

INDIA: Himachal Pradesh State Roads Project (Ln. 4860-IN)
Mid Term Review Mission (July 5-15, 2010)
Aide-Memoire

EXECUTIVE SUMMARY

1. A World Bank mission visited Himachal Pradesh during July 5 - 15, 2010 for a Mid-term review and to support the Government of Himachal Pradesh (GoHP) in implementation of the Himachal Pradesh State Roads Project (HPSRP). The mission together with the GoHP reassessed the Project Development Objectives (PDOs) and concluded that the PDOs remain valid and they are likely to be substantially achieved by the end of the project. Both achievement of Project Development Objectives and Implementation Progress are rated moderately satisfactory. All covenants, except one, are in compliance. The non-compliant legal covenant is regarding submission of impact assessment report of the implementation of the resettlement action plan at the mid-term stage. Procurement of consultants for carrying out impact assessment is in process. Procurement is targeted to be completed by September 15, 2010. GoHP and HPRIDC have largely complied with the seven-point action plan, which was agreed during the previous mission to improve the performance of the project.

2. The Component 1 (Core Network Upgrading) of the project envisages upgrading of 447 km of roads in the Core Road Network (CRN). Himachal Pradesh Roads and other Infrastructure Development Corporation (HPRIDC) is implementing this component through 10 contract packages in two phases. Since the last mission, the performance of project implementation has improved, and the works in nine upgrading contracts are in progress and only one contract is to be procured. The project has made good progress in the aspects of land acquisition and forest clearances. All five contract packages of Phase 1 upgrading works are at various stages with physical progress ranging from 7.3% to 33.58%. Packages 1 and 5, which were standstill from September 2009 to January 2010, have recommenced and progressing. With considerable progress made in removal of encumbrances, in phase 1 packages, 75% to 87% of stretches are now hindrance-free. Of the five packages of Phase 2 upgrading works, works have commenced in four packages. In all these packages, the civil works are at initial stages with physical progress ranging from 0.89% to 2%. In phase 2 packages, 20% to 34% of stretches are only hindrance-free.

3. The Component 2 (Core Network Maintenance and Management) of the project envisages: (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 900 km of roads in CRN has been completed, works in 147 km of roads are in progress, and works in another 402 km are in final stage of procurement. For pilot performance based maintenance contracts, bidding documents have been finalized but bids are to be invited. Consulting services for accident black spot improvements are in progress. Some of the other consulting services have been completed.

4. The mission upgraded the rating for the implementation progress as Moderately Satisfactory. To sustain this rating, the HPRIDC needs to resolve the following issues expeditiously.

(a) The disbursement of the Bank loan has been lower than the forecast. There are reportedly delays in processing bills of the contractors. This is affecting the cash-flow situation of the contracts and resulting into claims by the contractors. Coordination among different units of HPRIDC and the supervision consultants need to be strengthened to improve contract administration and payment processing mechanism.

- (b) Remaining hindrances at project sites especially trees needs to be removed and progress of works accelerated.
 - (c) The project needs additional funds to complete the on-going activities. The requirement of additional funds is to the tune of US\$ 90 million.
5. Since the project progress is far behind the schedule, it is critical to take the following actions, which have been discussed with the Public Works Department (PWD) and HPRIDC during the mission, to improve the performance of the project:
- (a) GoHP will continue to carry out a monthly cross-departmental meeting chaired by the Chief Secretary, to expedite completion of all pre-construction activities especially forest clearances, tree cutting and shifting of utilities - continuous;
 - (b) HPRIDC will review and approve the Extension of Time proposals recommended by the supervision consultants – by September 30, 2010;
 - (c) HPRIDC will review the reasons for delayed payments, resolve them and make payments timely to the contractors, and recruit a contract management advisor; improve contract administration and payment processing mechanism – by September 30, 2010;
 - (d) HPRIDC will apply contractual remedies to the non-performing contractors based on Engineer's recommendations and legal advice – November 30, 2010;
 - (e) HPRIDC will ensure that the supervision consultants deploy sufficient personnel so that quality of works do not suffer – by September 30, 2010;
 - (f) HPRIDC and CSC will closely monitor progress of each of the upgrading contracts against the respective work programs - continuous; and
 - (g) GoHP will take decisions with regard to the requirement of additional finances to complete the project – November 30, 2010.
6. Further, the recommendations of the consultants for productivity of PWD gang labor, human resource management of PWD/RIDC, and setting of a Road Maintenance Fund need to be discussed by GoHP to move forward.
7. The following sections of this Aide Memoire present the findings of the mission in detail.

I. INTRODUCTION

1. A World Bank mission¹ visited Himachal Pradesh during July 5 - 15, 2010 for a Mid-term Review (MTR) and 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 (HPRIDC). The mission wishes to thank them for their hospitality and collaboration. A mid-term review status report has been prepared by HPRIDC and shared with the Bank during the mission. The mission discussed the MTR report and communicated its comments with HPRIDC.

2. This Aide-Memoire (AM) summarizes the findings, recommendations, and agreements reached during the mission. It contains 17 Annexes (including a list of agreed actions in **Annex 4**). A draft of the 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 July 15, 2010.

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: MS
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: 32 months	Environmental Safeguards: S
Loan Disbursed: 11.1% (US\$ 24.4 million)	Social Safeguards: MS
Loan Committed: 100%	Flags: 1 (Related to delay in impact assessment at MTR stage of implementation of resettlement action plan)

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 mission together with the GoHP reassessed the Project Development Objectives (PDOs) and concluded that the PDOs remain valid and they are likely to be substantially achieved by the end of the project. The progress in achieving these performance indicators is presented at **Annex 1**. Progress in achieving the PDO is maintained **Moderately Satisfactory**, because: (i) the performance of project implementation during the past six months has improved; (ii) works in all nine upgrading contracts are in progress and only one contract is to be procured; (iii) two of the road upgrading contracts, which were standstill from September 2009 to January 2010, have recommenced; (iv) achieving the PDO by the end of project is possible; and (v) two of the performance monitoring indicators [condition of core network, and rate of fatal accidents on state highways] have progressed well.

