



31 India National Highway-5 Improvement Project (1) (2)

Contributing to the social and economic development of India through infrastructure improvement in the Golden Quadrilateral (backbone route) linking India's major cities

Loan Amount / Disbursed Amount 17.196 billion yen / 10.29 billion yen
Loan Agreement January 1994 / February 1995
Terms & Conditions 2.6% interest rate, 30 year repayment period (10 year grace period), General untied (June 2003 / January 2005)
Final Disbursement Date June 2003 / January 2005
Executing Agency National Highways Authority of India (NHAI) (<http://www.nhai.org/>)



Project Objectives

The objective of this project was to improve road transport capacity and alleviate traffic congestion by widening the existing two-lane road to four-lanes on the National Highway 5 at the sections of the states of Andhra Pradesh (AP) and Orissa and thereby contribute to the development and promotion of the local economy.

Effectiveness and Impact

Rating **a**

The project widened the roads at the sections in the state of AP and in the state of Orissa, in the first phase and the second phase, respectively. In 2005, the annual average daily traffic volume at a particular section between Chilkaluripet and Vijayawada in AP was 18,520 vehicles/day, 133% of the target. In 2006, the annual average daily traffic volume between Jagatpur and Chandikhole in Orissa was 104% of the target in the first section, while that in the third section was 58%*. However, the survey point for the third section was different from the point surveyed for the target. Given the difference in geographical conditions of the two points, it can be said that the project objective was met to a certain extent in terms of traffic volume for the second phase of the project as well as the first.

Furthermore, in the Guntur district of AP, for the first phase of the project, the main local industry is the processing of agricultural products using cotton and other materials. The number of registered factories in this district showed a rapid increase from 2,035 to 4,115 in the period of 2003-2004 period to 2005-2006. In addition, according to the beneficiary survey covering the area of the second phase, 100% of the households indicated that access to various services had improved. Therefore, this project has largely achieved its objectives and effectiveness is highly satisfactory.

* Traffic survey was conducted by dividing the project into three sections. However, traffic volume for the second section was not surveyed in 2006.



The highway constructed through the project (Chandikhole)

Relevance

Rating **a**

This project was highly relevant with India's national policies both at the time of appraisal and at the time of ex-post evaluation. Both sections for the first and the second phases constitute part of the National Highway 5, which forms part of the Golden Quadrilateral, vital infrastructure for domestic transport in India. Therefore, this project continues to have high priority.

Efficiency

Rating **b**

Although the project costs were lower than planned (73% of planned), the project period was much longer than planned (170% of planned period), therefore, the evaluation for efficiency is moderate. The main reason for cost saving was the fluctuation in exchange rates. On the other hand, the delay in the project was mainly due to the change of the executing agency from Ministry of Road Transport Highways to NHAI, and delays in various approvals for the project implementation.

Sustainability

Rating **a**

No major problem has been observed for capacity, nor the operation and maintenance (O&M) system, nor budget allocation for the executing agency. Therefore, sustainability of this project is high.

Conclusion, Lessons Learned, Recommendation

In light of the above, this project is evaluated to be highly satisfactory. However, there are some sections in the second phase where a reduction in traffic accidents has not been demonstrated. Particularly in highly-populated areas, it is necessary to take into account at the planning stage the actual situation of local residents or highway users as beneficiaries, in constructing underpasses or other means to facilitate safe crossing.

Third-Party Opinion

National Highway 5 is an important arterial highway linking poverty areas to the major cities. Therefore, the relevance of this project is high. It has contributed to improvement in transportation for local residents and people engaged in import-export businesses. It has also contributed to the overall development of the region.

Name of specialist: Mr. K. Balachandra Kurup (NGO)
 Doctorate in social sciences, Sukhadia University. Currently Executive Director of the Socio-Economic Unit Foundation. Specializes in multi-sectoral program management, social evaluation and analysis, relocation of residents and policy analysis.