

Himachal Pradesh State Roads Project (Ln. 4860-IN)
Implementation Support Mission (November 30-December 5, 2009)
Aide-Memoire

I. INTRODUCTION

1. A World Bank mission¹ visited Himachal Pradesh during November 30 to December 5, 2009 to support the Government of Himachal Pradesh (GOHP) in implementation of the Himachal Pradesh State Roads Project (HPSRP). The mission visited a number of project sites and held extensive discussions with officials and engineers from the Public Works Department (PWD) and the Himachal Pradesh Roads and Other Infrastructure Development Corporation (RIDC). The mission wishes to thank them for their hospitality and collaboration.

2. This Aide-Memoire (AM) summarizes the findings, recommendations, and agreements reached during the mission. It contains 16 Annexes (including a list of agreed actions in **Annex 4**). A draft of this AM was discussed with PWD and RIDC at a wrap-up meeting chaired by Dr. P.C. Kapoor, Principal Secretary for Public Works, GOHP in Shimla on December 5, 2009.

II. KEY PROJECT DATA & PERFORMANCE RATING

Key Project Data	Project Performance since the May 2009 mission
Total Project Cost (PAD): US\$ 303 million	Project Development Objective: MS
Loan Amount: US\$220 million	Implementation Progress: MU
Bank Board Approval Date: June 5, 2007	Project Management: MS
Effectiveness Date: October 5, 2007	Procurement: MS
Project Completion Date: December 31, 2012	Financial Management: MS
Project Age: 26 months	Environmental Safeguards: S
Loan Disbursed: 11.1% (US\$ 24.4 million)	Social Safeguards: MS
	Flags: 1 (Related to delay in submission of a copy of State Finance Accounts for FY08-09)

Ratings: **HS**=Highly Satisfactory; **S**=Satisfactory; **MS**=Moderately Satisfactory; **MU**=Moderately Unsatisfactory; **U**=Unsatisfactory; **HU**=Highly Unsatisfactory

3. **Project Development Objective (PDO).** The development objective of the Project is to reduce transport costs and to improve traffic flows on priority segments of the core road network of Himachal Pradesh. This objective is to be achieved through a package of prioritized infrastructure investments and improved management practices. The indicators to measure performance in achieving the development objective are: (i) condition of the core network; (ii) speeds on the project upgrading roads; (iii) fatal accident rate on the state highways; and (iv) the level of road user satisfaction on the core network. The progress in achieving these performance indicators is presented at **Annex 1**. Progress in achieving the PDO is maintained **Moderately Satisfactory**, because: (i) even though the performance of project implementation during the past 6 months has improved, works in two of the road upgrading contracts which account for about 25% of total project cost are at a standstill since the last three months; (ii) achieving the PDO by the end of project is still possible; and (iii) two of the performance monitoring indicators [condition of core network, and rate of fatal accidents on state highways] have progressed well.

4. **Implementation Progress.** The Project consists of two components. The progress of implementation of these components is as follows.

Core Network Improvement Component (Moderately Unsatisfactory): In this component, ten upgrading roads in two phases are being implemented. All five contract packages of Phase 1 upgrading

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works, which have commenced 15-18 months back, are in the initial stages with physical progress ranging from 4.7% to 15.9% only. Packages 1 and 5, which account for about 25% of total project cost, are at a standstill since the last three months. Of the five packages of Phase 2 upgrading works, contract agreements have been signed for two packages. Contract agreements would be signed for two phase 2 packages by mid-December 09. Bank's No Objection for re-bidding of Package ICB 6 was issued on Dec 16, 2009.

Core Network Maintenance and Management (Satisfactory): This component includes: (a) periodic maintenance and minor rehabilitation of about 2,000 km of the Core Road Network; (b) piloting performance-based maintenance contracts; (c) accident black spot improvements; (d) pre-investment studies for road network improvement and maintenance; and (e) capacity enhancement in road maintenance, financing, and management. Periodic maintenance of 810 km of roads in Core Road Network has been completed, works in 237 km of roads are in progress, and works in another 419 km are in procurement. For pilot performance based maintenance contracts, bidding documents have been finalized. Consulting services for accident black spot improvements are in progress. Some of the other consulting services have been completed.

The Implementation Progress is maintained **Moderately Unsatisfactory** because the progress of works in Core Network Improvement Component, which is the biggest component, is very slow.

5. The mission noted that there have been improvements in project implementation since the last mission. The Chief Secretary, GoHP and the Principal Secretary of PWD have been closely monitoring the project implementation and expedited the process of land acquisition, tree cutting, utility shifting, and required government clearances. Since the last mission, three of the five phase 1 upgrading contracts progressed by 6.3% to 12.7%. The remaining two phase 1 upgrading contracts are at a standstill since the last three months. Procurement of four of the five phase 2 upgrading works has also been completed since the last mission.

6. **Key actions agreed to improve project performance in the next 3 months** include the following: (i) GOHP will continue to carry out a monthly cross-departmental meeting, which has started since April and chaired by the Chief Secretary, to expedite completion of all pre-construction activities especially forest clearances, tree cutting and shifting of utilities; (ii) HPRIDC will review and approve the Extension of Time proposals recommended by the Engineer and make payments timely to the contractors and NGOs; (iii) HPRIDC will apply contractual remedies to the non-performing contractors based on Engineer's recommendations and legal advice; (iv) GOHP and HPRIDC will assist the contractors in finding plant sites and help them promptly obtain various required clearances; (v) RIDC and CSC will closely monitor progress of each of the upgrading contracts against the respective work programs; and (vi) contractors for packages 2,3 and 4 accelerate the progress of works by deploying more manpower resources and plant & equipment.

III. SUMMARY

Project Costs, Expenditure and Budget

7. The estimated total project cost and required Bank financing have been slightly increased as displayed in the table below, due to increased costs in civil works:

Updated as of November 30, 2009	Estimation at Appraisal (June 2007)		Estimation as of November 30, 2009		Variation as of November 30, 2009	
Unit: \$ Million (including contingencies)	Total Cost	Bank Financing	Total Cost	Bank Financing	Total Cost	Bank Financing
Upgrading Works	211.18	190.06	224.45	202.01	13.27	11.95
Maintenance Works	55.97	11.19	63.88	12.78	7.91	1.59
Goods	1.31	1.18	1.31	1.18	0	0
Utility Shifting	1.73	0	1.73	0	0	0

Afforestation	0.86	0	0.86	0	0	0
Land acquisition	12.42	0	17.97	0	5.55	0
R&R	2.14	1.93	2.14	1.93	0	0
Consultancy and Training	15.65	14.09	15.65	14.09	0	0
Operating Costs	0.61	0	0.61	0.61	0	0
PPF	1.55	1.55	1.55	1.55	0	0
TOTAL	303.42	220	330.15	233.53	26.73	13.53

8. Expenditure as of March 31, 09 was Rs 105.87 Crore. The expenditure made and projected expenditure is presented below.

Unit: Rs. in Crore	Expenditure up to November 30, 09	Anticipated Expenditure (for next 6 months)	Total likely Expenditure up to March 31, 2010
Upgrading Works	56.19	52.00	108.19
Utility Shifting	1.57	0.00	1.57
Compensatory Afforestation	4.47	0.50	4.97
Periodic Maintenance Works	63.29	25.00	88.29
Consultancy Services	20.49	8.00	28.49
Trainings	0.06	0.04	0.10
Land acquisition	57.59	23.00	80.59
R&R	0.06	3.00	3.06
TOTAL	203.72	111.54	313.69

Upgrading Works

9. **Phase 1 Upgrading Works.** All five packages of Phase 1 upgrading works (covering 232 km of state roads) have been awarded at a total cost of Rs 5908 million (about US\$ 148 million). In all these packages, the civil works are at initial stages with physical progress ranging from 4.7% to 15.9% only (as of November 30, 2009). These packages have commenced 15-18 months back. HPRIDC should apply contractual remedies to the non-performing contractors based on Engineer's recommendations and legal advice. Packages 1 and 5, which account for about 25% of total project cost, are at a standstill since the last three months. These contracts were suffering from poor mobilization of financial resources into the project by the contractor. In September 2009, the contractor's foreign personnel demobilized from the site because of lack of working visas. These personnel have not returned to the project site citing non-issuance of visas to them. To facilitate issue of visas and return of these personnel, GoHP had issued recommendation letters to them in February and August 2009. However, since the last three months, there seems to be lack of communication as some of the letters of the Engineer and HPRIDC have not been responded / replied to by the contractor. Few days back, the contractor has issued notice for termination by contractor citing the delays in payments. The mission was informed that HPRIDC approved extension of time for Package 1 as per the recommendation of the consultants but has not approved for payment of escalation during the extended period. This should be reviewed by HPRIDC as non-payment of escalation is not as per the recommendation of the consultants. In packages 2, 3 and 4, the works have progressed but at very low rate of progress which are much below the targets. It was observed that in all these packages, manpower resources are grossly inadequate. In packages 2 and 3, the construction plants & equipment are located at the end of the stretch near Jahu, and this is resulting into huge increases in the delivery time of materials apart from dead mileage. The mission, along with the officials/engineers of RIDC and the supervision consultants, discussed the progress of works with the contractors of all phase 1 roads. The mission also visited project sites of all Phase 1 packages. Detailed mission observations and discussions are provided in **Annex 6**. For status of all upgrading works, please refer **Annex 12** and for status of encumbrances in upgrading roads, please refer **Annex 15**. Contractors of all the five packages have requested for Extension of Time and the Engineer is in process of recommending these to the Employer/HPRIDC. Critical actions required in each of the phase 1 upgrading roads are:

Packages 1 and 5: Contractor should restart the works and mobilize all resources including manpower, construction plant & equipment and materials, and infuse sufficient finances into the project. The road stretches should be properly maintained as these have deteriorated and are detrimental to traffic safety.

Packages 2 and 3: Contractor should expedite the structural works by significantly enhancing manpower; quickly mobilize requisite number of rock breakers, an additional concrete batching plant, tippers and rollers; carryout mix design of bituminous concrete; prepare the working drawings for superstructure of bridges; immediately procure pipes for culverts; complete the survey works; grade the plant area for ensuring proper drainage; and improve safety measures at construction zones. The contractor should not frequently change the project manager and other key personnel. The contractor should have an approved work program for effective planning, resource mobilization, execution of work and monitoring of the progress.

Package 4: Formation cutting to be started in the stretches in which works have not been started; contractor should expedite the structural works by significantly enhancing manpower; significantly increase the progress of works by working in several fronts and start construction of pavement layers. The contractor should have an approved work program for effective planning, resource mobilization, execution of work and monitoring of the progress.

10. *Tree Cutting and Utility Shifting.* The mission was informed that tree cutting and utility shifting have been expedited since the last mission. However, along Phase 1 Roads, there are still many patches with uncut trees. In package 4, final clearance of Forest Department is pending and in package 5; forest clearance is pending for some stretches. Shifting of hand pumps, water pipelines, electric poles, HT/LT lines, and transformers / substations in all five Phase 1 Upgrading Packages is in progress.

11. Slow progress in tree cutting, utility shifting and land acquisition has caused delays in handing over of encumbrance-free site to the contractors of all 5 Phase 1 packages. As land acquisition has been advanced, tree cutting and utility shifting have become the major encumbrances. CMU engineers and the Supervision consultant, together with contractors made a joint kilometer-by-kilometer survey of all encumbrances. The mission was informed that about 70% of the stretches in all the phase 1 upgrading packages are encumbrance-free. The mission urged RIDC to speed up tree cutting and utility shifting.

12. *Construction Supervision.* The mission discussed with the HPRIDC and Construction Supervision Consultants (CSC) on critical issues of construction supervision, including: (i) delays in preparing the monthly progress reports and poor quality of these reports; (ii) delays in finalizing some design/drawings, and contractor's requests for Extension of Time; (iii) expediting the progress of works; (iv) low performance of CSC teams in supervising on-going works in several Phase 1 packages; and (v) ineffective cooperation between CSC and contractor's personnel about submission, checking and processing of RFIs. The consultant informed that they are reviewing the type of structure [rubble masonry/concrete] for construction of retaining walls and drains in some of the packages. The consultant is also examining the relevance of recommending Extension of Time for whole of the contract vis-à-vis milestone-wise.

13. It was also agreed that (a) details presented in the monthly progress reports (MPR) need to be checked thoroughly and accuracy ensured by the Team Leader of CSC; (b) the consultants would discuss the proposed plant & equipment locations with the contractors especially for phase 2 works; (c) the consultants would ensure that the contractors have separate work programs for the structures and these works are started immediately from the commencement of works; (d) the consultants would quickly review and approve the designs of pier caps, bearing pedestals and bearings of bridges in packages 2 and 3 and finalize the drawings for Jahu Bridge; (e) the consultants would expedite and approve the construction drawings for superstructure of bridges in packages 2 and 3; and (f) the consultants would finalize the recommendations for approval of Extension of Time to phase 1 contractors.

14. Phase 2 Upgrading Works. Phase 2 upgrading works also consists of five packages. Of the five packages of Phase 2 upgrading works, contract agreements have been signed for two packages. Contract agreements would be signed for another two phase 2 packages by mid-December 09. Bank's No Objection for re-bidding of Package ICB 6 was issued on Dec 16, 2009. The mission was informed that the CMU officials and Consultants have jointly transferred the alignment plans on to the ground and made land acquisition plans based on these.

15. Forest Clearances for phase 2 upgrading roads. The forest clearances for all 5 packages are still pending. RIDC is required to closely monitor the status of the clearances and take follow-up actions to avoid any delays in commencing the works.

Environmental Management

16. The focus of the mission was to review and ascertain the status and progress on actions agreed during the last mission (April 2009). The mission reviewed the adequacy and quality of EMP implementation in the upgrading works and periodic maintenance component of the project and held detailed discussions with construction supervision consultant and officials from RIDC and CMUs. Additionally, the mission reviewed the following: (a) pre-construction activities, particularly tree cutting and relocation of water sources like hand-pumps; (b) bio-engineering and; (c) disclosure of documents pertaining to Phase II upgrading works.

17. The over-all environment management for both upgrading works and periodic maintenance component of the project is being rated '**satisfactory**'. Improvement has been noted with regard to EMP implementation in both these components and most of the actions agreed during April 2009 mission have been completed, This includes: (a) mobilization of Environment and Safety Officers by the Contractors on upgrading works; (b) deployment of Nodal Environment Officer by RIDC; (c) obtaining of required regulatory clearances/permissions for all operational camp and plant sites; (d) substantial progress with regard to obtaining of forest clearances for contract 4 and 5; (e) completion of one round of training on bio-engineering and; (f) improvement in EMP compliance in contract 4.

18. In order to sustain 'satisfactory' rating, adequacy and quality of EMP implementation (including documentation) has to be maintained in future as well. Also, certain key actions need to be closely monitored and completed by the next mission. These include: (a) strengthening enforcement of worksite safety management measures (including road maintenance, signage and delineation) in all Phase I contracts; (b) ensure full time availability of CSC's Environment Officer; (c) obtain clearance for all outstanding forest land diversion cases for Phase I upgrading works (particularly in contract 5 where some additional requirement of 2.71 ha has been identified) and; (d) make substantial progress with regard to obtaining forest clearances for Phase II works. Details are provided in **Annex 9**.