¹ The mission comprised of Parthapriya Ghosh (Social Development Specialist), Neha Vyas (Environment Specialist), Tanuj Mathur/Tripti Jain (Sr. Financial Management Specialist), Kalesh Kumar (Sr. Procurement Specialist), Satyam Chokkapu (Highway Engineer, Consultant), Alok Bansal (Transport Planner, Consultant), Krishnan Srinivasan (Governance Specialist, Consultant); Arnab Bandyopadhyay (Sr. Transport Engineer) and Pratap Tvgsshrk (Task Team Leader).

Outcome Indicators	Baseline	Target Value by Mid-term	Target Value by completion	Value/Status of performance indicator at MTR
% of the entire core network (~4,000 km) in poor condition	40%	30%	=< 10%	17.21%
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	0.49
Level of road user satisfaction with the entire core network, index 1-5	1.5	2.0	3.0	Procurement of consultant is in process

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

Core Network Improvement Component (Moderately Satisfactory): In this component, 10 upgrading roads in two phases are being implemented. All five contract packages of Phase 1 upgrading works are at various stages with physical progress ranging from 7.3% to 33.58%. Packages 1 and 5, which were standstill from September 2009 to January 2010, have recommenced and progressing. Compensation for land has been disbursed in 94% of villages. Disbursement of Resettlement and Rehabilitation (R&R) assistance to title and non-title holders is in progress. With considerable progress made in removal of encumbrances, in phase 1 packages, 75% to 87% of stretches are now hindrance-free.

Of the five packages of Phase 2 upgrading works, works have commenced in four packages. In all these packages, the civil works are at initial stages with physical progress ranging from 0.89% to 2%. Compensation for land has been disbursed in 54% of villages. Disbursement of R&R assistance to title and non-title holders is to be started. In phase 2 packages, 20% to 34% of stretches are now hindrance-free.

Core Network Maintenance and Management (Moderately Satisfactory): This component includes: (a) periodic maintenance and minor rehabilitation of about 2,000 km of CRN; (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 900 km of roads in CRN has been completed, works in 147 km of roads are in progress, and works in another 402 km are in final stage of procurement. For pilot performance based maintenance contracts, bidding documents have been finalized but bids are to be invited. Consulting services for accident black spot improvements are in progress. Some of the other consulting services have been completed.

The overall Implementation Progress is **Moderately Satisfactory**.

5. **Additional funds:** The project needs additional funds to complete the on-going activities. The requirement of additional funds is to the tune of US\$90 million for this US\$303 million project. The reasons for cost overrun are:

- (a) The differences between the appraisal estimates (April 2007) and estimates at the time of bidding (Dec 2006- Dec 2008) – US\$ 17.36 million;
- (b) The differences between the estimates at the time of bidding and the lowest bids received – US\$ 26.6 million;

- (c) More than expected price contingencies/escalation because of increases in prices of construction materials and delays in award and progress of works – US\$ 21.96 million; and
- (d) Increase in costs of land acquisition, afforestation and utility shifting – US\$ 28.88 million.

Savings expected in physical contingencies/variations of upgrading works; and costs of maintenance works is about US\$ 5.9 million. The details of cost overrun in each of the packages are at **Annex 17**.

The requirement of additional financing for the activities funded through the Bank funds is about US\$ 57 million and the requirement of additional financing for the activities funded through the counterpart funds is about US\$ 33 million. However, it may be early to assess the requirement of additional financing as it can be better estimated when the implementation progress is more advanced. The GoI and the GoHP need to strengthen the contract management capacity so that project costs do not escalate any further. It was agreed that HPRIDC would not proceed with completing the procurement of the remaining one upgrading contract [ICB 6] till they are able to secure required additional funds.

6. Delayed Payments and Contract Management: There are reportedly delays in processing of bills of the contractors. As per the contracts with the contractors, HPRIDC have to make payments within 42 days of submission of the interim payment certificates for the work done during the previous month. Payment processing is reportedly delayed much beyond the deadlines. This is affecting the cash-flow situation of the contracts and resulting into claims by the contractors. The disbursement of the Bank loan has been lower than the forecast. HPRIDC should quickly review the reasons for delayed payments and resolve them. The mission advised that HPRIDC should recruit a Project/contract Management Advisor consultant by September 30, 2010 to assist the Principal Secretary of PWD and the Project Director in project and contract management. HPRIDC also needs to have more staff to work on contract management aspects. As HPRIDC does not have sufficient expertise in FIDIC conditions of contract, it needs to have a contract management advisor to take appropriate decisions. It is also necessary to strengthen the supervision consultants’ team to have improved performance on contract management issues. The Bank would facilitate organizing a workshop on FIDIC conditions of Contract to train the officials of HPRIDC.

7. Status of key actions agreed during the previous mission: GoHP and HPRIDC have largely complied with the seven-point action plan, which was agreed during the previous mission to improve the performance of the project. The status of the action plan is given below:

S. No	Action	Status
1	GoHP will continue to carry out a monthly cross-departmental meeting chaired by the Chief Secretary, to expedite completion of all pre-construction activities especially forest clearances, tree cutting and shifting of utilities	Complied with. The monthly cross-departmental meetings have resulted in good progress of land acquisition and forest clearance activities
2	HPRIDC will review and approve the Extension of Time proposals recommended by the Engineer and make payments timely to the contractors and NGOs	Partially complied with. The EoT proposals have been reviewed by HPRIDC, but, there are reportedly delays in processing of bills of the contractors.
3	HPRIDC will apply contractual remedies to the non-performing contractors based on Engineer’s recommendations and legal advice	Complied with. The Engineer reviewed the EoT proposals of the contractors and has not recommended for levy of liquidated damages.
4	GOHP and HPRIDC will assist the contractors in finding plant sites and help them promptly obtain various required clearances	Complied with. This action has resulted in contractors obtaining various clearances.
5	RIDC and CSC will closely monitor progress of each of the upgrading contracts against the respective work programs	Complied with.
6	GoHP and HPRIDC will critically monitor the contract packages 2, 3 and 4 accelerate the progress of works	Complied with. The progress of works has improved.
7	GoHP and HPRIDC will ensure that there are no further delays in expediting outstanding payments, submission of claims, and improving the disbursement status	Not complied with. The poor disbursement status has not improved. There are reportedly delays in processing of bills of the contractors

8. **Key actions agreed to improve project performance** include the following: (i) GoHP will continue to carry out a monthly cross-departmental meeting chaired by the Chief Secretary, to expedite completion of all pre-construction activities especially forest clearances, tree cutting and shifting of utilities - continuous; (ii) HPRIDC will review and approve the Extension of Time proposals recommended by the supervision consultants – by September 30, 2010; (iii) HPRIDC will review the reasons for delayed payments, resolve them and make payments timely to the contractors, and recruit a contract management advisor; improve contract administration and payment processing mechanism – by September 30, 2010; (iv) HPRIDC will apply contractual remedies to the non-performing contractors based on Engineer’s recommendations and legal advice –November 30, 2010; (v) HPRIDC will ensure that the supervision consultants deploy sufficient personnel so that quality of works do not suffer – by September 30, 2010; (vi) HPRIDC and the Construction Supervision Consultant (CSC) will closely monitor progress of each of the upgrading contracts against the respective work programs - continuous; and (vii) GoHP will take decisions with regard to the requirement of additional finances to complete the project – November 30, 2010.

III. SUMMARY

Project Costs, Expenditure and Budget

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

Updated as of June 30, 2010	Estimation at Appraisal (April 2007)		Estimation as of June 30, 2010		Variation as of June 30, 2010	
Unit: \$ Million (including contingencies)	Total Cost	Bank Financing	Total Cost	Bank Financing	Total Cost	Bank Financing
Upgrading Works	211.18	190.06	273.44	246.10	62.26	56.04
Maintenance Works	55.97	11.19	53.35	10.67	-2.62	-0.52
Goods	1.31	1.18	1.31	1.18	0	0
Utility Shifting	1.73	0	2.54	0	0.81	0
Afforestation	0.86	0	5.45	0	4.59	0
Land acquisition	12.42	0	35.73	0	23.31	0
R&R	2.14	1.93	3.87	3.48	1.73	1.56
Consultancy and Training	15.65	14.09	15.65	14.08	0	0
Operating Costs	0.61	0	0.61	0.00	0	0
PPF	1.55	1.55	1.55	1.55	0	0
TOTAL	303.42	220	393.50	277.06	90.08	57.07

10. Expenditure as of June 30, 2010 was Rs 298.15 Crore. The expenditure made and projected expenditure is presented below.

Unit: Rs. in Crore	Expenditure up to June 30, 2010	Anticipated Expenditure (for next 6 months)	Total likely Expenditure up to December 31, 2010
Upgrading Works	93.56	65	158.56
Utility Shifting	3.95	1.5	5.45
Compensatory Afforestation	7.35	2.5	9.85
Periodic Maintenance Works	83.43	12	95.43
Consultancy Services and Trainings	18.55	7	25.55
Land acquisition	90.7	34	124.7
R&R	0.61	3	3.61
TOTAL	298.15	125	423.15

Upgrading Works

11. **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 5890 million (about US\$130.9 million @ US\$1 = Rs 45). Land acquisition, cutting of trees and removal of hindrances has progressed well since the last mission. Compensation for land has been disbursed in 94% of villages. Resettlement & Rehabilitation (R&R) assistance to title and non-title holders is in progress. With considerable progress made in removal of encumbrances, in phase 1 packages, 75% to 87% of stretches are now hindrance-free. In all these packages, the civil works are at various stages with physical progress ranging from 7.3% to 33.58% (as of June 30, 2010). All packages except for package 5 have progressed since the last mission. In view of the delays in making available hindrance-free land, HPRIDC is in process of approving extension of time for completion of works. Now that substantial lengths are hindrance-free, HPRIDC and supervision consultants should closely monitor the progress of works vis-à-vis the revised work programs and apply contractual remedies to the non-performing contractors based on Engineer's recommendations and legal advice.

12. Packages 1 and 5, which account for about 25% of total project cost, were at a standstill from September 2009 to January 2010. 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 apparently 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. Contractor's foreign personnel started remobilizing from January 15, 2010. About 25 of these personnel have now been mobilized in each of the contracts apart from local personnel and labor. The mission was informed that the contractor has also mobilized the financial resources. Since April 2010, the works of package 1 have been progressing better with physical progress of 1.47% in April, 1.2% in May and 2.21% in June 2010. Further, recently, a nominated subcontractor for working on the structures has also been mobilized with about 34% of the value of the total contract to be carried out by them. Package 5 works also have started progressing but with slow pace. Packages 2 and 3 have progressed better since the last mission. Twenty-three kilometers in package 2 and 13 km in package 3 have come to the stage of receiving final pavement layer. Package 4 is progressing slowly. Quality of works in this package needs to be improved. In all the phase 1 contracts, structural works are progressing slowly because of lack of enough skilled personnel and labor. 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. All the contractors stated that their payments towards interim payment certificates are being delayed beyond the deadlines mentioned in the contract agreements, and have requested HPRIDC to make payments timely.

