental Organizations (NGOs) through Common Interest Groups (CIGs) with formation and execution of sub project at village level. These sub - projects related to community infrastructure, land use, social activity and income generating activity.
- The main achievements of the project were to catalyze the formation of Common Interest Groups (CIGs) and to fund economic activities that enhanced the livelihood opportunities available to the target population.

Outcomes & Impacts of the project

- **Poverty Impacts, Gender Aspects, and Social Development** – The major focus of the DPIP was organizing Below Poverty individuals into groups and providing them with assets. Institute of Development Studies (IDS), Jaipur has carried out impact evaluation study that indicated trends in terms of increased incomes of BPL households through increased expenditures on food, cloths and social expenditures, creation of assets including acquisition of land; and enhanced women participation in decision making that measured in

terms of participation in village meetings, mobility and household decision making.

- **Institutional Changes** – Partnership with NGOs for project implementation was a major innovative in project design. The lesson learned from working with NGOs for project implementation, includes not only independent identification and selection of NGOs, but contract management, conflict resolution, balancing between outputs with outcomes based agreements and payment systems and having competent human resources to manage these partnership.