Social Safeguards

19. The mission was pleased to note that the project has made significant progress in land acquisition; valuation of structures of phase I and preparation of micro plans (**detailed in Annex 8**). Of the agreed actions, the most time-sensitive for HPRIDC includes completion of land acquisition for both the phases; payment of compensation for affected structures for phase I; valuation and payment of compensation for structures of phase II and disbursement of R&R assistance for both the phases.

20. During the discussion with the Principal Secretary; Project Director and Executive Engineers of CMU, it was agreed that CMU will verify the micro plans on sample basis and before the DLC. It was also agreed that NGO will not repeat the valuation exercise except for (i) left out cases and / or (ii) discrepancy in area calculation during the previous valuation done by PWD.

21. The mission during the field visit found that excavated earth has been dumped in the private land. Mission was informed that generally individuals request to dump earth so that land owners can use

that to level their field. It was agreed that RIDC will restrict the civil works within the acquired width or ROW and in case any individual requests RIDC to dump earth on his land, RIDC will take written consent from that particular individual. As agreed earlier, RIDC has prepared the draft guidelines for disbursement of R&R assistance. The mission will review and give its comments by December 31, 2009.

22. The implementation of RAP is rated **Moderately Satisfactory** due to the progress made in land acquisition and preparation of micro plan. However, Bank would review the progress made in next three months and this rating may be downgraded if the agreed actions are not fully complied with within the agreed timeframe.

Periodic Maintenance Works

23. The Project includes periodic maintenance of about 2000 km of roads in the Core Road Network of the State, which are to be implemented through tranches. Tranche 1 works have been completed. Tranche 2 works are in implementation and Tranche 3 works are being procured. For status of all periodic maintenance works, please refer **Annex 13**.

24. *Implementation of Tranche-1.* Periodic maintenance of 532 km of roads in 25 contract packages has been completed. Bituminous works for improving the riding quality of the surface have been completed in 511 km. Some of the final bills are to be prepared/processed and paid. The present expenditure on the Tranche -1 works is about Rs. 350 million.

25. *Implementation of Tranche-2.* 515 km of roads are included in tranche-2 maintenance works. Of the 27 contracts, 26 have been awarded and the remaining one package is in court proceedings. The total contract price of the 24 awarded works is Rs. 740 million. DPRs for these works have been reviewed by the TE consultants and the works are in progress.

26. The mission advised RIDC to critically monitor the packages which are progressing very slowly, including HP-MDR-23-113, HP-SH-11-114, HP-MDR-43-119 in Central Zone, HP-SH-19-214, HP-MDR-10-217 in South Zone and HP-SH-313A, HP-MDR-46-318 in North Zone. These contracts are progressing slow and have approached the completion dates. The mission also advised that there should not be substantial difference between the physical and financial progress.

27. *Quality of Tranche 2.* All the tranche-2 works are in progress. The mission visited three of these works. The detailed observations of the site visits are at **Annex 7**. Critical issues identified include (a) improper placement of weep holes in some of the retaining structures; (b) need for protection of slopes at the edges of the cross-drainage structures; (c) need to have provisions in the agreements for construction of drains and breast walls/gabions in all stretches where they are required; and (d) need for early completion of road safety items and appropriate regular maintenance.

28. *Quality Control for Maintenance Works.* As per project design, the periodic maintenance works (PMW) are managed through the PWD field units. The Executive Engineers (EE) of PWD authorized by RIDC act as the "Engineer" to supervise the contractors' works, while the Technical Examiner (TE) consultants assure the quality of works through a 10% sample check. Before the TE consultants were demobilized at the end of March 2009, PWD has set up a Quality Control (QC) team to continue performing the TE's job. This QC team is led by the RIDC Superintending Engineer and supported by an EE and several other engineers at the RIDC HQ and each PWD Zonal office. The structure and job descriptions of the QC Team have been issued by PWD Secretary/RIDC MD through a Departmental Order on March 10, 2009. The mission observed during the site visits that the quality of works is being stressed and improved.

29. *Coordination between RIDC and PWD filed units.* The mission was informed that the PD and the QC team have been conducting a monthly review meeting with Chief Engineers of all concerned zonal offices to discuss issues identified by the QC Team and actions to be taken by PWD engineers.

30. *Planning for Tranche-3.* PWD and RIDC included maintenance of 419 km of roads into Tranche-3. DPRs for these roads have been prepared by PWD field engineers and reviewed and cleared by RIDC. The bids have been invited for 401 km in 18 packages.

31. *Performance Based Maintenance Contracts (PBMC).* PWD and RIDC have selected 441 km of roads in North Zone, Central Zone and South Zone for piloting PBMC works. The Bank has communicated its no-objection to the bid documents for PBMC. RIDC is working with PWD PMGSY team to finalize the bid document for North Zone as well as those for Central Zone and South Zone. Data collection for condition of roads is being conducted and expected to be completed by end December 09. Based on these data, the documents will be finalized by the HPRIDC. Contractors' conference was held in Shimla in November 09. Invitation of bids is expected by February 10. During the mission, it was pointed out that the roads that are selected for PBMC in Central Zone will undergo change because of geometric, climatic and geographical circumstances.

32. *Design of Road Safety / Blackspots Improvement Program.* The RIDC has appointed the consultants for studying the blackspots and prepare mitigation measures. The consultants have started the work on the assignment.

Road Sector Management

33. *Road Maintenance Fund.* The PWD has sent the proposal for setting up the Road Fund to the Finance department. The Finance department has asked the PWD to provide them a long term requirement for maintenance of roads before an appropriate financing mechanism is agreed upon. The PWD has prepared a long term plan for maintenance, till 2020, and submitted to the Finance department. This issue was also discussed with the Chief Secretary, Government of HP, and it was agreed that the government would expedite its processing.

34. *E-governance/Computerization of PWD.* HP has been selected as one of the states supported by the GOI for implementation of e-procurement. The GOHP has awarded the contract for developing the software for e-procurement system to PWC and aims to implement it by the end of current year. The mission reviewed the software developed by NIC for the irrigation and public health department and implemented in 7-8 divisions. The system includes various modules – **HR** which in addition to the full information of the employee also assigns functions and limitation to access in the system; **Business Process /Work Flow; Accounting, Payment and Financial Statements; and Project Management** once the tender is awarded. All these modules are interlinked and the necessary reports are generated through the system. The system is web based and connectivity is provided through HIMSWAN up to sub-divisional level. Since the working of IPH is similar to that of PWD, this software can be easily customized for the PWD by modifying the masters. The NIC has submitted a proposal to the PWD for carrying out the system study to determine the differences in the functioning of PWD and IPH so as to customize the software for the PWD. The mission was assured that the PWD would sanction the funding for this proposal by **December, 2009** end. The NIC also assured that once they receive the go ahead for the project development, they would start customizing the existing system simultaneously while carrying out the SRS. The HP PWD needs to immediately assign a group of employees to interact with the software developer to go into the details of work flow module and modify the masters. They would not need the services of project management consultant in this case. The PWD would need to procure the hardware for rolling out the system to the sub-division level. The PWD agreed to prepare a plan for enhancing the capacity of the IT cell and increase its staffing in phases as required when the implementation of computerization process progresses.

35. *Road Information System and Road Maintenance Management System.* The mission was pleased to note that the PWD had collected road condition and inventory data using the recently procured ROMDAS vehicle for 18000 km of road network and used it in conjunction with the RMMS model to prepare the maintenance plan for the rural roads within the given budget of Rs 500 million. The maintenance plan for the core road network has been prepared and the Tranche III roads to be taken up

for periodic maintenance identified. The co-ordinates of the surveyed roads using GPS have been taken along with the location of bridges and culverts. The data collected through GPS needs to be matched with the digitized co-ordinates of the Survey of India maps. PWD is in the process of inviting bids to appoint an external agency to integrate the RMMS and RIS system and help enhance the capacity of PWD in its implementation as a part of the data collection consultancy.

36. The RMMS developed for rural roads is simple and good enough for roads with low volume of traffic. However, for the core road network, consisting of SH and MDR a more sophisticated system that selects the network for periodic maintenance and the type of intervention based on economic criteria, like HDM 4, should be used. The consultancy services being invited for data collection includes this activity as a part of their terms of reference.

37. The mission discussed the issue of setting up a cell for the GIS based RIS and train the personnel in its use since the person operating the system earlier has been transferred to the field. This has resulted in the non-use of the GIS based system and its updating. This cell may be attached to the IT cell.

38. *PWD Gang Labor Productivity Study.* Since last mission there has not been any progress on this issue. The Government of HP has already taken a decision not to hire any more gang labor. There is a need to discuss the recommendations of the report with the Cabinet to move forward.

39. *ISO 9001 QMS and 14001EMS Implementation.* The consultants have prepared the four level manuals for implementing the ISO 9001 and 14001 EMS and also the formats for the four divisions in NH and four divisions of RIDC. The manuals for social and environmental issues have been forwarded to the Bank. The eight divisions have started implementing the 9001 process and an internal audit has been carried out by the consultants. They have identified some deficiencies in the implementation and given these divisions time till the end of December, 2009 to rectify the short comings. The consultants would review the functioning of these divisions in the first week of January, 2010 so that the external audit could be carried out at the end of January, 2010 for certification.

40. *Proof-Review of Tunnel Design.* RIDC has selected an international expert to peer review the designs of the tunnels. The consultant has submitted draft review report. The observations of this expert will be provided to the Tunnel Design consultants who will in turn to address them in the final designs.

41. *PPP for Tunnels and Roads.* The mission was informed that the Tunnel Consultant has drafted tendering document for a BOT project for one Tunnel (T5- between Kainchimore and Mela) and RIDC planned to submit it for GoI's viability gap financing after obtain approval from GOHP. The mission suggested that GoHP should study different financing models for other Tunnels and priority roads, including BOT/Annuity model and other PPP options as well as government financing.

42. *PWD/RIDC Human Resources Management (HRM).* The consultants have prepared a functional organization chart for the changed PWD. The PWD needs to review this internally and discuss with the consultants to finalize the future set-up of the PWD. The Principal Secretary has agreed to review the recommendations of the consultants and take a final view on the future of PWD and then put it before the Cabinet for approval.

43. The Bank has provided comments on the report which were passed to the consultants by the PWD. However, the consultants have not yet moved forward to finalize the report. The PWD should interact with them and ask them to finalize the report and develop an appropriate training program for the PWD personnel.

Financial Management

44. **Disbursements:** Disbursement as on November 27, 2009 is USD 24.37 million which represents 11.08% of the loan of USD 220 million. Due to slow progress against earlier forecast, and delays in submission of claims, disbursement data has not shown any change since the last mission. Project Financial Management is rated as Moderately Satisfactory; the following are the key issues: (a)

The FM Manual needs to be updated to incorporate certain changes which have come about as a result of implementation experience on the Project; (b) Since the PWD is audited by the Comptroller and Auditor General (C&AG) of India, it was a project requirement that a copy of the 'State Finance Accounts' duly certified by the C&AG be forwarded to the Bank every year. This is overdue for FY 08 – 09 and needs to be sent to the Bank at the earliest; (c) In some instances in the past submission of Interim Unaudited Financial Reports has not been timely; (d) There have been delays in hiring of Internal Auditors, they should be hired latest by December 31st, 2009. Details of Financial Management issues and actions are at **Annex 11**.

Procurement

45. There are visible improvements in procurement situation and administration in PMU after the change in leadership by the new Project Director and an Executive Engineer in the procurement cell, as noted in an exclusive procurement mission conducted in August 2009. HPRIDC has strengthened the Procurement Team by appointing an Executive Engineer as head of procurement cell. HPSRP also organized a workshop of Contracting Industry on OPRC contracts in November 2009.

46. HPRIDC requested the mission that due to the actions taken resulting in improvement in procurement situation, the earlier recommendation of the Bank mission to adapt an Independent Procurement Evaluation System may be reviewed and dropped. Since there are visible signs of improvement in the procurement situation under the project, the mission agreed to drop the above recommendation.

47. Mission advised HPRIDC to work on further improvement on procurement situation, especially on completing the remaining procurement of large civil works, maintaining the agreed service standards, conducting contracting industry conference on PBMC civil contracts and operationalising the complaint handling mechanism and responding to post review comments for the contracts awarded during July 2007-June 08. Detailed observations and recommendations are given in Annex 11.

Project Management

48. *RIDC Staffing.* The mission stressed the need for stability of the project management team over the entire tenure of the project. GOHP assured to the mission that it will ensure the stability of the project management team and some incentive in a form of appropriate compensation to encourage RIDC engineers to stay in a longer period with the project may be provided.

49. *Project Management at PMU (RIDC HQ).* The mission observed the project management of the PMU which is located at the RIDC HQ has improved since the last mission. The Principal Secretary (PWD), the Project Director and the Superintending Engineer who is managing the periodic maintenance works have been actively pursuing the key actions for improvement of project management. Key posts in procurement, social, and environmental, have been filled. New NGO has been appointed for land acquisition and R&R assistance. The mission suggested that there is a requirement for a Project Management Advisor consultant to assist the Principal Secretary of PWD and the Project Director in project and contract management.

50. *Project Monitoring and Reporting.* The mission requested RIDC to use the agreed Project Report format (which contains 8 excel-based reports and has been agreed at the project appraisal stage) to monitor project progress. It was agreed that RIDC will regularly update the Project Report and forward it to the Bank within 15 days after every quarter.

51. *Performance Monitoring Indicators (PMI).* The mission and RIDC jointly reviewed the PMIs and updated the value of PMI indicators based on available information. The status of achievement of the performance indicators is at Annex 1.

52. *Information Disclosure.* The mission did a thorough review of the information disclosure policy and complaint handling mechanism established for the project. In terms of disclosure, while it is

heartening to note that most of the project-related information is already on the website (himachal.nic.in/hpridc), some information such as the latest quarterly progress reports (with physical progress), minutes of public consultations and statistics on complaints and information requests under the RTIA are not available. In addition, the mission informed HPRIDC that as a public entity, it has not fully complied with the provisions of Section 4(1) b of the RTIA. On the complaint handling mechanism, the mission was informed that there have been no complaints related to procurement, fraud/corruption or construction quality. The mission informed the HPRIDC that they need to disclose complaint related statistics on their website. Details of the actions required are provided in **Annex 16**.

53. Compliance with Loan Covenants. The project and Loan Agreements were reviewed during the mission. The status of compliance of the Project and Loan Agreement covenants is in **Annex 2**. All covenants except one are in compliance. The non-compliant legal covenant is regarding submission of a copy of the 'State Finance Accounts' duly certified by the C&AG. This is overdue for FY 08 – 09 and needs to be sent to the Bank at the earliest. GoHP agreed that it will ensure RIDC and PWD follow with all requirements of the Operations Manual. In case there is need for modifying the Operations Manual, it will seek consent from the Bank and approval from HPRIDC Board for those modifications.