13. **Phase 2 Upgrading Works.** Four of the five packages of Phase 2 upgrading works (covering 161.2 km of state roads) have been awarded at a total cost of Rs.3,035 million (about US\$67.46 million @ US\$1 = Rs.45). Land acquisition, cutting of trees and removal of hindrances has progressed well since the last mission. Compensation for land has been disbursed in 54% of villages. R&R assistance to title and non-title holders is to be started. In phase 2 packages, 20% to 34% of stretches are now hindrance-free. Recently, forest clearance is received for about 42 km stretches of package 8 and for entire length of package 10. For packages 7 and 9, in-principle, approval of the forest authorities is expected very soon. With these approvals, lengths of hindrance-free stretches will increase. In all these packages, the civil works are at initial stages with physical progress ranging from 0.89% to 2% (as of June 30, 2010).

14. The mission also visited project sites of all Phase 1 and Phase 2 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**. Critical actions required in each of the upgrading roads are:

Packages 1 and 5: Contractor should enhance manpower, and infuse more finances into the project.

Packages 2 and 3: Contractor should expedite the structural works by significantly enhancing manpower; prepare the working drawings for culverts; and improve safety measures at construction zones.

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 supervision consultants should ensure that the quality of works is as per the specifications.

Packages 7, 8, 9 and 10: Contractors should quickly obtain regulatory clearances for quarrying and crushing.

15. ***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 some patches with uncut trees. In package 5; forest clearance is pending [but at an advanced stage] for some stretches as these were missed out during the previous survey. Shifting of hand pumps, water pipelines, electric poles, HT/LT lines, and transformers/substations in all five Phase 1 Upgrading Packages is in progress. With forest clearances having received for packages 8 and 10, tree cutting would start soon. In packages 7 and 9, tree cutting would be pending till forest clearance is received.

16. Slow progress in tree cutting, utility shifting and land acquisition has caused delays in handing over of encumbrance-free site to the contractors. As land acquisition has been advanced, tree cutting and utility shifting have become the major encumbrances. The mission urged RIDC to speed up tree cutting and utility shifting.

17. ***Construction Supervision.*** The mission discussed with the HPRIDC and 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 especially package 4; (v) insufficient supervision because of under deployment of personnel, (vi) errors in the contractors IPCs recommended for payments by the consultants; (vii) delays in scrutiny and approval of IPCs; and (viii) ineffective cooperation between CSC and contractor's personnel about submission, checking and processing of RFIs.

18. It was also agreed that (a) details presented in the monthly progress reports (MPRs) need to be checked thoroughly and accuracy ensured by the Team Leader of CSC; (b) the consultants would discuss and inspect the proposed plant & equipment locations and quarries/material sources with the contractors especially for phase 2 works; (c) all the contractors will have revised work programs in accordance with the EoT approved/proposed, and the consultants would also ensure that the contractors have separate work programs for the structures; (d) the consultants would quickly review and approve the designs of Jahu Bridge [package 3], Bhotia Bypass bridge [package 3] and drawings for all the remaining culverts [in all packages]; (e) the consultants would maintain a document management system so that all the correspondence with the contractors and the Employer can be tracked and decisions are taken timely; and (f) the consultants would deploy enough staff so that quality and progress of works do not suffer.

Environmental Management

19. The focus of the mission was to review and ascertain the adequacy and quality of an Environmental Management Plan (EMP) implementation in upgrading works covered under Phases I and II. The mission visited all contracts (except contract 6, which has not been awarded as yet) and had detailed discussions with Contractors, Construction Supervision Consultants and officials from RIDC and the Contract Management Units (CMUs). Additionally, the mission reviewed the following: (a) status of regulatory clearances, particularly, forest clearances for both Phase I and II upgrading works; (b) progress on pre-construction activities, particularly, tree cutting and relocation of water sources like hand-pumps;

(c) bio-engineering; and (d) institutional arrangements for environment management activities under the project. Details are provided in **Annexes 9 and 15**.

20. The overall implementation of EMPs/activities in the project is 'satisfactory', despite the challenges posed by the geological and climatic setting in which the project roads are located. Some of the key aspects that were considered for the overall 'satisfactory rating' include: (a) a notable progress in obtaining Forest Clearances for up-grading works; (b) availability of environmental officers in the contractor's team on all packages in Phase I except Contract 4, with appropriate support and resources for their functioning; (c) obtaining of required regulatory clearances/permissions for all operational camp and plant sites; (d) deployment of Nodal Environment and Bio-engineering Officers within RIDC; and (e) overall satisfactory compliance of the EMPs, including camp and plant site management, pollution monitoring and debris disposal.

21. In addition, the efforts made towards mainstreaming bio-engineering works for slope protection are noteworthy. In this regard, RIDC has sought Bank support to move from the initial 'pilot demonstration' and 'institutional support' for introducing bio-engineering techniques to an 'up-scaled treatment of slopes', particularly, for the works under the up-grading component. The mission also noted substantial progress and efforts, particularly, on part of the RIDC and CMUs on various actions that were identified and agreed during the previous missions. While the project is largely in compliance with the agreed EMPs, there are few actions/activities where immediate attention is needed. These are: (a) ensuring/strengthening enforcement of worksite safety management measures (including provision of standard signage and delineation at work fronts on/along the road and improving PPE discipline among engineers and workers alike); (b) immediate corrective actions on issues/deficiencies that were identified in Contract 4 (restoration of temporary/permanent access to properties/settlements; repair of damaged water lines and storage facility; clearance of debris from farmland/orchards and unapproved locations and rehabilitation/execution of protective works of debris disposal sites) and Contract 8 (complete protection works and documentation for two debris disposal sites located on private land and identification and approval of additional debris disposal sites before undertaking slope cutting/excavation work); and (c) full-time availability of Environment Officers in the CSC team (this requires a quick decision on staffing/man-month rationalization, including provision of additional man-months in relation to the civil works schedule). These actions/activities have to be closely monitored by RIDC and CSC and completed as per the agreed schedule. The mission was assured by the Principal Secretary, PWD, and the Project Director, RIDC, that the required actions will be undertaken and these will be closely reviewed by RIDC. A few other minor actions that were identified during site visits have been listed in **Annex 9**.

