India

1. Performance Analysis Overview

Of the ex-post evaluations conducted to date on India's 30 projects, it can be said that the projects overall have achieved good results. Collectively, the "project relevance" is high, and a satisfactory degree of project effectiveness was achieved. Above all, the degree of "project goal realization" was high in the greater part of the projects, and the projects' "operation and maintenance systems" were also sufficient, contributing to a high evaluation of project "sustainability", As a whole, "impacts" were evaluated as positive where judgments of the "impacts" of the projects were made. Meanwhile, there were not a few projects where problems were seen in the "efficiency of implementation." In particular, projects that need improvement in the "efficiency of implementation" were largely concentrated in the electric power sector, and within this, there were many issues in the "implementation schedule efficiency" and "project implementation system."

By sector, the performance of the electric power sector was unsatisfactory, the most problematic being the efficiency of project implementation as noted above. This is quite a contrast to the high performance of the mining and manufacturing sector. Projects related to fertilizer industry can be seen as "good practice" being given high evaluation level to five evaluation criteria. Although there were only a small number of projects in social services and gas sector, they also had good performance ratings.

Below is a summary of an analysis of the performance of the targeted projects for review by each of the 5 evaluation criteria.

(1) Relevance

"Project Relevance" was one of the most highly evaluated of the 5 evaluation criteria, along with "sustainability." All the projects were deemed to conform to overall goals and development issues. Many of India's projects are in keeping with the 5-year plans or priority issues.

Although 40% of the projects experienced some form of alteration to the project scope at the implementation stage, the majority of these were relevant changes. Even at the time of evaluation, most of the projects goals were considered relevant.

(2) Efficiency

During project implementation in India, the largest problem was delays in the implementation schedule. Most of the projects targeted for review encountered implementation schedule delays, and while 40% of the projects had significant delays of more than 3 years, three quarters of these were actually delays exceeding 5 years. There were various reasons for the delays but in many cases they were caused by problems during the construction stage, such as unexpected natural conditions that resulted in construction difficulties, natural disasters, lack of abilities on the part of the construction companies, as well as delays in the plan approval and procurement stages. Delays in the implementation schedule are also connected to increased project costs. And, while delays during the implementation were seen across almost all sectors, they were especially evident in the electric power sector. Long-term delays in the railways sector were also apparent. In addition, an associated issue is that there were several points which need improvement in the "project implementation systems," as several problems related to the abilities and management of the implementation systems were seen.

(3) Effectiveness (Project Goal Achievement)

In the majority of the projects, the "outputs" were being sufficiently utilized and "project goals" were realized to a satisfactory degree, so it can be said that the effectiveness of Japanese ODA loans to India was by and large satisfactory. However, there were a few projects where the degree of "project goal realization" was low. All these were projects

in the electric power sector.
In terms of the "achievement of IRR," of the three quarters of the projects where an IRR was noted, the majority of the projects yielded the economic and financial benefits anticipated during the planning stages. However, just under 30% of the projects had insufficient performance. These were spread through the electric power, railways, and manufacturing sectors.

India　Small Scale Industries Development Program

(4) Impact

In terms of the "contribution to overall goal achievement," three quarters of the cases among the evaluation reports with notations about this criterion, sufficient contributions were discerned. Comments in the evaluation reports regarding "socio-economic impacts" were recorded in more than 60% of the projects, Examples of which are ① job development, ② regional development, ③ improvements in the quality of life, ④ improvements in the degree of self-sufficiency / import replacement / foreign exchange savings and contributions to exports, and ⑤ agricultural promotion.
Only about half of the projects contained comments concerning the "impact on natural environment," and for most of these, there was no particularly negative environmental impact, or there were comments indicating that there was an understanding to give sufficient consideration to the environment. Only 20% of all project ex-post evaluation reports contained references to "resident resettlement and land acquisition," including the resolution of which took a long time.