54. Next Implementation Support Mission. The next full implementation support mission is scheduled for April/May 2009.

IV. ANNEXES

Annex 1	Progress of achievement of performance indicators
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Annex 1

Progress of Achievement of Performance Indicators

Outcome Indicators	Baseline	Target Value by midterm	Target Value by completion	Value/Status of performance indicator
% of the entire core network (~4,000 km) in poor condition	40%	30%	=< 10%	19.3%
Average speeds on the WB financed roads, which received upgrading, predicted using HDM-4, (% increase)	TBD in YR1	25% for completed stretches	25% for completed stretches	No completed stretches
Death rate on HP state highways (number of deaths involved in traffic accidents/1,000 veh)	2.0	=<2.0	=<2.0	0.43
Level of road user satisfaction with the entire core network, index 1-5	1.5	2.0	3.0	Consultant to be appointed
Component One (Core Network Upgrading):				
% of target roads (~ 447 km) of core network completed upgrading	0%	30%	100%	0%
% of target roads (~447 km) in excellent condition (no cracking; IRI < 3.5)	0%		95%	0%
% of fiscal year contracts let within 120 days of bidding (after deadline of bids received)	0%	90%	100%	33.33%
% of PAPs paid compensation and provided with R&R assistance	0%	100% for Phase I	100% for Phase II	Data being compiled
% survival rate for trees planted under the Project	0%		50%	About 70%
% of road users and project construction worker aware of correct ways of HIV/AIDS prevention and transmission	10%	30%	50%	About 15%
Component Two (Core Network Maintenance and Management):				
% of target roads (~2,000 km) of core network receiving periodic maintenance	0%	50%	100%	40%
% of performance-based contract packages executed on target roads (~300 km)	0%	30%	100%	0%
% of 20 target locations receiving black spot treatment	0	30%	100%	0%
Full operation of stable road financing mechanism for the core network (~4,000 km)	Nil		Yes	Nil
Reduction in share of permanent gang labor costs in total spending on routine and emergency works	75%	65%	50%	69%
Setting up of Quality Assurance System	Nil		RIDC (incl. 3 CMUs) completed ISO registration	In progress. Study completed
Development of Accounting Policies and Procedures Relating to Road Assets	Nil	Completed	Recommendation implemented	Nil
Rolling annual training plan prepared, implemented and evaluated	Nil	Yes	Yes	In progress

Annex 2

Status of Compliance of Legal Covenants

Description of Covenant	Date Due	Status
GOHP shall maintain the Board of Directors of the RIDC with composition and powers sufficient to function and direct the carrying out of the Project in a timely and effective manner.	Recurrent	C
GOHP shall maintain a dedicated team of suitably qualified staff in RIDC both at HQ and in at least 3 dedicated field divisions, with sufficient resources	Recurrent	C
RIDC shall prepare EMPs and RAP for Phase II roads in accordance with Operations Manual and R&R policy, satisfactory to the Bank	04/05/2009	C
RIDC shall implement the Project in accordance with Operations Manual, EMPs, RAPs, Financial Management Manual	Recurrent	C
GOHP shall transfer Loan Proceeds to RIDC within 3 weeks of receiving them from GOI	Recurrent	C
RIDC shall prepare and make public by March 31 of each year starting from 2008 an annual Road Maintenance Plan for core road network for following FY and implement it in a timely & efficient manner	Recurrent	CP
RIDC shall prepare and make public by April 30 of each year starting from 2008 a core road network condition and traffic survey report and a core road network maintenance achievement report for the proceeding FY	Recurrent	CP
GOHP shall have the financial statements audited by acceptable auditors and furnish the Bank the audited reports no later than 6 months after the closing date for the statements	Recurrent	Not Complied with
RIDC shall maintain a financial management system in accordance with agreed requirements	Recurrent	C
GOI shall make Loan proceeds available to GOHP according to the agreed arrangements	Recurrent	C
RIDC shall prepare and furnish to the Bank quarterly Project Reports including agreed performance monitoring indicators no later than 45 days after end of each quarter	Recurrent	CD
All goods, works and services to be financed out of the Loan shall be procured in accordance with the provisions of the Project Agreement	Recurrent	C
Prepare project reports for each fiscal year quarter and submit to Bank not later than 45 days after the end of the period.	Recurrent	C
Prepare and furnish to the Bank (a) by Nov 15, 2009, a comprehensive Project progress report satisfactory to the Bank; (b) two(2) impact assessment reports of the implementation of the RAP, the first by May 31, 2009 and the second within 120 days of completion of all resettlement under the project		Not yet due. Will be carried out by Mid Term Review

Annex 3

Status of Key Project Implementation Action/Activities (agreed during the last Mission)

S. No.	Key Actions	By whom	Target Date	Status
Upgrading Works				
1.	All contractors for Phase I works achieve 10% physical progress	Contractors	July 31, 2009	Not achieved [only one packages has progressed to 15.9%
2.	Award Phase 2 upgrading works	RIDC	Aug 31, 2009	Done [except for one package]
3.	Install hot mix plant, WMM plant and the crusher. Paver and bitumen pressure distributor also have to be mobilized.	contractor for package 1	May 2009	Done but now works are at a standstill
4.	Carryout and approve mix designs for WMM, DBM and BC	All contractors, CSC	Packages 1, 2, 3 & 5 – May 2009 Package 4 – June 15, 2009	Partially done [BC mix design not been done]
5.	Carryout joint survey for assessment of hindrances	contractors, CSC, and RIDC	May 2009	Done
6.	Mobilize bitumen pressure distributor and paver	contractors for packages 2 and 3	May 2009	Done
7.	Complete the work including laying of bituminous courses on the 10 km stretch on which presently sub-base works are in progress	contractors for packages 2 and 3	June 2009	Partially Done
8.	Prepare a variation order for the deleted items of work	CSC	May 2009	Done [pending approval of HPRIDC]
9.	Ensure that slope protection measures are taken up on the cut slopes especially when the slopes are consisting of conglomerates of soils and pebbles	CSC and RIDC	Sept 15, 2009	Ongoing
10.	Ensure that the contractor deploys the equipment for which duty exemption certificates from the employer were taken	CSC and RIDC	May 2009	Done
11.	Deploy all the machinery/equipment mentioned in the contract documents	Contractor for package 4 and 5	May 2009	Done
Maintenance Works				
12.	Complete remaining Tranche-I contracts	Contractors/TE/PWD	May 31, 2009	Done
13.	Award remaining Tranche-II contracts	RIDC	May 31, 2009	Done [except for one which is a court case]
14.	Carry out Contractors Conference for PBMC in Delhi	RIDC	May 31, 2009	Done
15.	Invite Bids for PBMC contracts	RIDC	June 15, 2009	Not Done [likely by end Feb 10]
16.	Complete DPRs for Tranche-III roads	RIDC/PWD	May 31, 2009	Done
17.	Conduct a Contractors Conference in HP on Tranche- III roads	RIDC/PWD	June 30, 2009	Done
18.	Issue IFBs for Tranche-III contracts	RIDC/PWD	July 15, 2009	Done
19.	Award Tranche-III contracts	RIDC	Sept 30, 2009	Not Done [likely by

				end Feb 10]
Computerization				
20.	Finalize the financing arrangements for PWD-computerization (whether Bank financing is required for software modification and/or hardware)	PWD/RIDC	Sept 30, 2008	Not done
Annual Maintenance Plan for Core Road-network /Tranche III/IV Preparation				
21.	Issue RFP for data collection to the shortlisted firms	RIDC	May 31, 2009	Not Done
22.	Develop the first annual maintenance plan for the core road network using RMMS/RIS	RIDC/PWD	Feb 28, 2010	Not yet due
23.	Prepare the first annual evaluation report on road maintenance	RIDC/PWD	Feb 28, 2010	Not yet due
Road Financing & Road Fund				
24.	Obtain principal support from GOHP on the major recommendation of the final report	PWD	Sept 30, 2009	Not Done
25.	Forward to the Bank draft PPIAF grant application for developing PPP financing models for tunnels and core roads	RIDC	May 31, 2009	Done
26.	Submit the PPIAF application to State finance department which will forward it to DEA	RIDC	June 30, 2009	Done
Gang Labor Productivity Improvement Study				
27.	Invite the consultant to make a presentation for GOHP and prepare an implementation plan	RIDC	June 30, 2009	Not Done
Road Safety				
28.	Award the contract for the study	RIDC	May 31, 2009	Done
Utility Shifting				
29.	Complete Tree Cutting and Utility Shifting for milestone 1 of all Phase 1 contracts	GOHP	June 30, 2009	Not completed
30.	Complete Tree Cutting and Utility Shifting for other milestones of all Phase 1 contracts	GOHP	Sept 30, 2009	Not completed
Social Safeguard				
31.	Land acquired for first phase works priority stretches	GOHP	July 2007 / May 31 2009	Substantial progress made
32.	Land acquired for rest of the stretches of phase I roads	GOHP	February 2008 / June 30, 2009	Substantial progress made
33.	Micro-plans for compensation and R&R assistance for titleholders and non titleholders of all the milestones of phase I packages to be completed	NGO/RIDC	March 15, 2007 / June 30, 2009	Completed for 5 packages (rest expected by Jan 15, 2010)
34.	ID cards for titleholders and non-titleholders of all the milestones of phase I packages 1to be issued.	NGO/RIDC	June 30, 2007 / October 31, 2009	Partially completed.
35.	Joint bank accounts of all PAPs of phase I roads to be opened	NGO/RIDC	November 30, 2009	In progress. Continuous process.
36.	Disbursement of compensation and R&R assistance for all the milestones of phase I packages (for both titleholders and non titleholders)	GOHP/RIDC/NGO	July 31, 2007/ December 31, 2009	Process initiated and ongoing.
37.	Implementation of income restoration plan for phase I roads	NGO/RIDC	October 30, 2009/ February 28, 2010	Yet to be initiated.

Environmental Management				
38.	Obtain Forest Clearance for pending cases in contracts 4 and 5 – Phase 1 up-grading works	RIDC	By July 31, 2009	Partially done
39.	Obtain Forest Clearance for Phase 2 up-grading works	RIDC	By October 31, 2009	Not done [in progress]
40.	Resolve 'Khair' tree cutting issue on contract 3	RIDC/Forest Dept	-	Done
41.	Obtain clearance for trees on private land on all Phase 1 up-grading works	RIDC/CMUs	By September 30, 2009	Mostly done
42.	Mobilization of Environment Officer by CSC and Environment and Safety Officers by Contractors on packages 4	CSC	Immediate	Done
43.	Obtain all required clearances/permissions for camp and plant site establishment and operation (including proper documentation)	RIDC/CMUs/ CSC/ Contractors	By July 31, 2009	Mostly done [in packages 4 and 5, partially done]
44.	Designate/mobilize Nodal EO in RIDC	RIDC	By June 15, 2009	Done
45.	Finalize and complete BE training	RIDC/ Horticulture Wing	July 31, 2009	Done
46.	Confirm about Environment Clearance requirement for Phase II upgrading works	RIDC	Immediate	Done
47.	Review and finalise for man-month requirements for EOs and BE specialist in CSC team and take necessary action	RIDC/CSC	June 15, 2009	Not done
PROJECT MANAGEMENT				
48.	Forward to the Bank an action plan to improve performance of the PMU	RIDC	May 31, 2009	Done
49.	Review the job requirements for RIDC and fill in the vacant posts	RIDC	May 31, 2009	Partially done [APIO to be filled]
50.	Develop the new year Training Plan for RIDC	RIDC	May 31, 2009	Done
51.	Complete a comprehensive procurement and contract management training course for at least 20 PWD/RIDC engineers in Shimla	RIDC	July 31, 2009	Not done [likely to be done shortly]
Financial Management				
52.	Deliver FM training at Mandi, Dharamshala and Shimla	RIDC	July 09, Nov 09 and Feb 10	Partially done
53.	Send revised Audit Terms of Reference/ selection criteria to the Bank for approval	RIDC	May 2009	Done
54.	Issue Request for Proposals for internal audit	RIDC	June 2009	Done
55.	Complete evaluation and selection of Internal Auditors	RIDC	July/ August 2009	Not done
56.	Make all payments under joint signature of two responsible officers of HPRIDC.	RIDC	Immediate	Done
57.	Ensure the GM Finance of HPRIDC to be an integral part of the Bid Evaluation Committee for all maintenance contracts	RIDC	Immediate	Done
58.	Provide information on time taken for making payments as per agreed format	RIDC	June 2009	Done
Procurement				
59.	Submit to the Bank the procurement plan for	RIDC	May 15, 2009	Done

	the next 18 months			
60.	Send to the Bank the GOHP's response to Bank's post review observations		June 30, 2009	Done
61.	Award package 8	RIDC	May 31, 2009	Done
62.	Complete BER for Package 7,9,10	RIDC	June 30, 2009	Done
Others				
63.	Sign the contract for tunnel design proof reviewer project financing	RIDC	May 31, 2009	Done
64.	Submit to the Bank Quarterly Progress Reports (8 excel-based tables)	RIDC	Within 15 days after Every quarter	Done
65.	Joint review of project performance	GOHP/Bank	July 31, 2009	Done
66.	Next implementation support mission	Bank	Sept/Oct 2009	Done [in Nov/Dec]

Annex 4

Key Project Implementation Action/Activities (to be reviewed during next mission)

S. No.	Key Actions	By whom	Target Date
	Social Safeguards		
1.	Disbursement of land compensation for balance villages of phase I	HPRIDC	January 15, 2010
2.	Disbursement of compensation for structures of phase I	HPRIDC	February 28, 2010
3.	Disbursement of land compensation for balance villages of phase II	HPRIDC	March 31, 2010
4.	Disbursement of structure compensation for phase II	HPRIDC	April 30, 2010
5.	Disbursement of R&R assistance for both TH and NTH of phase I	HPRIDC	February 28, 2010
6.	Submission of balance micro plans for phase I and II	NGO (CRADLE)	January 15, 2010
7.	Review guideline for disbursement of R&R assistance	World Bank	December 31, 2009
8.	Disbursement of R&R assistance for both TH and NTH of phase II	HPRIDC	May 30, 2010
9.	Need Assessment Survey for income restoration	NGO (CRADLE)	January 31, 2010
10.	Data on % THs received compensation and R&R assistance	HPRIDC	December 31, 2009
	Transparency and information disclosure		
11.	Updating of website with latest QPRs, IUFs, public consultation minutes, missing portions as mandated under RTIA	HPRIDC	December 31, 2009
12.	Appointment of APIO for RTIA	HPRIDC	December 31, 2009
13.	Training of PIO and APIO on RTIA at HPIPA	HPRIDC	December 31, 2009
14.	Annual report on RTIA implementation to GoHP and Bank	HPRIDC	January 31, 2010
15.	Provision of RTIA and complaint statistics on website	HPRIDC	January 31, 2010
	Civil works		
16.	Mobilize additional manpower in packages 2, 3 and 4 by at least 150 no.s in each package	Contractors for packages 2, 3 and 4	December 31, 2009
17.	Mobilize rock breaker in package 2 and blasting operator in package 4	Contractors for packages 2 and 4	December 31, 2009
18.	Mobilize additional concrete plant and hot mix plant	Contractors for packages 2, 3 and 4	January 31, 2010
19.	Have approved working program	Contractors and consultants	December 31, 2009
20.	Invite bids for performance based maintenance contracts	HPRIDC	Feb 2010
21.	Complete Tranche 2 maintenance works	HPRIDC and contractors	Feb 2010
	Road Management		
22.	Funding for e-governance and computerization of PWD	GoHP	December 31, 2009
23.	Certification of division for ISO	Consultants	January 31, 2010
	Financial Management		
24.	Revised Financial Management Manual be sent to the Bank	HPRIDC	end December 09
25.	IUFs for the September quarter to be sent to the Bank	HPRIDC	Immediately
26.	Internal Auditors shortlist sent to the Bank	HPRIDC	December 10, 2009
27.	Internal Auditors hired	HPRIDC	December 31, 09