Social Safeguards

22. The implementation of social safeguards is rated **moderately satisfactory** as mission noted that the project has made significant progress in disbursement of compensation for private land acquisition in phase I roads and negotiation of land rates for phase II roads (details in **Annex 8**). The disbursement of compensation for most of the milestone 1 cases of all phase II roads has been made. The disbursement of R&R assistance has also been initiated in packages 1, 2 and 4. Though valuation of affected structures has been completed for all the packages except 7 and 10, the payment process is still slow because of delay in getting CC forms from the office of land acquisition officer. The need assessment survey for income restoration has been completed for all the packages. Of the agreed actions, the most time-sensitive for HPRIDC includes: (i) hiring of consultants for mid-term evaluation of Resettlement Action Plan (RAP) implementation; (ii) disbursement of structure compensation and R&R assistance; and (iii) relocation of CPRs. During the discussion with the Principal Secretary and the Project Director, it was agreed that instruction will be issued to the office of land acquisition officer to provide the CC forms to CMU/NGO within one week of compensation disbursement.

23. Though social issues are generally addressed during the construction, mission observed some isolated cases that requires immediate attention of HPRIDC such as: (i) dumping of excavated earth on the private land without complete documentation in two locations of package 8, and in one location in package 9; (ii) damaged house and orchards/agriculture land on both upper reaches of the hill side cutting in one location each of packages 4 and 5; (iii) loss of access; drinking water sources; and irrigation channels on the upper reaches of the hill due to hill side cutting in one village of package 4; and (iv) loss of access to residential and commercial structures due to high embankment of road in one location of package 1. Though client and contractor have taken measures to mitigate such impacts, it was agreed that: (i) protection measures will be taken immediately on all vulnerable sites and mitigation measures will be provided as per the impact category; (ii) the NGO will verify such sites in each of the packages and will also confirm that mitigation measures have been implemented; (iii) such impacts induced by the project, even if it is beyond the ROW, the project affected people (PAP) will be compensated and R&R assistance will be paid as per the impact category defined in project specific R&R policy; (iv) for disbursement of R&R assistance, a PAP wise supplementary micro plan will be prepared by the NGO; and (v) a disclosure board be placed in each of the packages with details of grievance redressal committee; cell phone number of NGO's representative and telephone number of executive engineer of CMU, resident engineer of supervision consultant and project manager of contractor. It was also agreed that NGO will submit a package wise income restoration implementation strategy by August 31, 2010.

24. In milestone 2 (between Km 45 to Km 50) of package 3, the land plots (khasra numbers) to be acquired may have changed due to recent land settlement process. As a result, HPRIDC needs to verify the names of owners prior to disbursement of compensation. Delay in finalization of Jahu Bypass in package 3 and land acquisition (LA) process in package 6 will delay the R&R process. All these needs to be expedited as NGOs contract will come to an end in February 2011. The mission also noted that a number of NGO staff is not adequate to deploy parallel teams on all the packages. It was agreed that HPRIDC will carry out awareness campaign for road safety and child labor.

25. The discussion with the select PAPs on various packages revealed that the community is satisfied with the LA process and compensation paid to them. The road construction has resulted in improvement in the quality of life of the PAPs as project helped in: (i) generation of local employment; (ii) reduction in travel time; (iii) easy access to health and educational facilities; and (iv) increasing the local business and land value. The mission was informed by the women workers at the project site that neither is there any differentiation in the daily wages of male and female workers nor women workers are ill treated by the co-workers. The negotiated settlement has helped HPRIDC in expediting the land acquisition without any court case. The lessons learnt are: (i) frequent changes in the alignment during implementation resulted in substantial delay in land acquisition and implementation of R&R activities; it is also important that joint measurement survey is carried out with the revenue department even before notification under section 4(1) issued so that no case is left out; and (ii) protection wall should be provided immediately on the hill side cutting sites to avoid damage to houses and agriculture fields above the affected slope. Similarly, protection wall should be provided in the spoil disposal sites prior to dumping to protect houses and fields below the site.

Periodic Maintenance Works

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

27. **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.365 million.

28. **Implementation of Tranche-2.** 515 km of roads are included in tranche-2 maintenance works. Of the 28 contracts, 27 have been awarded and the remaining one package is in court proceedings. The total contract price of the 27 awarded works is Rs 742 million. DPRs for these works had been reviewed by the TE consultants. Eleven contracts have been completed and works in the remaining 16 contracts are in progress. Total length of roads completed is 368 km. The present expenditure on the Tranche-2 works is about Rs 498 million.

29. The mission advised RIDC to critically monitor the packages which are progressing very slowly. Except for a couple of contracts, the scheduled dates of completion of all contracts have already been expired. HP-MDR-23-113, HP-SH-11-114, HP-MDR-31-118, HP-SH-9-214 and HP-MDR-46-318 are progressing very slowly. In some contracts (e.g. HP-MDR-23-113), there is considerable difference between the physical and financial progress, which HPRIDC should look into. Slow progress of bio-engineering works is another concern.

30. **Quality of Tranche-2.** The mission visited three tranche-2 works. The detailed observations of the site visits are at **Annex 7**. Critical issues identified include: (a) slow progress of bio-engineering works; (b) need for protection of slopes at the edges of the cross-drainage structures; and (c) need to have provisions in the agreements for construction of drains and breast walls/gabions in all stretches where they are required.

31. **Quality Control for Maintenance Works.** As per project design, the periodic maintenance works (PMW) are managed through the PWD field units. The Executive Engineers (EEs) 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.