(5) Sustainability

The level of evaluation of "sustainability" was the highest of all 5 evaluation check items. An examination of the "operation and maintenance systems," a central check item for sustainability, reveals that just under 90% of the projects were deemed to have satisfactory systems. For the "condition of output," approximately three quarters of the projects' facilities were considered to be in good condition. In terms of "financial resources for operation and maintenance," more than four fifths of these were judged to be able to secure sufficient financial resources or able to secure funds despite some concern.
All told, the sustainability of projects in India can be considered to be very high. However, on the topic of "condition of external factors," of those projects where judgment is possible, based on the structural reform of the electric power sector, and economic liberalization policies occurring in the fertilizer sector, the implementation of governmental policies including the curtailment or abolishment of subsidies, streamlining of operations, and privatization is bringing about significant changes. Therefore, future developments will have an impact on project sustainability.

2. Lessons Learned / Recommendations

(1) Strategies to further improve the performance of JBIC's Japanese ODA loans to India

As described in the overview of the performance analysis, based on a review of the evaluation reports of projects to date, the current condition of the performance of Japanese ODA loans to India reveals that the key evaluation criteria of "project relevance," "efficiency (project goal achievement)" and "sustainability" were rated very highly. In order to further guarantee this condition and to further improve overall performance, in keeping with the results of this review, it is thought that further concentration of efforts on the following 2 points would be effective.

① As seen in the analysis to this point, most problems in the previously evaluated loan projects in India are seen in the "implementation schedule efficiency" and "project implementation system." An examination of the reasons for these problems reveals that many of the issues can be prevented from occurring or the extent of the problems can be minimized. This can be

achieved by directing more attention to the problem areas in advance, and making the parties concerned aware of the potential problem points while giving due consideration where needed or developing countermeasures. Therefore, in future loan projects in India, in the stages from formulation through to approval, lessons regarding the "implementation schedule efficiency" and "project implementation system" should be taken from previous examples, and more attention should be paid to those matters.

India　Bombay Suburban Railway Modernization Project

② Meanwhile, while it is the highest-rated of all 4 evaluation criteria, "sustainability" is highly dependent on a variety of factors, such as whether the policies and systems the project operations are premised on will be maintained or changed, and the timing of those changes. Indeed, within the evaluation reports for projects in India, significant developments related to policies are demonstrated, such as the structural reform of the electric power sector, and the curtailment or abolishment of subsidies, streamlining of operations, and privatization in the fertilizer sector. More than just project "sustainability," what is needed in these instances is active involvement in the preparation, development and firm establishment of the mechanisms for true self-sustaining development (autonomous development) and reform of policies, institutions and organizations.

(2) Creation of "Success factor examples" in an effort to achieve greater utilization of lessons learned

In the evaluation reports targeted for this review, there were several projects whose performance suggested that they had good practices. There are many different ways to cite good practices, based on the method of focusing. For example, by individual project, there is a project which received high ratings in all five evaluation criteria, or by sector, there is the fertilizer manufacturing sector, in which most projects, achieved steadily high evaluations across the board. And, even though individual projects or sectors were not always rated highly, there are examples of projects where certain evaluation check items, for example "operation and maintenance systems," were considered to show good practices, such as those within the power plants sector.

For instance, in the fertilizer sector, such good results as technology transfer being done effectively due to elaborate project operation by an implementing agency and a consultant from the designing stage, sustainability of a project being improved with training for staff or impact being made to agricultural development are seen. In power plant sector, implementing agency was awarded cash incentive since their daily check and maintenance system was elaborated.

Thus, in addition to providing feedback for future work, it is important to make use of the lessons learned to review and study failures and problem areas. However, studying and applying successful experiences and factors of success is also important, and could prove to be effective in many cases. From this perspective, examples of good practices in India (the target of this report) and in other countries can be classified in the various manners noted above, based on individual project, sector or evaluation criteria. This compilation of a purported collection of success stories could be utilized at the project formation and implementation stages in India and other countries. This would be a worthwhile endeavor.