	Environmental Management		
28.	Improve/strengthen worksite safety measures – Phase I works (including open fronts of contracts 1 and 5, where no works are on-going currently)	RIDC/CMUs/CS C/ Contractors	By January 15, 2010
29.	Obtain Forest Clearance (outstanding/new cases) – Phase I upgrading woks (particularly contract 5)	RIDC	By February 28, 2010
30.	Full time deployment of EO by CSC	RIDC/CSC	By December 31, 2009
31.	Obtain Forest Clearance for Phase II upgrading woks	RIDC	By April 30, 2010
32.	Procurement		
33.	Submit revised procurement plan for approval	HPRIDC	20 December 2009
34.	Complete staff Training on Procurement	HPRIDC	2009-10
35.	Prepare and share a summary of recommendations of the PBMC workshop	HPRIDC	31 December 2009
36.	Explore replication of similar workshop of contracting industry in Delhi and Chandigarh and plan to conduct in 1 quarter of 2010	HPRIDC	1 Quarter 2010
37.	Mechanism of complaint handling will be finalized and loaded on website and notice boards of HPRIDC/ HPPWD	HPRIDC	31 December 2009
38.	Submit responses on all pending Post review observations	HPRIDC	25 December 2009
39.	Submit revised procurement plan for approval	HPRIDC	31 December 2009

Annex 5

People Met by the Mission

S. No.	Name	Designation/ Address
Govt. of Himachal Pradesh		
1.	Smt. Asha Swaroop	Chief Secretary to GoHP
2.	Sh. P.C. Kapoor	Pr. Secy. (PW) to GoHP-cum-M.D. HPRIDC
HPRIDC		
3.	Sh. B.B. Kalra	Chief Engineer-cum-Project Director, SRP, HPRIDC, Shimla.
4.	Sh. Sonam Ringchain Negi	Superintending Engineer (P&D), SRP, HPRIDC, Shimla
5.	Sh. Lalit Bhushan	Executive Engineer (P), HPRIDC, Shimla.
6.	Sh. Satish Kaul	Executive Engineer (T&D) HPRIDC, Shimla
7.	Sh. A.K. Dutta	Executive Engineer (CM), HPRIDC, Shimla
8.	Sh. Anil Gupta	Executive Engineer (CMU) HPRIDC, Shimla
9.	Sh. Pritam Chand Bandan	Executive Engineer. (CMU) HPRIDC, Dharamshala
10.	Sh. A.K. Sood	Executive Engineer. (CMU) HPRIDC, Hamirpur
11.	Sh. Suresh Kapoor	Executive Engineer (CMU) HPRIDC, Una
12.	Sh. D.K. Nag	Environment Engineer, HPRIDC
HPRIDC (Finance)		
13.	Sh. Anil Kapil	G.M.-cum-F.A. HPRIDC, Shimla
HP Public Works Department		
14.	Sh. Arun Mahajan	Engineer-in-Chief, HPPWD, Shimla.
15.	Sh. N.L. Sharma	Chief Engineer (North Zone), HPPWD, Dharamshala
16.	Sh. B. D. Joshi	Chief Engineer (Central Zone), HPPWD, Mandi
17.	Sh. Pardeep Chauhan	Chief Engineer (South Zone), HPPWD, Shimla
18.	Sh. G.R. Sahiki	Conservator of Forest. HPPWD, Shimla
19.	Sh. M.K. Manhas	S.E. (Quality Control), HP.PWD, Shimla
20.	Sh. Rakesh Jain	S.E. , 3 rd Circle HPPWD, Solan
21.	Sh. K.K. Gupta	S.E. (D-III) O/o E-in-C, HPPWD, Shimla
22.	Sh. Naresh Sharma	S.E. , 4 th Circle HPPWD, Shimla
23.	Sh. Rakesh Gupta	S.E. (WB), HPPWD, Shimla.
24.	Sh. Sunil Sharma	S.E., 8 th Circle, HPPWD, Hamirpur.
25.	Sh. S.S. Rawat	S.E., 10 th Circle, HPPWD, Bilaspur
26.	Sh. K.R. Katoch	Executive Engineer, HPPWD Division Hamirpur
27.	Sh. C.L. Gupta	Executive Engineer, HPPWD Division Bilaspur.
28.	Sh. M.K. Kaushal	E.E. (Horticulture) Shimla, HPPWD

<i>The Louis Berger Group Inc.</i>		
29.	Sh. B.K. Bansal	LBG
30.	Sh. Audie C Pinade	Team Leader, LBG/ Design
31.	Mr. Andrew Bogle	Team Leader, LBG
<i>Longjian Road & Bridge Co., China</i>		
32.	Sh. Shujun Liu	Director, Longjian
33.	Sh. Ashok Rajan	Sr. Adviser, Longjian
34.	Sh. Surjeet Kumar Singh	Planning Engineer, M/S Longjian Road & Bridge Co.
35.	Sh. Raju Subedi	Structure Engineer, M/S Longjian Road & Bridge Co.
<i>C&C Constructions, India</i>		
36.	Sh. Anil Bhatia	C.G.M. of C&C Construction
37.	Sh. B.C. Mandal	G.M. C&C Construction
38.	Sh. Rajiv Ranjan	Environment & Safety Engineer, C&C Construction
<i>NKG Infrastructure Limited, New Delhi</i>		
39.	Sh. R.L. Mehra	General Manager, NKG Infrastructure Ltd., New Delhi.
40.	Sh. Rajeev Garg	Director, NKG Infrastructure Ltd., New Delhi.
<i>M/s Somdatt Builders Pvt. Limited, New Delhi</i>		
41.	Sh. Shree Krishna	Project Director, M/s Somdatt Builders Pvt. Ltd., New Delhi.
<i>Consultants for Rural Area Linked Economy (CRADLE), Ranchi</i>		
42.	Sh. Pranay Kumar	Team Leader, CRADLE
<i>EQMS (India) Pvt. Ltd., New Delhi</i>		
43.	Sh. S.K. Jain	Director (Technical & Project Leader), EQMS India Pvt. Ltd., Delhi.

Annex 6

Detailed Mission Comments on Upgrading Works

The Component 1 (Corridor Network Improvement) of the project envisages upgrading of 435 km of roads in the Core Road Network (CRN). HPRIDC is implementing this component through 10 contract packages in two phases. All five contract packages of phase 1 upgrading works, which constitute a total length of 232 km, have been awarded at a total cost of Rs 5908 million. In all these contract packages, the contractors and the supervision consultants have mobilized and the civil works are at initial stages with physical progress ranging from 4.7% to 15.9% by 30 November 2009. Of the five contract packages of phase 2 upgrading works, contracts for two packages have been signed and for two more packages the contracts would be signed by 15 Dec 2009. The mission visited project sites of all five phase 1 roads i.e. Mehatpur-Una-Jahalera-Amb Road, Una-Bangana-Barsar Road, Barsar-Jahu Road, Jahu-Kalkhar Road, and Theog-Rohru Road. The mission, along with the officials of RIDC and the supervision consultants, discussed the progress of works with the contractors of all phase 1 roads.

Contract Package 1: Mehatpur-Una-Jahalera-Amb Road; Contractor: Longjian Road and Bridge Limited Company: After initial delays, the works in this Rs. 1265 million contract package have commenced on 8 May 2008. In this 44.8 km-long road, the scope of work includes widening of existing highway to four lanes in about 16.2 km length and widening to standard two lane configuration in the remaining 28.6 km length. The project also has several structures. 8 major bridges, 4 minor bridges and 18 box culverts have to be constructed new, whereas, 48 box culverts and 2 pipe culverts are to be widened; and 33 box culverts have to be repaired. The works are divided into 3 milestones with 9.123 km, 12.58 km and 23.12 km length covered in milestones 1, 2 and 3 respectively. As per contract agreement, milestones 1, 2 and 3 have to be completed by 7 May 2009, 7 Feb 2010 and 7 Nov 2010 respectively. However, due to delays in handing over of encumbrance-free site to the contractor, Extension of Time by about 6 months has been granted. Land acquisition, cutting of trees and shifting of utilities such as water pipelines, hand pumps, electric poles and transformers are still in progress but at an advanced stage.

After long initial delays, the contractor had mobilized the resources and started working on encumbrance-free stretches. Now, the works are at a standstill since the last three months. These contracts were suffering from poor mobilization of financial resources into the project by the contractor. In September 2009, the contractor's foreign personnel demobilized from the site because of lack of working visas. These personnel have not returned to the project site citing non-issuance of visas to them. To facilitate issue of visas and return of these personnel, GoHP had issued recommendation letters to them in February and August 2009. However, since the last three months, there seems to be lack of communication as some of the letters of the Engineer and HPRIDC have not been responded / replied to by the contractor. Few days back, the contractor has issued notice for termination by contractor citing the delays in payments. The mission was informed that HPRIDC approved extension of time for Package 1 as per the recommendation of the consultants but has not approved for payment of escalation during the extended period. This should be reviewed by HPRIDC as non-payment of escalation is not as per the recommendation of the consultants.

Earthworks have progressed in about 16 km length and GSB in about 11 km in several discontinuous sections. Structural works have started in 3 major bridges, 1 minor bridge and 12 box culverts. The overall physical progress of works in this package is 5.32% as against the targeted progress of 51.9% as per the revised work program. The contractor has received 5% of the contract price as mobilization advance and three IPCs for the work done. Some IPCs, which have been raised by the contractor after demobilization of their foreign personnel, have not been paid by the HPRIDC. The contractor installed the hot mix plant, WMM plant and the crusher but the permission for operation of HMP and crusher are still to be obtained. All these machinery are now idle at site. The contractor needs to mobilize and prepare

a revised work program. Mix designs need to be carried out, additional borrow areas for earth and quarry sites for the aggregates needs to be identified, and approval for operation of quarries needs to be obtained. Non-mobilization of required financial resources by the contractor which has hampered progress of works till the foreign personnel were demobilized should be overcome. Since the project has a number of structures for construction with about fifty percent of the contract price attributed to the structures, the contractor needs to have a separate work programs for the critical structures and take immediate steps to start the works on them.

The GSB layer, which has been laid, has segregated and disturbed due to traffic movement and long delays in covering them with next pavement layers. The completed pavement layers need rectification/relaying before any further works are taken up. The stretches where construction has been taken up and stalled have become unsafe for traffic movement. Due to lack of maintenance for the past several months, potholes have developed and these are causing inconvenience and are hazard for traffic movement.

Contractor should restart the works and mobilize all resources including manpower, machinery and materials, and infuse sufficient finances into the project. The road stretches should be properly maintained as these have deteriorated and are detrimental to traffic safety. Measures for safety of traffic should be immediately undertaken.

Contract Package 2: Una-Bangana-Barsar Road; Contractor: C&C Constructions Limited: The works in this Rs. 989 million contract package have commenced on 14 May 2008. In this 45 km-long road, the scope of work includes widening of existing highway to four lanes in about 1.9 km length and widening to standard two lane configuration in the remaining 43.1 km length. The project also has several structures. 1 major bridge, 8 minor bridges, 98 slab culverts, 14 pipe culverts and 40 box culverts have to be constructed. The works are divided into 4 milestones with 9 km, 10 km, 16 km and 10 km length covered in milestones 1, 2, 3 and 4 respectively. As per contract agreement, milestones 1, 2, 3 and 4 have to be completed by 14 Feb 2010, 14 May 2010, 14 August 2010 and 14 Nov 2010 respectively.

For delays in handing over of encumbrance-free site, the contractor requested for Extension of Time and the Engineer is finalizing their recommendations. Land acquisition, cutting of trees and shifting of utilities such as water pipelines, hand pumps, electric poles and transformers are in progress. The contractor has mobilized the resources and working on the encumbrance-free stretches which constitute about 70% of the total stretch. Works are in progress in about 20 km length. DBM has been laid in about 8 km. Structural works are in progress on 1 major bridge, 5 minor bridges, 2 pipe culverts, 4 slab culverts and 2 box culverts. 6 slab culverts, 5 box culverts and 6 pipe culverts have been completed. The overall physical progress of works in this package is 15.9% as against the targeted progress of 47.53% as per the work program. The contractor is preparing the revised work program based on the EOT proposal. The contractor has received 5% of the contract price as mobilization advance and seven IPCs for the work done.

The contractor has mobilized most of the machinery but needs to augment them to complete the project. These include the rock breakers, tippers, rollers, and concrete plants. The contractor assured the HPRIDC that this machinery would be largely deployed by the end of December 09. Mix design for BC need to be carried out and approved. BC works should be immediately taken up on the stretches where DBM has been laid. Since the project has a number of structures for construction with about thirty percent of the contract price attributed to the structures and drains, the contractor needs to develop separate work programs for the critical structures and take immediate steps to accelerate these works. The contractor's manpower is grossly inadequate as can be seen from the poorly progressing structures. The project scope consists of construction of about 20 km of V drain and 3.75 km of covered drain, and the contractor plans to cast them in-situ. The mission cautioned that it is possible only if the contractor can deploy sufficient

gangs of labor for construction of drains. Slow progress of structural works has resulted into non-availability of long stretches for construction of pavement layers. The quality of DBM and BC also will suffer if works are not carried out in long continuous stretches.

Contractor should expedite the structural works by significantly enhancing manpower; prepare the working drawings for superstructure of bridges; immediately procure pipes for culverts; complete the survey works; grade the plant area for proper drainage; and improve safety measures at construction zones. The contractor should have an approved work program for effective planning, resource mobilization, execution of works, and monitoring of the progress.

Contract Package 3: Barsar-Jahu Road; Contractor: C&C Constructions Limited: The works on this Rs. 1039 million contract package have commenced on 14 May 2008. In this 45.8 km-long road, the scope of work includes widening to standard two lane configuration in the entire length. The project also has several structures. 4 major bridges, 2 minor bridges, 82 slab culverts, 19 pipe culverts and 20 box culverts have to be constructed. The works are divided into 4 milestones with 14 km, 8.25 km, 14.75 km and 8.8 km length covered in milestones 1, 2, 3 and 4 respectively. As per contract agreement, milestones 1, 2, 3 and 4 have to be completed by 14 May 2010, 14 Aug 2010, 14 Nov 2010 and 14 Feb 2011 respectively.