32. **Planning for Tranche-3.** PWD and RIDC included maintenance of 402 km of roads in Tranche-3. DPRs for these roads have been prepared by PWD field engineers and reviewed and cleared by RIDC. Four of the five packages in North Zone and six of the seven packages in Central Zone have been awarded. Other packages including all five of South Zone are almost ready for award of works.

33. **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. The mission is informed that because of likely upgrading of two roads as National Highways and geographic location of another road, the roads selected for PBMC requires changes. One of the packages is ready for invitation of bids. Since inviting bids for PBMC has been long delayed, the mission requested HPRIDC to not to further delay the process.

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

Road Sector Management

35. **Road Maintenance Fund.** A committee was set up by the Government to review implementation of the Road Fund as recommended by the PWD. The committee has recommended setting up the Road Fund and prescribed the sources for the Fund and its allocation. The composition of the Board Members to operate the Fund has also been prescribed by this committee. The mission

reviewed the note prepared by the committee and suggested that the fund should be mainly for maintenance purposes and the sources should include charges from users (direct or indirect) only. Based on the recommendations of the committee, PWD should draft the Road Fund act for approval by the legislators. The Bank would be forwarding copies of the Mizoram and Assam Road Fund acts to guide the PWD in drafting the act for the HP State. In the meantime, the PWD has started using the funds available under NREGA for regular maintenance of roads. This is providing additional source of funding for maintenance of roads.

36. ***E-governance/Computerization of PWD.*** The NIC had 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 PWD had released the funds to the NIC for carrying out the study. However, later the NIC increased its demand to twice the initial estimate. The department of IT then approached PWD to get this work done through their consultant at their own cost. The mission was informed that the appointed consultants are finding it difficult to make progress on the work since the NIC is not cooperating with them by providing the SRS of IPH. The HP PWD has assigned a group of persons to interact with the software developer to go into the details of work flow module and modify the masters.

37. The PWD needs to take a decision on assigning the job to the NIC so that the work on computerization can progress. The mission was ensured that the PWD would discuss this with NIC and take the decision by the end of August 2010. The PWD would be procuring the hardware for rolling out the system to the sub-division level through the project funds. 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.

38. ***Road Information System and Road Maintenance Management System.*** PWD is still in the process of inviting bids to appoint an external agency to integrate the RMMS and RIS system. Integration would help enhance the capacity of PWD in its implementation as a part of the data collection consultancy.

39. The mission again discussed the issue of setting up a cell for the GIS based RIS and train the personnel in its use. The PWD has ensured that 3-4 persons would be deputed and trained in GIS to keep updating the information on road network.

40. ***PWD Gang Labor Productivity Study.*** Since last mission there has not been any progress on this issue. GoHP 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.

41. ***ISO 9001 QMS and 14001EMS Implementation.*** Four divisions of NH and four of RIDC 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. The consultants reviewed the functioning of these divisions in January 2010 and found that there are some shortcomings. A first level external audit is planned within the next three months.

42. ***Proof-Review of Tunnel Design.*** RIDC has selected an international expert to peer review the designs of the tunnels. The consultant has proof-reviewed and submitted the review report. Based on the review report, bidding documents are being prepared by the Tunnel Design consultants.

43. ***PWD/RIDC Human Resources Management (HRM).*** The consultants had prepared a functional organization chart for the changed PWD. The Principal Secretary had, during the last mission, 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. The mission noted that there has not been any progress on this. The mission requested the Principal Secretary to look into this.

Financial Management

44. **Disbursements:** Disbursement as on July 14, 2010 is US\$ 24.37 million which represents 11.08% of the Loan of US\$ 220 million. There are claims in pipeline, which will lead to a further disbursement of US\$ 0.43 million. Project Financial Management (FM) is rated as **Moderately Satisfactory**; the following are the recent developments and key issues: (a) additional FM staff is being hired to work at the Head Office; (b) the FM Manual needs to be updated to incorporate certain changes which have come about as a result of implementation experience on the Project; (c) there have been irregularities of Rs 4.42 Crore highlighted in the Audit & Inspection Note of CAG for financial year 2008-09; these need to be responded to; (d) internal audit for the financial year 2009-10 is underway and the report will be submitted by end of July 2010; (e) utilization certificates for utility shifting and land acquisition amounting to Rs 64.95 Crore need to be collected from the various departments at the earliest. Details of Financial Management issues and actions are at **Annex 11**.

Procurement

45. The Mission has reviewed the progress in procurement achieved against the procurement plan and the action plan agreed in August 2009, and noted that the progress is satisfactory, except for the repeated rebidding requests received for maintenance contracts from a few zonal offices. Procurement plans are revised at present and the mission suggested an early submission of the revised Procurement plans for regular contracts and maintenance contracts for review and agreement. Since the roles and responsibilities of the procurement team members would now focus on contract management to offer correct interpretations of various provisions under the various clauses and inter-facing with various stakeholders like Contractors, Supervision Consultants and various functionaries within HPRIDC like Finance, Project Management, etc. Hence, it is essential that all staff is trained on programs that cover works contracts management in detail. In this context, it is also essential to fill in vacant positions in Procurement at the earliest.

46. There are strains visible on contract management leading to multiple interpretations of contract conditions for handing over of site, mobilization, measurement of work progress, payments etc., which could affect the progress of implementation of contracts and could attract unnecessary disputes and arbitrations. It is recommended that a joint meeting of the above stakeholders is organized early facilitated by an expert familiar with various contract conditions and its applicability and a clear Roles and Responsibilities Matrix is developed for moving forward. The mission has noted continued improvements in response time at project as well as Bank end. It was noted that rebidding for ICB 6 is progressing well with high levels of interest seen from the contracting community. Detailed observations and recommendations are given in **Annex 10**.

Project Management

47. **RIDC Staffing.** GoHP has earlier assured that it will ensure the stability of the project management team and provide some incentive in a form of appropriate compensation to encourage RIDC engineers to stay in a longer period with the project. The mission urged GoHP to look into this early.

48. **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) and the Project Director have been actively pursuing the key actions for improvement of project management. Key posts in procurement, social and environmental have been filled. The mission reiterated its earlier suggestion that HPRIDC should recruit a Project/Contract Management Advisor consultant to assist the Principal Secretary of PWD and the Project Director in project and contract management. This is required urgently as many of the contracts are already started to have contractual issues to be resolved. One of such issues is delays in making payments. In HPRIDC, there is no sufficient expertise in FIDIC conditions of contract. Therefore, for the HPRIDC to take appropriate decisions, it needs to have a contract management advisor. It is agreed with HPRIDC that contract management advisor consultant would be hired by September 30, 2010.

49. **Project Monitoring and Reporting.** The mission requested RIDC to continue 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. The mission requested RIDC to regularly update the Project Report and forward it to the Bank within 15 days after every quarter.

50. **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**.

51. **Information Disclosure.** The mission reviewed two key transparency aspects on the project – information disclosure and complaint handling mechanism to deal with various types of complaints. As a follow-up to the actions listed in the last aide-memoire, it is heartening to note that the website (himachal.nic.in/hpridc) has been organized better and also comprises statistics on information requests received under the RTIA. However, minutes of public consultations and statistics on complaints are missing. In this regard, the mission provided examples from two other bank-funded projects (in Orissa and Andhra Pradesh) where the website disclosures are exemplary². In addition, HPRIDC, as a public entity, has still not fully complied with the provisions of Section 4(1)b of the RTIA. The APIO position at HQ is still vacant and the PIO has not been sent for training on 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. Actions listed in the last Aide Memoire in terms of disclosure of complaint related statistics and HPRIDC's response to common complaints on the website has not been complied with. On the positive side, GoHP has initiated an online public grievance monitoring system that could be used to monitor complaints on the HPSRP as well. Details of the actions required are provided in **Annex 16**.

52. **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 submission of impact assessment report of the implementation of the resettlement action plan at the mid-term stage. This is due and needs to be sent to the Bank at the earliest. Procurement of consultants for carrying out impact assessment is in process. Procurement is targeted to be completed by September 15, 2010.

53. **Next Implementation Support Mission.** The next full implementation support mission is scheduled for December 2010.

IV. ANNEXES

Annex 1	Progress of achievement of performance indicators
Annex 2	Status of compliance of legal covenants
Annex 3	Status of Key Project Implementation Action/Activities (agreed during the last Mission)
Annex 4	Key Project Implementation Action/Activities (agreed during this mission and to be reviewed during next mission)
Annex 5	People Met by the Mission
Annex 6	Detailed Mission Comments on Upgrading Works
Annex 7	Detailed Mission Comments on Maintenance Works
Annex 8	Detailed Discussions on Social Issues and Agreed Actions
Annex 9	Detailed Discussions on Environment Issues and Agreed Actions
Annex 10	Procurement aspects

² Osrp.gov.in, www.aprdc.in

- Annex 11** Financial Management Issues and Actions
- Annex 12** Status of Upgrading Works
- Annex 13** Status of Maintenance Works
- Annex 14** Status of all Consultancy Services
- Annex 15** Status of Encumbrances in Upgrading Roads
- Annex 16** Status of Actions to Enhance Transparency
- Annex 17** Details of Cost Overrun in Upgrading Contracts

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%	17.21%
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	0.49
Level of road user satisfaction with the entire core network, index 1-5	1.5	2.0	3.0	Procurement of consultant is in process
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	Phase I: Land compensation progress 94%, R&R assistance progress 21%
% 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 32%
Component Two (Core Network Maintenance and Management):				
% of target roads (~2,000 km) of core network receiving periodic maintenance	0%	50%	100%	52.5%
% 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%. Consultant procured for designing the remedial measures required to be undertaken
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	Road Maintenance Management System developed and Annual maintenance plans are being prepared using RMMS system.
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	C
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 Complied. Procurement of consultant for impact assessment of RAP is in process

Annex 3

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

S. No.	Key Actions	By whom	Target Date	Status
Civil Works				
1.	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	Partially complied
2.	Mobilize rock breaker in package 2 and blasting operator in package 4	Contractors for packages 2 and 4	December 31, 2009	Done
3.	Mobilize additional concrete plant and hot mix plant	Contractors for packages 2, 3 and 4	January 31, 2010	Partially complied
4.	Have approved working program	Contractors and consultants	December 31, 2009	Partially complied
5.	Invite bids for performance based maintenance contracts	HPRIDC	Feb 2010	Not done. Process initiated
6.	Complete Tranche 2 maintenance works	HPRIDC and contractors	Feb 2010	Substantial progress made. Not yet completed.
Road Sector Management				
7.	Funding for e-governance and computerization of PWD	GoHP	December 31, 2009	Not done. Expected by December, 2010
8.	Certification of division for ISO	Consultants	January 31, 2010	Not done. Expected by September, 2010
Social Safeguards				
9.	Disbursement of land compensation for balance villages of phase I	HPRIDC	January 15, 2010	Substantial progress made. Disbursement is yet to be made in disputed and left out cases.
10.	Disbursement of compensation for structures of phase I	HPRIDC	February 28, 2010	Process initiated.
11.	Disbursement of land compensation for balance villages of phase II	HPRIDC	March 31, 2010	Disbursement made for milestone 1 of all packages. Negotiation completed for substantial part of milestone 2.
12.	Disbursement of structure compensation for phase II	HPRIDC	April 30, 2010	Process yet to be started.
13.	Disbursement of R&R assistance for both TH and NTH of phase I	HPRIDC	February 28, 2010	In progress
14.	Submission of balance micro plans for phase I and II	NGO (CRADLE)	January 15, 2010	All micro plans for THs (structure); CPRs and NTH submitted except for packages 7 and 10. Micro plans for land affected PAPs for packages 7 to 10 to be submitted.