For delays in handing over of encumbrance-free site, the contractor requested for Extension of Time and the Engineer is finalizing their recommendations. Land acquisition, cutting of trees and shifting of utilities such as water pipelines, hand pumps, electric poles and transformers are in progress. The contractor has mobilized the resources and working on the encumbrance-free stretches which constitute about 70% of the total stretch. Works are in progress in about 10 km length. DBM has been laid in about 2.3 km length. Structural works are in progress on 3 major bridges, 21 slab culverts and 2 box culverts. None of the structures have been completed. The overall physical progress of works in this package is 8.8% as against the targeted progress of 44.8% as per the work program. The contractor has received 5% of the contract price as mobilization advance and six IPCs for the work done.

The contractor has mobilized most of the machinery but these are all located at one end of the stretch, near Jahu. This is causing huge delays in material transfer to the worksites and has increased the dead mileage. Quality of works is also likely to suffer if this positioning of plant is continued because of the time lost in delivering concrete and bituminous mixes to the worksites. The contractor agreed to explore, with the help of HPRIDC and consultants, various alternate plant sites closer to the middle of the stretch and position additional equipment there.

Mix design for BC need to be carried out and approved. Since the project has a number of structures for construction with about forty five percent of the contract price attributed to the structures and drains, the contractor needs to develop separate work programs for the critical structures and take immediate steps to accelerate the works on them. The contractor's manpower is grossly inadequate as can be seen from the poorly progressing structures. Since the project scope consists of construction of about 20 km of V drain and 5 km of covered drain, and the contractor plans to cast them in-situ. The mission cautioned that it is possible only if the contractor can deploy sufficient gangs of labor for construction of drains. Slow progress of structural works has resulted into non-availability of long stretches for construction of pavement layers. The quality of DBM and BC also will suffer if works are not carried out in long continuous stretches.

Contractor should expedite the structural works by significantly enhancing manpower; prepare the working drawings for superstructure of bridges; immediately procure pipes for culverts; complete the survey works; grade the plant area for proper drainage; and improve safety measures at construction zones. The contractor should not frequently change the project manager and other key personnel as this is

hampering the planning and progress of works. The contractor should have an approved work program for effective planning, resource mobilization, execution of works, and monitoring of the progress.

Contract Package 4: Jahu-Kalkhar Road; Contractor: ANS Construction Limited: The works in this Rs. 335 million contract package have commenced on 8 August 2008. In this 15.39 km-long road, the scope of work includes widening to standard intermediate lane configuration in the entire length. 13 slab culverts, 33 pipe culverts and 20 box culverts also have to be constructed. The works are divided into 2 milestones with 2.76 km and 12.63 km length covered in milestones 1 and 2 respectively. As per contract agreement, both milestones 1 and 2 have to be completed by 10 Feb 2010.

For delays in handing over of encumbrance-free site, the contractor has requested for Extension of Time and the Engineer is finalizing their recommendations. Land acquisition, cutting of trees and shifting of utilities such as water pipelines, hand pumps, electric poles and transformers are in progress. The contractor has mobilized the resources and working on the encumbrance-free stretches which constitute about 70% of the total stretch. The contractor has not mobilized the WMM plant, crusher and Hot Mix Plant but is depending on contractor for Package 3 for supply of material. The contractor mobilized excavators and tippers and working on retaining walls, culverts and formation cutting. The contractor has established a small laboratory and depending upon laboratory for package 3.

The contractor is working in about 6 km stretch. Almost 50% of the stretch requires forest clearance which needs to be expedited. The overall physical progress of works in this package is 7.2% as against the targeted progress of 63% as per the work program. In view of the Extension of Time proposal, the revised work program needs to be prepared and approved.

Formation cutting has to be started in the stretches in which works have not been started. The contractor should expedite the structural works by significantly enhancing manpower. The contractor should significantly increase the progress of works by working in several fronts and start constructing pavement layers. The contractor should have an approved work program for effective planning, resource mobilization, execution of works, and monitoring of the progress.

Contract Package 5: Theog-Kotkhai-Rohru Road; Contractor: Longjian Road and Bridge Limited Company: The works on this Rs. 2283 million contract package have commenced on 5 June 2008. In this 80.68 km-long road, the scope of work includes widening of existing highway to standard two lane configuration in the entire length. The project also has several structures. 15 minor bridges, 44 slab culverts, 81 pipe culverts and 189 box culverts have to be constructed. The works are divided into 4 milestones with 25 km, 22.684 km, 13 km and 20 km length covered in milestones 1, 2, 3 and 4 respectively. As per contract agreement, milestones 1, 2, 3 and 4 have to be completed by 5 Sep 2010, 5 Dec 2010, 5 Mar 2010 and 5 Sep 2009 respectively. For delays in handing over of encumbrance-free site, the contractor requested for Extension of Time and the Engineer is finalizing their recommendations. Land acquisition, cutting of trees and shifting of utilities such as water pipelines, hand pumps, electric poles and transformers are in progress. After long initial delays, the contractor had mobilized the resources and started working on encumbrance-free stretches. Now, the works are at a standstill since the last three months. These contracts were suffering from poor mobilization of financial resources into the project by the contractor. The contractor's PM is not at site since May 2009. In September 2009, the contractor's foreign personnel demobilized from the site because of lack of working visas. These personnel have not returned to the project site citing non-issuance of visas to them. To facilitate issue of visas and return of these personnel, GoHP had issued recommendation letters to them in February and August 2009. However, since the last three months, there seems to be lack of communication as some of the letters of the Engineer and HPRIDC have not been responded / replied to by the contractor.

Earth works have progressed in about 17 km length in several discontinuous sections. Structural works have not progressed much. Retaining walls at few locations and 3 box culverts have only completed. The overall physical progress of works in this package is 4.7% as against the targeted progress of 41.4% as per the work program. The contractor has received 5% of the contract price as mobilization advance and three IPCs for the work done. Some IPCs, which have been raised by the contractor after demobilization of their foreign personnel, have not been paid by the HPRIDC. The contractor has installed the hot mix plant but erection of WMM plant and crusher has not started. Mix designs for WMM, DBM and BC need to be carried out. The contractor has identified some quarry sites for the aggregates but permission for access to these is still to be obtained.

Since the project has a number of structures for construction with thirty percent of the contract price attributed to the structures and drains, the contractor needs to develop separate work programs for the critical structures and take immediate steps to start the works on them. Non-mobilization of required financial resources by the contractor which has hampered progress of works till the foreign personnel were demobilized should be overcome. The completed pavement layers need rectification before any further works are taken up. The stretches where construction has been taken up and stalled have become unsafe for traffic movement. Due to lack of maintenance for the past several months, potholes have developed and these are causing inconvenience and are hazard for traffic movement.

Annex 7

Detailed Mission Comments on Maintenance Works

The mission visited three contracts under Tranche II of periodic maintenance. These roads are (i) Sawarghat – Naina Devi Road, (ii) Hamirpur-Sujjanpur Road, and (iii) Sujjanpur-Allampur Road. Maintenance works on Tranche II roads are at various stages of progress.

Deficiencies in DPRs: The mission noted that in many cases the estimates have not considered construction of ‘kutchha’ (earth)/concrete drains along the hillsides and connecting them to the cross drainage structures. This issue had been raised in earlier missions also. It is recommended that the PIU issues orders to all the concerned zones to ask their engineers supervising the works to assess the need and quantity of works for these drains and issue variation orders to the contractors for constructing these before the bituminous works are undertaken. In addition, before start of works for future tranches, the PWD/CMU engineers should make visit of the road to critically assess the requirements of drains, breast walls, retaining walls, bituminous courses and bio-engineering works.

Sequencing of works by the contractors: The contractors should construct the shoulders simultaneously while laying the bituminous surface. The other civil works also need to be expedited and constructed in the stretches ahead of bituminous courses.

Quality of construction: The quality of works was generally found to be satisfactory.

Quality Control by the PWD: The technical auditors (TA) appointed during the construction of Tranche I roads for checking the quality of works and training the PWD staff, have completed their assignment and the works of Tranche II are audited by an independent cell created in the PIU for quality control. The cell is mandated to check 10 percent of different stages of works on all roads taken up under the periodic maintenance works under the project. The HPRIDC should ensure that these checks are carried out on regular basis.

Delays in Payments: HPRIDC should ensure that there are no huge differences between the physical and financial progress of the contracts.

Critical issues identified include (a) improper placement of weep holes in some of the retaining structures; (b) need for protection of slopes at the edges of the cross-drainage structures; (c) need to have provisions in the contract agreements for construction of drains and breast walls/gabions in all stretches where they are required; and (d) need for early completion of road safety items.

Annex 8

Detailed Discussions on Social Issues and Agreed Actions

The Impact: The project altogether is affecting 1718 households of which 1108 are titleholders and 610 are non titleholders. The project is also affecting 170 common property resources. The project needs to acquire 160.08 ha of land from 378 villages for the purpose of road widening and strengthening of which 60.80 ha is private land. The table below provides the detail of package wise impact:

Packages	Number of Affected Households				CPRs
	Titleholders	Encroachers	Squatters	Tenants	
I	250	59	0	131	9
II	383	6	3	89	18
III	259	52	2	72	22
IV	19	0	0	0	3
V	41	4	1	30	27
VI	61	26	3	44	35
VII	19	14	4	12	19
VIII	1	5	0	0	7
IX	0	4	0	1	4
X	75	13	1	15	26
Total	1108	183	14	394	170

1. **Land and Structure Acquisition:** The project has made substantial progress in land acquisition. The project needs to acquire 113.51 ha of land for the purpose of road widening and strengthening phase I roads of which 47.19 ha is private land. The land is to be acquired in 218 villages of which negotiation has been completed for 215 villages and compensation has been disbursed in 157 villages. Negotiation has failed in 3 villages and land will be acquired through LA Act. Notice under section 6 of LA Act has been issued for all the three villages. The compensation for the remaining villages where award has been announced will be disbursed by December 30 and for balance villages where negotiation has been completed (23 villages) compensation will be disbursed by January 15, 2009. The land acquisition in phase II has also gained momentum. In phase II, project requires 45.5706 ha of land of which 13.6069 ha is private land to be acquired from 160 villages. Out of total 160 villages, negotiation has been completed for 81 villages and award has been announced for 19 villages. However, no disbursement has been made so far. The LA process will be completed by March 2010. The table below provides the details of land acquisition for phase I roads:

Package	Total Number of villages	Negotiation Completed (# of Villages)	Award Announced (# of villages)	Disbursement Made (# of villages)
I	35	33	32	29
II	54	54	54	34
III	59	58	51	46
IV	11	11	11	11
V	59	59	44	37
Total	218	215	192	157

2. **Structure Compensation:** The disbursement of compensation for structures is extremely slow. RIDC has identified 1078 residential and commercial structures within the Corridor of Impact of phase I roads. Out of 1078, valuation has been completed for 1007 structures but only 54 structure owners have received the compensation. It was agreed that compensation for structures will be disbursed by January

31, 2010. The identification of structures for phase II will be completed by December 31, 2009 and valuation will be completed by January 31, 2010. The disbursement of compensation for structures of phase II will be completed by April 30, 2010.

3. **Disbursement of R&R assistance:** The disbursement of R&R assistance is also extremely slow. Though micro plans have been submitted, the disbursement process has not started as yet. It was agreed that all disbursement will be completed by May 30, 2010 for both the phases.

4. **Preparation of micro plan and other R&R activities:** The NGO has already submitted the micro plans for both titleholders and non titleholders for five packages namely, I, II, IV, V and IX. It was agreed that micro plans will be approved by the RIDC within 30 days from the date of DLC approval. The micro plans for rest of the packages will be submitted by December 30, 2009 for structures and by January 15, 2010 for land. The need assessment survey for income restoration will also be completed by January 31, 2010. It was agreed that CMU will verify the micro plans on sample basis and before the DLC. Post DLC, CMU will forward the final micro plan to the office of Project Director. It was also agreed that NGO will not repeat the valuation exercise. The fresh valuation will be carried out only for the left out cases or if NGO finds any discrepancy in area calculation during verification. The cost deducted as the depreciated value will be given as R&R assistance to meet the replacement value of the structure. The micro plan should have a copy of BPL certificate or ration card as proof for BPL families and rent receipt or affidavit signed by village Pradhan for tenants. It was agreed that no proof is required for squatters and encroachers.

5. The table below provides the status of compliance of the agreed actions during the last mission.

Agreed Action	Status
Coordinate with revenue officials to complete pending LA of phase I	Effective coordination with LAOs and substantial progress made in land acquisition
Investigate and suspend civil works on the private land not acquired	Mission visited both the sites and noted that road construction has been restricted to available ROW inc C 1 and PAP has been paid in C4.
Appoint full time SDO at RIDC head quarter	Appointed. However, the position of SDO is not required as (i) LA has made substantial progress; (ii) ground marking of COI and JMS has also been completed for phase II; and (iii) CMU is verifying the micro plans vis-à-vis R&R Policy.
Hire NGO to implement RAP	NGO hired and mobilized. NGO has already submitted micro plans for 5 packages and micro plans of rest 5 packages will be submitted by January 15, 2010.
Prepare guideline for disbursement of R&R assistance	Has been prepared
Complete the joint measurement survey of land records of both phase I as well as phase II roads	JMS completed for the entire length. LA is in advanced stage for phase II roads.

Annex 9

Detailed Discussions on Environment Issues and Agreed Actions

The mission held detailed discussions with construction supervision consultant (CSC) and officials from RIDC and CMUs and focused on the review to ascertain the status and progress on actions agreed during the last mission (April 2009). As a part of this exercise, the mission reviewed the following: (a) forest clearances for Phase I and II up-grading works; (b) regulatory clearances/permissions for Phase I works (such as those for establishment and operation of camps, plants and borrow areas) and; (c) mobilization and functioning of environmental officers in the contractors, CSC and RIDC project teams. The adequacy and quality of EMP implementation in the upgrading works and periodic maintenance component of the project was also assessed. Additionally, the mission reviewed the following: (a) pre-construction activities, particularly tree cutting and relocation of water sources like hand-pumps; (b) bio-engineering and; (c) disclosure of documents pertaining to Phase II upgrading works.

The over-all environment management for both upgrading works and periodic maintenance component of the project is being rated '*satisfactory*'. Improvement has been noted with regard to EMP implementation in both the work components and most of the actions agreed during April 2009 mission have been completed. This includes: (a) mobilization of Environment and Safety Officers by the Contractors in the on-going Phase I upgrading works; (b) deployment of Nodal Environment Officer by RIDC; (c) obtaining of required regulatory clearances/permissions for all operational camp and plant sites; (d) substantial progress with regard to obtaining of forest clearances for contract 4 and 5; (e) completion of one round of training on bio-engineering and; (f) improvement in EMP compliance in contract 4. The following text provides the details on status, issues identified and key agreements reached during the mission.

The mission also identified actions that would be required to enable smooth EMP implementation in the coming six months in line with proposed/planned civil work activities to help RIDC in maintaining a 'satisfactory rating' for EMP implementation on the project. Certain key actions need to be closely monitored and completed by the next mission. These include: (a) strengthening enforcement of worksite safety management measures (including road maintenance, signage and delineation) in all Phase I contracts; (b) ensure full time availability of CSC's Environment Officer; (c) obtain clearance for all outstanding forest land diversion cases for Phase I upgrading works (particularly in contract 5 where some additional requirement of 2.71 hac has been identified) and; (d) make substantial progress with regard to obtaining forest clearances for Phase II works.

A. Periodic Maintenance Works

RIDC and HPPWD have pursued and taken action on the observations made by the Bank during the last mission. The following actions will further help in improving the outcomes expected from this component:

- (a) Include all required (as per site conditions) drainage provisions works in the DPRs itself.
- (b) Strengthen protection work (such as breast walls) provisions in line with site requirements.
- (c) Provide for required protection measure/s near cross drainage works.

The execution of plantation and bio-engineering (BE) works are being carried out under supervision of PWD's horticulture wing staff. Such works have been largely completed along Tranche I roads and the RIDC and the Horticulture Wing Staff of HPPWD have collated some preliminary data in this regard, which was shared with the mission. As per the available data, more than 25,000 saplings have been planted along Tranche I roads for slope protection over two seasons with a survival rate of about 70 percent. It was agreed that the staff of Horticulture Wing will continue to monitor the survival rate and update data records, which will be shared with the Bank during mission visits. Likewise, plantation and BE works have been initiated along some Tranche II roads for which data collation has just been initiated.

B. Up-grading Works (Phase I)

The five packages of Phase 1 upgrading works, which have commenced 15-18 months back, are still in the initial stage of construction. The physical progress ranges from 4.7% to 15.9% only. Contracts 1 and 5 are at a standstill since the last three months. And since there has not been much movement on the physical progress front, the mission focused on reviewing the progress on actions that were agreed during the last mission and identified areas of actions that would be required over the next six months.

As a part of EMP implementation review exercise, the mission particularly reviewed the status and progress of activities such as: (i) camp and plant establishment (including obtaining of necessary regulatory permissions); (b) borrow area identification and operation (including the process of obtaining consents from the land owners and the local authorities for the same) and; (c) identification of debris disposal sites, actual disposal of debris and site rehabilitation (where the site has been exhausted/disposal completed).

Other environmental management measures that have been/are being implemented on Phase I upgrading works include provision of STP (with carbon filter); provision of first aid and emergency response arrangements (including publication and distribution of pocket diaries on safety and mock drills such as in contract 2) ; creation of platforms for bitumen drum storage; provision of proper sanitation arrangements; pollution monitoring (during the construction stage); efforts towards top soil preservation (such as in contract 2) and; dust control arrangements.). The mission expressed satisfaction about the process being adopted in the field and documentation that is being maintained with regard to the various environmental aspects listed above.

Also, Environment and safety officers (ESO) have been identified and mobilized on all five contracts by the contractors. However, the ESO on contract 1 has been demobilized recently due to civil works being on a standstill and visa related issues that are being countered on this contract (main text of the aide memoire provides more specific details). It was agreed that the following actions will be taken to further strengthen EMP implementation on upgrading works:

- a. Ensure worksite safety (including traffic safety and dust control measures) on contracts 1 and 5, where work lies suspended for nearly three months now.
- b. Enforce (with zero tolerance) traffic safety measures on all contracts as per the contractual provisions.
- c. Confirm through a specific written note the additional mitigation and management measures that have been taken at camp and plant site locations of contracts 1 and 3 to safeguard environment.
- d. Improvement in planning and scheduling of civil works, particularly in contract 5, to reduce inconvenience to local residents and minimize safety concerns associated with dispersed, unplanned and improperly managed worksites.

Apart from the issues stated above, mobilization and deployment of a full time Environment Officer (EO) by CSC is an issue that has been pending for a long time and needs to be addressed urgently. One EO has been mobilized after the last mission visit but on a part time basis. This activity has become critical now as the contracts have been in existence for 15 to 18 months now but satisfactory arrangement on this front has not been worked out till date.

There is a need for having more number of EOs (on a full time basis) within the CSC team to enable regular supervision, monitoring and reporting on the implementation of EMPs on all ten upgrading contracts under Phase I (on-going) and Phase II (starting now). The mission had discussed this matter with the Secretary, PWD and RIDC officials during the last two missions and a solution was expected by the end of second quarter this year. However, this remains pending till date. RIDC informed that the

proposal on man-month requirements/rationalization (for all positions) of the CSC is under consideration and a final decision (considering man-month requirements of the EO/s as well) is now expected by February 28, 2010.

C. Bio-engineering

The revised drafts of bio-engineering reports for Phase I and II have been reviewed by the Horticulture Wing, PWD and the final versions have been recently shared with the Bank. These reports will be disclosed as per Bank's disclosure policy and as agreed during project preparation. Additionally, the following activities have been completed/undertaken by RIDC and Nodal Bio-engineering Officer since the last mission:

- a. Training of staff from horticulture wing and PWD's field divisions – completed in July 2009.
- b. Finalization of two documents – Specifications for Bio-engineering and Nursery Manual - completed in September 2009.
- c. Plantation and BE works for all Tranche 1 roads - nearing completion
- d. Initiation of BE works on Tranche 2 roads under periodic maintenance component – preparation initiation.

The mission had detailed discussions with the Bio-engineering Specialist of the CSC during the last mission. A report on site findings (including the preparatory activities required to initiate BE works) has been prepared and shared with RIDC and the Bank. Based on the plans and assessments carried out under the project, BE works should be initiated (to begin with, some pilots can be taken-up in stretches where road works have been completed) along Phase I upgrading works in the coming season.

D. Institutional Arrangements

As part of the agreement reached during the last mission, the RIDC has designated a Nodal Environment Officer to facilitate co-ordination with field staff and ensure timely delivery and monitoring of various environmental activities on the project. The mission recommended exposure visit/s for the Nodal EO on other similar projects, which will help strengthening technical knowledge and management capacity to take on the challenges that project like HPSRP offer.

E. Regulatory Clearances

The required clearances for diversion of forest land and cutting of trees on 'forest' and 'other than forest land' have been obtained for contracts 1 (15.11 hac.), 2 (12.09 hac) and 3 (2.94 hac). In contract 4, in-principle clearance for diverting forest land has been obtained for all of 1.73 hac that is required for the project. In case of contract 5, the clearance process for diverting forest land has been completed for 15.94 hac. An additional requirement for diverting 2.71 hac has been identified recently (missed out during the previous joint survey), for which the case is in advanced stages. The mission reiterated that no work should be undertaken in the concerned stretch till the requisite clearance is obtained by RIDC. It was agreed that the outstanding cases/activities for contracts 4 and 5, which are rigorously being followed-up by the RIDC, will be completed by March 31, 2010.

Permission for felling of trees on private land can be undertaken only after acquisition and mutation of such land in PWD's land. RIDC and the concerned CMUs are applying for clearances on a case-specific basis (village-wise) – such cases are progressing alongside the land acquisition process itself and the CMUs are pursuing it closely. Complete details can be referred in Annex 15.

Another issue regarding ban on cutting of 'khair' trees was brought to the notice of the mission during April 2009. The issue has been resolved now and tree recorded in contract 3 (84 nos.) have been cut.

The HPRIDC (after seeking clarification from MoEF/DoEF/SPCB) has confirmed that 'environmental clearance' will not be required for Phase II project roads. The relevant communication was shared with the Bank during the mission.

F. Disclosure of Documents

All final/updated versions of Phase II reports (finalized after incorporating comments from Bank, Independent EA consultant and stakeholders), including the EA, EMPs, Biodiversity, Bio-engineering and Independent EA Review Report have been uploaded on the RIDC website. Executive Summary (of the updated version) translated in Hindi will also be disclosed as per the project agreement.

Annex 10

Procurement Aspects

Procurement

The following observations and recommendations are based on a procurement support mission carried out in August 2009 and the progress on various contracting and procurement activities being undertaken by the project since then. There are visible improvements in procurement situation and administration in PMU after taking over by the new Project Director and an Executive Engineer in the procurement cell. It was agreed with the GoHP that all necessary steps would be taken to improve the situation further.

Following was discussed with the GoHP during the mission:

(1) Procurement Team and Procurement Decision Making:

- a. Mission thanked the HPRIDC has strengthened the Procurement Team by appointing an Executive Engineer as head of procurement cell and effecting improvements in speed of procurement decision making. The mission was informed that*
- (i) All Personnel of Procurement wing are in place except one GE for which request have been sent to Engineer-in-Chief, HPPWD.*
 - (ii) The contract management team has been strengthened (EE, AE, GE)*
 - (iii) It was assured that the team members of procurement cell and contract management team will have tenure matching with project completion or completion of their role in the project and transfers of these officials will be avoided*
 - (iv) 3 Officials dealing with procurement have received procurement training and 4 more are proposed to be attend the said training during 2009-10*

(2) Improving the performance on processing of the matters relating to procurement

- a. HPRIDC has made efforts to make improvements and have agreed to further work on the same to meet professional business standard. In this connection the mission was informed the following:*
- (i) Civil works contract packages, ICB-7 & NCB-9 were evaluated within 80 days which is substantial improvement on speed of earlier evaluations which took about 100-130 days.*
 - (ii) Clear cut recommendations were sent to the World Bank for seeking No objection following procurement guidelines of the Bank. Efforts are being made for further reduction of time required for evaluation*
 - (iii) HPRIDC is generally responding to the queries from the Bank with in about 5 working days*
 - (iv) HPRIDC advised that issuing of Letter of authorization after receipt of no-objection for BER from Bank, may require about 20 days (as against 10 days agreed in the mission of April/May 2009) they obtain the clearance for the lowest, evaluated, responsive, qualified bid from HP Cabinet. The issue was further discussed and it was agreed that 15 days would be adequate for the GoHP to obtain the cabinet clearance*

(3) Improving the procurement, contracting environment and competition:

- a. The mission was informed that HPRIDC has made following efforts*
- (i) 2 nos. Pre bid meetings were conducted for ICB-7 & 10 and NCB-9 civil works contract packages and there was good competition and 7, 6 and 4 numbers bids respectively were received in these cases*

- (ii) A workshop was conducted in November 2009 before launch of PBMC packages.
- (iii) The works are designed based on the actual field tests (such as soil test) and data, BOQ & Cost Estimate as prepared and updated till one month before the date of issue of bid document by Design Consultant. These documents are reviewed by officers of HPRIDC upto rank of CE-cum-PD for the recently bid packages and similar practice will be followed for future bids
- (iv) Price adjustment clauses in the bid documents have been included in the aforementioned recent bidding
- (v) A contracting industry workshop (to familiarize them with the contract provisions under the Bank funded projects) is proposed for upcoming civil works contracting opportunities

As way forward, a summary of recommendations of the workshop should be prepared and submit from the PD HPSRP. For wider dissemination of this relatively new concept in India to we would recommend replicating the workshop of contracting industry in Delhi and Chandigarh as well to potentially increase the participation of contractors in this form of contracting in HP.

(4) Streamline the Procurement Process and Contract Management

a. The HPRIDC informed the mission is being done and following actions have been taken:

- (i) Project review meetings are being done at GoHP level headed by Chief Secretary/Principal Secretary (PW) with a frequency of once in a month
- (ii) Monthly meeting with Construction Supervision Consultants, CMUs and Contractors are being held on 12th of every month
- (iii) A coordination committee has been formed for pursuing the case with forest department clearance and issues are reviewed fortnightly. Committees have also been formed in HPSEB and IPH during the month of April, 2009 by the Govt. for monitoring shifting of utilities. NGO has been appointed and SDO has been re-deployed. Disbursement of R&R will likely be done in next quarter
- (iv) Monthly review meetings at level of CE-cum-PD and Management meetings for the awarded Packages are also conducted at the level of Principal Secretary (PW) and CE-cum-PD
- (v) The Post Review for the contracts awarded during 2008-09 will be done by PMU and necessary report will be sent by October 15, 2009. To further enhance the quality, the prior review (of the contracts not included in prior review of the Bank) for two packages by HPRIDC for each zone for the year 2009-10 will be ensured

The mission advised to take further management meetings and other appropriate steps in consultation with CSC and legal advisors of HPRIDC to ensure better project management and speedier implementation as the project was falling way short on the achievement of targets as per schedule of project implementation especially under the large civil works contracts.

(5) Disclosure Requirements for Procurement Information to Public and to all Bidders:

a. The HPRIDC informed the mission that

- (i) The disclosure norms will be adhered to and HPRIDC has followed the same in case of recently bid out packages. The award of these works will be publicly disclosed on the website of HPRIDC and informed to the bidders as per norms
- (ii) A panel of professionals will be prepared by October 15, 2009 for being appointed as adjudicators

- (iii) Executive Engineer (CM) is designated as Public Information Officer. Mechanism of complaint handling will be finalized and loaded on website and notice boards of HPRIDC/ HPPWD, so that complaint if any could be addressed.

(6) *HPRIDC updated the mission on the following:*

- (i) The current procurement plan for the period July 2009-June 2010 for Works, Goods and Services including consultancies is updated and will be sent to the Bank for No-Objection
- (ii) The response on the Post review report for contracts awarded during year 2006-07, as provided by HPRIDC, was in process of completion. HPRIDC assured to complete and send to the Bank
- (iii) On issue of retaining 1% as stipulated under clause 6.4 (b) of the Special conditions of contract in the consultancy contract for the Construction Supervision Consultant, the HPRIDC updated on current status and since the present replacements of key personnel are for 4 nos. only, there is no impact. The HPRIDC will periodically (every quarter) inform the Bank on the impact of this penal clause.

(7) *Independent Procurement Evaluation System:*

- a. HPRIDC requested the mission that due to the actions taken resulting in improvement in procurement situation, the earlier recommendation of the Bank mission to adapt an Independent Procurement Evaluation System may be reviewed and dropped. Since there are visible signs of improvement in the procurement situation under the project, the mission agreed to drop the above recommendation.
- b. Mission advised HPRIDC to work on further improvement on procurement situation, especially on completing the remaining procurement of large civil works, maintaining the agreed service standards, conducting contracting industry conference on PBMC civil contracts and operationalising the complaint handing mechanism and responding to post review comments for the contracts awarded during July 2007- June 08.

Annex 11

Financial Management Issues and Actions

Disbursements: Disbursement as on November 27, 2009 is USD 24.37 million which represents 11.08% of the loan of USD 220 million. Due to slow progress against earlier forecast, and delays in submission of claims, disbursement data has not shown any change since the last mission.

Financial Management Manual (FMM): The FMM which was prepared as part of the Operational Manual needs to be updated to incorporate certain changes which have come about as a result of implementation experience on the Project. It was agreed that a revised version of the FMM, incorporating the following changes, will be sent to the Bank by end December 2009 (a) Land Acquisition – new arrangements for transfer of funds to Land Acquisition Officer (LAO) through HPRIDC, monitoring of receipt of Utilization Certificates from the LAO, analysis of outstanding UCs/ ageing; (b) Resettlement and Rehabilitation payments – documentation and reporting obligations of the Contract Management Unit; (c) inclusion of Interim Unaudited Financial Reports (IUFRs) formats; (d) disclosure requirements of HPRIDC for IUFRs, Internal Audit Reports and External Audit Reports.

It was agreed that the Revised FMM be sent to the Bank by end December 2009.

External Audit: Earlier, land compensation to the LAO was paid by the Public Works Department (PWD). Since the PWD is audited by the Comptroller and Auditor General (C&AG) of India, it was a project requirement that a copy of the 'State Finance Accounts' duly certified by the C&AG be forwarded to the Bank every year. This is overdue for FY 08 – 09 and needs to be sent to the Bank at the earliest. However if the revised arrangements for payment of land compensation continue, then the project would not be obliged to provide this document to the Bank (FY 09 – 10 onwards) since the same will now be audited by the Statutory Auditors of HPRIDC.

The State Finance Accounts be sent to the Bank at the earliest.

Training on Financial Management (FM) aspects: In the past few months, FM training was conducted in Mandi and Shimla covering accounts staff, contractors. Two more training sessions are planned to be delivered in Mandi and Dharamshala. This tempo needs to be maintained and increased to ensure that project participants are well aware of the FM requirements and documentation/ reporting obligations.

Internal Audit: Auditor selection process for FY 09 – 10 is underway. The revised Terms of Reference have been reviewed and approved by the Bank during the mission. Expressions of Interest (EOIs) have been received from a large number of firms. Based on a defined² criterion, a shortlist will be prepared by HPRIDC and sent to the Bank for its approval by December 10, 2009. Auditors are expected to be hired by end December 2009, this needs to be completed at the earliest since the hiring has already been significantly delayed.

A concern raised by the previous mission (action taken on audit findings) has been satisfactorily resolved. The Action Taken Report is tabled at periodic Board Meetings and corrective action agreed upon/ relevant directives given. For example the Board has recommended blacklisting of a firm that submitted fake bank guarantees, it is also monitoring levy/ recovery of liquidation damages, etc.

² This evaluates firm turnover, number of partners and relevant experience.

It was agreed that Internal Auditors shortlist sent to the Bank by December 10 and hired by December 31, 2009.

Others

- Payments - all payments are now being made under joint signatures of two responsible officers of HPRIDC.
- The GM Finance of HPRIDC has now been made a part of the bid evaluation committee for the core network maintenance and management contracts
- Payment processing as per the existing systems is considered satisfactory as of now

Status of Upgrading Works

Phase-I- Total Packages = 5 Nos.			Total length= 231.69 km	
Contract Package No.	Length (Km)	Contract amount Rs. in crores	Date of commencement/ Intended Completion Date	Present Status ending November, 2009
1	2	3	4	5
Package-1 (ICB) Mehatpur-Una-Amb Road Km 5.600 to Km 50.423.	44.82	126.50	08-05-2008 / 07-11-2010	• Earth work achieved =14.160 Km;
				• Sub Grade achieved =8.180 Km;
				• GSB achieved =5.770 Km;
				• Box Culvert = 12 Nos., in progress.
				• Minor Bridge = 1 No. in progress.
Package -2 (ICB) Una Barsar Km 0.000 to Km 45.000	45.00	98.84	14-05-2008 / 13-11-2010	• Major Bridge =3 No. in progress.
				• Earth work achieved =16.890 Km;
				• Sub Grade achieved =14.360 Km;
				• GSB achieved =12.450 Km;
				• WMM achieved =11.070 Km,
				• Slab Culvert = 6 Nos. completed; 4 Nos. in progress.
				• Box Culvert = 4 Nos. completed; 3 Nos. in progress.
• Pipe Culvert = 6 Nos. completed; 2 Nos. in progress.				
				• Major Bridge = 1 No. in progress.

				<ul style="list-style-type: none"> • Minor Bridge= 5 No. in progress
Package-3 (ICB) Barsar Jahu Km 45.00 to Km 90.800	45.80	103.94	14-05-2008 / 13-02-2011	<ul style="list-style-type: none"> • Earth work achieved =5.580 Km;
				<ul style="list-style-type: none"> • Sub Grade achieved =5.970 Km;
				<ul style="list-style-type: none"> • GSB achieved =5.220 Km;
				<ul style="list-style-type: none"> • WMM achieved =3.110 Km,
				<ul style="list-style-type: none"> • DBM achieved = 2.480 Km,
				<ul style="list-style-type: none"> • Slab Culvert = 21 Nos. in progress.
				<ul style="list-style-type: none"> • Box Culvert = 2 Nos. in progress.
				<ul style="list-style-type: none"> • Major Bridge = 3Nos. in progress.
Package-4 (NCB) Jahu –Kalkhar Km 93.440 to Km 108.830	15.39	33.50	10-08-2008 / 09-02-2010	<ul style="list-style-type: none"> • Earth work achieved =2.230 Km;
				<ul style="list-style-type: none"> • Sub Grade achieved = 0.450 Km;
				<ul style="list-style-type: none"> • Pipe Culvert = 6 Nos. in progress.
				<ul style="list-style-type: none"> • Retaining walls = 26 Nos. in aggregate length of 575.25 m in progress
Package-5 (ICB) Theog- Kotkhai- Rohru Km 0.000 to Km 80.680	80.68	228.26	05-06-2008 / 04-06-2011	<ul style="list-style-type: none"> • Excavation achieved = 19.290 Km;
				<ul style="list-style-type: none"> • Sub Grade achieved =2.05 Km;
				<ul style="list-style-type: none"> • Box Culvert =3Nos. completed; 1 No. in progress.
				<ul style="list-style-type: none"> • Minor Bridge= 1No. in progress
TOTAL	231.69			

Phase-II- Total Packages = 5 Nos. Total length= 203 Kms.				
Package No.	Length (Km)	Estimated Cost / Contract price of Civil works (Rs. in Crores)	Contract Completion period (months)	Present Status
1	2	3	4	5
Package –6 (ICB) Sarkaghat-Ghumarwin Km 61.420 to Km 103.370.	41.95	92.81	30	Bank's No Objection for re-bidding of Package ICB 6 was issued on Dec 16, 2009.
Package –7 (ICB) Ranital-Kotla Km 0.00 to km 39.17	39.17	46.22 Revised Cost= 55.20/ 62.67	18	Notification of Award issued vide letter No. PW-SRP/RIDC/Procurement-ICB-7/2009-4461 dated October 14, 2009. Final Contract Agreement will be signed on December 11, 2009.
Package –8 (ICB) Kumarhatti-Sarahan-Nahan Km 0.300 to Km 72.035	71.74	106.20 / 142.22	33	Notification of Award issued vide letter No. PW-SRP/RIDC/Procurement-ICB-8/2008-2023 dated June 25, 2009. Final Contract Agreement signed on October 14, 2009.
Package –9 (NCB) Draman-Sihunta Km 0.00 to km 24.00	24.00	32.09 Revised Cost= 37.65/ 43.02	18	Notification of Award issued vide letter No. PW-SRP/RIDC/Procurement-NCB-9/2009-3665 dated September 11, 2009. The Final Contract Agreement has been signed on November 20, 2009.
Package –10 (ICB) Bhawarna-Lambagaon Km 0.00 to km 26.280	26.28	41.05 Revised Cost= 50.28/ 56.07	21	Notification of Award issued vide letter No. PW-SRP/RIDC/Procurement-ICB-10/2009-4460 dated October 14, 2009. Final Contract Agreement will be signed on December 11, 2009.
TOTAL	203.14	342.14/ 303.98+92.81=396.79		

Annex 13

Status of Maintenance Works (Tranche I, II and III)

Periodic Maintenance Works						
No. of Packages	Total length (in km)	Total Cost (in INR Million)	Status of DPR	Procurement Status	Status of Work	Remarks
1	2	3	4	5	6	7
<i>Tranche-I</i>						
25 Nos. (3 No. IFBs)	532	452	Completed	All works awarded	Total scope of 511.00 Km. of PMC has been completed	All works have been completed
<i>Tranche-II</i>						
27 Nos. (3 No. IFBs) NZ- 10 Nos. SZ- 11 Nos. SZ- 6 Nos. <hr/> Total -27 Nos. Roads & 28 No. packages	515	740	Completed	All works awarded except one which is held up due to Court Case	Out of total 485.233 Km. provision of Pre Mix Carpet 272.000 Km. has been completed -	NZ - 10 No. works Awarded. CZ - 10 No. works Awarded. SZ- 6 No. works Awarded One work is held up due to Court Stay
<i>Tranche-III</i>						
21 Nos.(Two number dropped because of inclusion in some other programme)	418.940	607.654	18 DPR's have been checked one under process	IFB issued for 18 No. packages	-	IFB issued for 18 No. packages

Annex 14

Status of Consultancy Services

Name of Consultancy Services	Status
1. Construction Supervision for upgrading works	Construction Supervision Consultant is rendering services.
2. ISO 9001: 2000 Quality Assurance System (QMS) and ISO 14001:2004 Environmental Management System (EMS) Implementation	Consultant is in position and rendering services .The Contract has been extended upto March 24, 2010 (for five months) on account of revision in ISO 9001:2008 Quality Assurance System (QMS)
3. Consultancy Services for Tunnels in Shimla and other parts of State.	Detailed Project Report (DPR) completed.
4. Proof Review of Design of Tunnels in Shimla & other parts of the State under Himachal Pradesh State Roads Project.	Final Contract signed on August 25, 2009 and consultant is rendering services.
5. Road Sector Finance Study	The study has been completed. The recommendations of the Study to set-up a 'Road Fund' is under active consideration of the Government.
6. Road User Satisfaction Survey	The Road User Satisfaction Survey has been completed. The procurement for RUSS at mid-term needs to be initiated.
7. Force account Productivity Study	This study stands completed and recommendation forwarded to the Government.
8. Periodic survey for traffic and road asset monitoring on the core-road network.	Revised RFP is being finalized.
9. Consultancy Services for Detailed Design of (Phase-I & II) upgrading works	Consultant has submitted Detailed Project Report (DPR) and Bid Documents including EIA/EMP and RAP for all Packages.
10. Consultancy Services for Implementation of RAP by NGO	New NGO CRADLE engaged on dated July 17, 2009 for completion of remaining part of Services.
11. Consultancy Services for ICT	Not to be procured under HPSRP. This service is being procured by HPPWD through NIC.
12. Independent Environment Review Consultancy Service	Consultant is in position and rendering services as per deliverables of Design Consultants.
13. Consultancy Services for Technical Examination of First two tranches of periodic maintenance works	The Services have been completed and job is being taken up departmentally.
14. Consultancy Services for a Study to Short-List/Prioritize 20 Number Blackspots and Design Countermeasures on the Core Road Network under Black Spot Improvement Program (BIP) of HPSRP	Contract signed on Nov 19, 2009.
Newly proposed Consultancy Services	
15. Consultancy Services for exploring various financing models for developing tunnels and major roads in HP.	Draft PPIAF proposal stands submitted to Principal Secretary (PW) to the Govt. of H.P. on 14-10-2009 and copy of the proposal sent to the Bank on 23-10-2009.

Annex 15 - Appendix A

Status of Encumbrances in All Phase 1 Upgrading Roads
Forest Diversion/Trees in respect of Upgrading roads under Phase-I of State Roads Project

S. No.	Contract Package	Mile Stone	Handing over Date	Status				Remarks
				Diversion of Forest Land	Trees			
					Forest	Other than Forest	Private.	
1	Package No- ICB-1 (Una-Amb from Kms 5+600 to Km 50+426)	1-(Km 41+300 to Km 50+426)	May 08,2008	√	√	√	√	Case for 133+ 648 left out trees on Govt. land in MS- 2 & 3 submitted to CCF Shimla on 29.10.2009.
		2- (Km 5+600 to Km 18+180)	August 07,2008	√	√	√	<ul style="list-style-type: none"> •Case of 42 trees sent to HPFC for felling. •Out of 469 trees case of 26 trees sent to DFO Una for approval. 	
		3-(Km 18+180 to Km 41+300)	February 07,2009	√	√	√		
2	Package No- ICB-2 (Una-Barsar from Kms 0+000 to Km 45+000)	1- (Km 2+000 to Km 11+000)	May 14,2008	√	√	√	√	-
		2- (Km 25+000 to Km 35+000)	November 13,2008	√	√	√	<ul style="list-style-type: none"> •Out of 77 trees in MS-2, approval for felling 41 trees granted. Case of 34 trees submitted to CF Dharamshala for approval. 	Case for 139, 323 & 144 in MS 2, 3 & 4 re-submitted to PCCF on 29.10.2009.
		3- (Km 0+000 to Km 2+000 & Km 11+000 to Km 25+000)	February 13,2009	√	√	√	<ul style="list-style-type: none"> •Out of 446 trees in MS-3, approval to fell 61 trees granted. Case is with HPFC Una. 	
		4- (Km 35+000 to Km 45+000)	May 13,2009	√	√	√	<ul style="list-style-type: none"> •Case of 181 trees in MS-3 is under process.. 	

				Diversion of Forest Land	Trees			
					Forest	Other than Forest	Private.	
3	Package No-ICB-3 9Barsar- Jahu from Kms 45+000 to Km 90+800)	1- (Km 51+000 to Km 65+000)	May 14, 2008	√	√	√	Case of felling of 37 & 52 trees on private land in MS 1 & 2 respectively is sent to DFO Hamirpur	<ul style="list-style-type: none"> • Case of 60 left out trees on Govt. land in MS-1 sent to DFO Hmr. • Out of 50 trees on Govt. land in MS-2, case og 44 trees sent to CCF Shimla on 25.09.2009 & case of 6 trees sent to DFO Hamirpur for felling.
		2- (Km45+000 to Km51+000 & Km65+000 to Km 67+250	November 13, 2008	√	√	√		
		3- (Km 67+250 to 73+000 & Km 79+000 to Km 88+000)	February 13, 2009	√	√	Felling of 170 Nos trees in process	-	
		4- (Km73+00 to 79+000 & Km 88+000 to Km 90+800)	May 13,2009	_____	_____		-	
4	Package No-NCB-4 (Jahu- Kalkhar from Kms 93+440 to Km 108+830)	1- (Km 96+200 to Km 101+800	August 10, 2008	Formal approval of Diversion of 1.72 Ha. Received. From CCF Chandigarh	Case of 70 trees with DMFC and case of 512 trees under preparation with HPPWD.	-	-	
		2- (Km 93+440 to Km 96+200 & Km 101+800 to Km 108+830)	November 09, 2008					

				Diversion of Forest Land	Forest	Other than Forest	Private.	
5	Package No- ICB-5 (Theog-Rohru from Kms 0+000 to Km 80+600)	1- (Km 20+000 to Km 30+000 & Km 53+000 to K 68+000). Modified to Km 5+000 to Km 17+000 & Km18+000 to Km 31+000	June 05,2008	(1) 0.493 Ha PWD land case under FCA submitted to CCF CHD on dated 29.07.09 from chainage 0+000 to 10+470 (2) Forest case has been submitted to DFO Jubbal. Joint inspection on 25.08.09 postponed. chainage 29+000 to 51+300	Out of 4112 trees 3909 trees have been cut. Case for left out trees under preparation.	√	√	
		2- (Km 35+000 to Km 45+000 & Km 68+000 to Km 80+600) Modified to Km 45+000 to Km 67+684	February 04,2009			√	√	
		3- (Km 30+000 to Km 35+000 & Km 45+000 to Km 53+000) Modified to Km 0+000 to 5+000 & Km67+684 to Km 75+684	June 04,2009			-	√	
		4- (Km 0+000 to Km 20+000) Modified to Km 17+000 to 18+000, Km 31+000 to Km 45+000 & Km 75+684 to Km 80+684.	September 04,2009			√	√	

Annex 15 - Appendix-B

Utilities in respect of Upgrading roads under Phase-I of State Roads Project

S. no.	Contract Package	Mile Stone	Handing over Date	Status			
				IPH		HPSEB	
				Hand Pumps	Pipe Lines	Poles,HT/LT Lines	Transformers/ Substation
1	Package No- ICB-1 (Una-Amb from Kms 5+600 to Km 50+426)	1-(Km 41+300 to Km 50+426)	May 08,2008	√	√	√	√
		2- (Km 5+600 to Km 18+180)	Aug 07,2008	√	Total = 13670 m Shifted= 4070 m Balance= 9600 m Irrigation= 600 m	Total = 318 Nos. Shifted= 81 Nos. Balance= 237 Nos.	Total = 4 Nos. Shifted= 2 Nos. Balance= 2 Nos.
		3-(Km 18+180 to Km 41+300)	Feb 07,2009	Total = 6 Nos. Shifted= Nil Balance= 6 Nos.	Total = 14645 m Shifted= 10755 m Balance= 3890 m	Total = 303 Nos. Shifted= 216 Nos. Balance= 87 Nos.	Total = 8 Nos. Shifted= 1 No. Balance= 7 Nos.
2	Package No- ICB-2 (Una-Barsar from Kms 0+000 to Km 45+000)	1- (Km 2+000 to Km 11+000)	May 14,2008	√	√	√	√
		2- (Km 25+000 to Km 35+000)	Nov 13, 2008	√	√	Total = 58 Nos. Shifted= 42 Nos. Balance= 16 Nos. Shifting in progress.	Total = 2 Nos. Shifted= 1 No. Balance= 1 No. Shifting in progress.
		3- (Km 0+000 to Km 2+000 & Km 11+000 to Km 25+000)	Feb 13,2009	Total = 9 Nos. Shifted=8 Nos. Balance= 1 No.	Total = 3190 m Shifted= 1190 m Balance= 2000 m	Total = 138 Nos. Shifted= 16 Nos. Balance= 122 Nos.	Total = 7 Nos. Shifted= 1 No. Balance= 6 Nos.

		4- (Km 35+000 to Km 45+000)	May 13,2009	√	To be shifted at crossing	Total = 33 Nos. Shifted= 15 Nos. Balance= 18 Nos.	-
3	Package No- ICB-3 (Barsar- Jahu from Kms 45+000 to Km 90+800)	1- (Km 51+000 to Km 65+000)	May 14, 2008	Total=6 Nos. Shifted=Nil Balance=6 Nos.	Total=12970 m. Shifted=12770 m Balance=200 m	Total=33 Nos. Shifted=23 Nos. Balance=10 Nos.	_____
		2- (Km45+000 to Km51+000 & Km65+000 to Km 67+250	Nov 13, 2008	Total=6 Nos. Shifted=Nil Balance=6 Nos.	Total=13260 m. Shifted=12560 m Balance=700 m.	Total=61 Nos. Shifted=30Nos. Balance=31 Nos.	_____
		3- (Km 67+250 to 73+000 & Km 79+000 to Km 88+000)	Feb 13, 2009	Total=3 Nos. Shifted=Nil Balance=3 Nos.	Total=33320 m. Shifted=25920 m Balance=7400m	Total=48 Nos. Shifted=Nil Balance=48 Nos.	_____
		4- (Km73+00 to 79+000 & Km 88+000 to Km 90+800)	May 13, 2009	Total=1Nos. Shifted=Nil Balance=1 Nos.	Total=3940 m. Shifted=1000 m Balance=2940 m.	Total=33 Nos. Shifted=2 Nos. Balance=31 Nos.	Total=1 No. Shifted=Nil Balance=1No.
4	Package No- NCB-4 (Jahu- Kalkhar from Kms 93+440 to Km 108+830)	1- (Km 96+200 to Km 101+800	Aug 10, 2008	Total=1Nos. Shifted=Nil Balance=1 Nos.	Total=610 m. Shifted=200 m Balance=410 m.	Total=12Nos. Shifted=Nil Balance=12Nos.	Total=1 No. Shifted=1 No. Balance= Nil
		2- (Km 93+440 to Km 96+200 & Km 101+800 to Km 108+830)	Nov 09, 2008	Total=2Nos. Shifted=Nil Balance=2 Nos.	Total=1395 m. Shifted=200 Balance=1195 m	Total=15Nos. Shifted=2 Nos. Balance=13Nos.	1 No. Sub station of 25 KVA shifted.
5	Package No- ICB-5 (Theog-Rohru from Kms 0+000 to Km 80+600)	1- (Km 20+000 to Km 30+000 & Km 53+000 to K 68+000 Modified to Km 5+000 to Km 17+000 & Km18+000 to Km 31+000	June 05, 2008	Total=6Nos. Shifted=Nil Balance=6 Nos.	Total=1570 m. Shifted=410 m Balance=1160 m	Total=40 Nos. Shifted=6 Nos. Balance=34 Nos.	Total=1 No. Shifted=Nil Balance=1No.
		2- (Km 35+000 to Km 45+000 & Km 68+000 to Km 80+600) Modified to Km 45+000 to Km 67+684	Feb 04, 2009	Total=4Nos. Shifted=Nil Balance=4 Nos.	Total=2475 m. Shifted=400 m Balance=2025 m	Total=35 Nos. Shifted=0 Nos. Balance=35 Nos.	Total=4 Nos. Shifted=Nil Balance=4Nos.
		3- (Km 30+000 to Km 35+000 & Km 45+000 to Km 53+000) Modified to Km 0+000 to 5+000 & Km67+684 to Km	June 04, 2009	Total=3Nos. Shifted=Nil Balance=3 Nos.	Total=1620 m. Shifted=210 m Balance=1410 m	Total=9 Nos. Shifted=0 Nos. Balance=9 Nos.	Total=1 No. Shifted=Nil Balance=1No.

		75+684					
		4- (Km 0+000 to Km 20+000) Modified to Km 17+000 to 18+000, Km 31+000 to Km 45+000 & Km 75+684 to Km 80+684.	Sept 04, 2009	Total=6Nos. Shifted=Nil Balance=6 Nos.	Total=4965 m. Shifted=1295 m Balance=3695 m	Total=56 Nos. Shifted=0 Nos. Balance=56 Nos.	_____

Annex 15 - Appendix – C

Land Acquisition in respect of Upgrading roads under Phase-I of State Roads Project

S.N	Contract Package	Mile Stone	Handing over Date	Status
1	Package No-ICB-1 (Una-Amb from Kms 5+600 to Km 50+426)	1-(Km 41+300 to Km 50+426)	May 08,2008	All payments disbursed.
		2- (Km 5+600 to Km 18+180)	August 07,2008	All payments except village Jalgran disbursed. Notification u/s 6 & 7 in respect of village Jalgran published on 24.10.2009.
		3-(Km 18+180 to Km 41+300)	February 07,2009	All awards except 1 (Lalsingi) declared. Disbursement of 12 villages done.
2	Package No-ICB-2 (Una-Barsar from Kms 0+000 to Km 45+000)	1- (Km 2+000 to Km 11+000)	May 14,2008	All payments disbursed.
		2- (Km 25+000 to Km 35+000)	November 13,2008	All payments disbursed.
		3- (Km 0+000 to Km 2+000 & Km 11+000 to Km 25+000)	February 13,2009	All awards declared. Disbursement of 2 villages done.
		4- (Km 35+000 to Km 45+000)	May 13,2009	All awards declared.
3	Package No-ICB-3 (Barsar- Jahu from Kms 45+000 to Km 90+800)	1- (Km 51+000 to Km 65+000)	May 14, 2008	All payments disbursed except Har where payment is yet to be made.
		2- (Km45+000 to Km51+000 & Km65+000 to Km 67+250)	November 13, 2008	Total villages = 10, Award announced =8, Payment made =6 ;
		3- (Km 67+250 to 73+000 & Km 79+000 to Km 88+000)	February 13,2009	Total villages = 29, Award announced =25, Payment made =23 ; Acquisition under process = 1 (Jahu Bye pass)
		4- (Km73+00 to 79+000 & Km 88+000 to Km 90+800)	May 13,2009	Total villages = 7, Award announced =5, Payment made =5 ; Acquisition under process = 1 (Jahu Bye pass)

Annex 15 - Appendix-C

**Land Acquisition Status in respect of Upgrading roads under Phase-I of State Roads Project
(25.11.2009)**

S.N	Contract Package	Mile Stone	Handing over Date	Status
4	Package No- NCB-4 (Jahu- Kalkhar from Kms 93+440 to Km 108+830)	1- (Km 96+200 to Km 101+800)	August 10,2008	All payments disbursed.
		2- (Km 93+440 to Km 96+200 & Km 101+800 to Km 108+830)	November 09,2008	All payments disbursed.
5	Package No- ICB-5 (Theog-Rohru from Kms 0+000 to Km 80+600)	1- (Km 20+000 to Km 30+000 & Km 53+000 to K 68+000 Modified to Km 5+000 to Km 17+000 & Km18+000 to Km 31+000)	June 05,2008	Total villages = 26, Award announced =26, Payment made =23
		2- (Km 35+000 to Km 45+000 & Km 68+000 to Km 80+600) Modified to Km 45+000 to Km 67+684	February 04,2009	Payment disbursed for all villages.
		3- (Km 30+000 to Km 35+000 & Km 45+000 to Km 53+000) Modified to Km 0+000 to 5+000 & Km67+684 to Km 75+684	June 04,2009	Total villages = 6, Award announced =2; Negotiation for 4 villages conducted and Rates approved by the Govt.
		4- (Km 0+000 to Km 20+000) Modified to Km 17+000 to 18+000, Km 31+000 to Km 45+000 & Km 75+684 to Km 80+684.	September 04,2009	Total villages = 14, Award announced =3; Payment made =1; Negotiation for 10 villages conducted and Rates approved by the Govt.

Annex 15 - Appendix-D

Status of Land Acquisition in respect of Upgrading roads under Phase-I of State Roads Project

S.N	Contract Package	Mile Stone	No. of villages	Awards Declared	Payment released	Remaining/ Pending	Target Date for awards
4	Package No- NCB-4 (Jahu-Kalkhar from Kms 93+440 to Km 108+830)	1- (Km 96+200 to Km 101+800	5	5	5	-	
		2- (Km 93+440 to Km 96+200 & Km 101+800 to Km 108+830)	6	6	6	-	
5	Package No- ICB-5 (Theog-Rohru from Kms 0+000 to Km 80+600)	1- (Km 20+000 to Km 30+000 & Km 53+000 to K 68+000 Modified to Km 5+000 to Km 17+000 & Km18+000 to Km 31+000	26	26	23	-	-
		2- (Km 35+000 to Km 45+000 & Km 68+000 to Km 80+600) Modified to Km 45+000 to Km 67+684	13	13	13	-	-
		3- (Km 30+000 to Km 35+000 & Km 45+000 to Km 53+000) Modified to Km 0+000 to 5+000 & Km67+684 to Km 75+684	6	2	-	4	
		4- (Km 0+000 to Km 20+000) Modified to Km 17+000 to 18+000, Km 31+000 to Km 45+000 & Km 75+684 to Km 80+684.	14	3	1	10	

Annex 15 - Appendix-E

Status of Land Acquisition in respect of Upgrading roads under Phase-II of State Roads Project

No of villages where land to be acquired	Notification under section 4		Negotiation held or not	Targeted date for Notification and Negotiation for Balance
	Issued	Pending		
Ghumarwin - Sarkaghat (ICB-6), LAO – Mandi				
52	43	9	-	
Ranital- Kotla, (ICB-7) LAO-Kangra				
30	30	-	21	
Kumar hatti Nahan, (ICB-8) LAO–Solan				
5	5	-		
Kumar hatti Nahan, (ICB-8) LAO - Rajgarh				
11	10	1	-	
Kumar hatti Nahan, (ICB-8) LAO–Nahan				
10	10	-	9	
Darman- Sihunta (NCB-9), LAO- Kangra				
4	4	-	3 1 (Left S.C.)	
Bhawarna-Lambagaon, (ICB-10) LAO- Kangra				
33+6 (mutated)	33	-	12 – held, 6 -S.C. held. Negotiation succeeded, 8- Distt. Committee date being fixed, 7- S.C. Date to be fixed	

Annex 16

Status of Actions to Enhance Transparency

The mission met with PIO of the HPRIDC and the CVO of the HP PWD to assess the progress on disclosure of project information and the effectiveness of the complaint handling mechanism to address complaints on procurement, construction quality and fraud/corruption. The following are detailed observations on these aspects:

1. With regard to information disclosure, the mission noted that the website comprises information on procurement plans, tender documents, aide-memoires, final reports of the road user and road fund studies and some quarterly progress and internal unaudited financial reports. The site does not comprise the latest QPRs or the latest IUFs. Minutes of public consultations held are also not disclosed. Statistics of requests for information under the RTIA and complaints are also not available on the site. Further, information on the organization as mandated under Section 4(1) b of the RTIA has not been disclosed. This could be due to inadequate staffing³ as well as lack of training of the PIO and the APIOs on the RTIA. Also, HPRIDC has not yet published an annual report on RTIA for submission to both GoHP and the Bank (as mandated under the PAD). ***The HPRIDC officials were informed that these need to be rectified by end-December 2009.***

2. In terms of capacity building on RTIA, while a PIO has been nominated in the HPRIDC, the mission learned that the officer designated as PIO is performing this function as an additional charge which constrains his time. The mission was also informed that no one has been nominated as the APIO in the headquarters to support the PIO in his role. In addition, the PIO has also not been trained in the RTIA. To facilitate the compliance to RTIA, ***it was suggested that the HPRIDC appoint a APIO as soon as possible and send both the PIO/APIO for RTIA training to the HP Institute of Public Administration/other suitable institutes by December 31, 2009.***

3. Details of complaints such as number of complaints, their type and how they were addressed are not on the website. The HPRIDC was informed that such statistics need to be provided on the website as mandated by the PAD. ***The team and HPRIDC agreed that this would be accomplished by January 31, 2009.*** In addition, mission suggested that the complaints be analyzed so that the HPRIDC could reduce its burden by providing the information pertinent to predominant complaints raised on its website.

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³ Mission was informed that the position of APIO at HQ has been vacant since project start.