15.	Review guideline for disbursement of R&R assistance	World Bank	December 31, 2009	Done and cleared.
16.	Disbursement of R&R assistance for both TH and NTH of phase II	HPRIDC	May 30, 2010	Process initiated.
17.	Need Assessment Survey for income restoration	NGO (CRADLE)	January 31, 2010	Survey completed for all the packages.
18.	Data on % THs received compensation and R&R assistance	HPRIDC	December 31, 2009	Information collection in process
Environmental Management				
19.	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	Partially Complied – however, there is a need to strengthen construction safety practices in all contracts as more work fronts are now open
20.	Obtain Forest Clearance (outstanding/new cases) – Phase I upgrading works (particularly contract 5)	RIDC	By February 28, 2010	Substantially Complete
21.	Full time deployment of EO by CSC	RIDC/CSC	By December 31, 2009	Not done
22.	Obtain Forest Clearance for Phase II upgrading works	RIDC	By April 30, 2010	Pending (Process On-going; In-principle clearance obtained for some cases)
Procurement				
23.	Submit revised procurement plan for approval	HPRIDC	20 December 2009	Expected by 31 Aug 2010
24.	Complete staff Training on Procurement	HPRIDC	2009-10	Ongoing
25.	Prepare and share a summary of recommendations of the PBMC workshop	HPRIDC	31 December 2009	Expected by 31 Aug 2010
26.	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	Expected by 31 Aug 2010
27.	Mechanism of complaint handling will be finalized and loaded on website and notice boards of HPRIDC/ HPPWD	HPRIDC	31 December 2009	Done
28.	Submit responses on all pending Post review observations	HPRIDC	25 December 2009	Done
Financial Management				
29.	Revised financial Management Manual be sent to the Bank	HPRIDC	31 December 2009	Not Done
30.	IUFRs for the September quarter to be sent to the Bank	HPRIDC	Immediately	Done
31.	Internal Auditors short-list to be sent to the Bank	HPRIDC	10 December 2009	Done
32.	Internal Auditors hired	HPRIDC	31 December 2009	Done
Transparency and information disclosure				
33.	Updating of website with latest QPRs, IUFRs, public consultation minutes, missing portions as mandated under RTIA	HPRIDC	December 31, 2009	Done

34.	Appointment of APIO for RTIA	HPRIDC	December 31, 2009	Not done. Expected by August, 2010
35.	Training of PIO and APIO on RTIA at HPIPA	HPRIDC	December 31, 2009	Not done. Expected by August, 2010
36.	Annual report on RTIA implementation to GoHP and Bank	HPRIDC	January 31, 2010	Not done. Expected by September, 2010
37.	Provision of RTIA and complaint statistics on website	HPRIDC	January 31, 2010	Done

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 and II except for package 6	HPRIDC	September 30, 2010
2.	Disbursement of compensation for structures of phase I and II except for package 6	HPRIDC	November 30, 2010
3.	Disbursement of R&R assistance for both TH and NTH of phase I and II except for package 6	HPRIDC	November 30, 2010
4.	Need Assessment Survey for income restoration	NGO (CRADLE)	Immediate
5.	Data on % THs received compensation and R&R assistance	HPRIDC	On monthly basis starting August 1, 2010 till the final disbursement of compensation and R&R assistance
6.	Income restoration implementation strategy	HPRIDC / NGO	August 31, 2010
7.	Restoration of access path; drinking water sources and irrigation channels particularly in package 4	HPRIDC / Contractor	July 31, 2010
8.	Assessment of the damaged caused to the orchard and house at Km 25 in Guma village of package 5 and mitigation plan	HPRIDC / NGO	July 31, 2010
9.	Disclosure boards on each of the packages	HPRIDC	August 31, 2010
10.	Hiring of consultants for mid-term evaluation of RAP implementation	HPRIDC	September 15, 2010
11.	Micro plan for land affected PAPs for packages 7 to 10	NGO	October 2010
	Transparency and information disclosure		
12.	Appointment of APIO for RTIA	HPRIDC	August, 2010
13.	Training of PIO and APIO on RTIA at HPIPA	HPRIDC	August, 2010
14.	Annual report on RTIA implementation to GoHP and Bank	HPRIDC	September, 2010
	Civil works		
15.	Invite bids for performance based maintenance contracts	HPRIDC	31 August 2010
16.	Complete Tranche 2 maintenance works	HPRIDC and contractors	30 September 2010
	Road Sector Management		
17.	Funding for e-governance and computerization of PWD	GoHP	December, 2010
18.	Certification of division for ISO	Consultants	September, 2010
	Financial Management		
19.	Hire and fill 5 additional vacant posts of accountant at HO.	HPRIDC	September 30, 2010
20.	Correctly reflect "Bank funds received till date" in Format 3 of IUFRR for the period ending 30 June 2010.	HPRIDC	August 15,2010
21.	Revised FMM to be sent to the Bank.	HPRIDC	September 30, 2010
22.	The project would draw up a FM training plan and share the same with the Bank by October 15, 2010.	HPRIDC	October 15,2010
23.	Submit Statutory Audit report of HPRIDC for the FY 2009-2010.	HPRIDC	September 30, 2010
24.	Internal Audit report for the FY 2009-2010 to be submitted.	HPRIDC	July 31,2010
25.	Ensure that utilization certificates for utility shifting and land	HPRIDC	Ongoing

	acquisition are obtained at the earliest.		
	Environmental Management		
26.	Obtain Forest Clearance for all pending cases in Phase I up-grading works	RIDC	By October 31, 2010
27.	Obtain Forest Clearance for Phase II up-grading works	RIDC	By December 31, 2010
28.	Take corrective actions, including restoration of access, repair of water lines/storage facility, clearing of debris/spoils from fields and rehabilitation of debris disposal sites on Contract 4 and share a compliance report with WB	RIDC/CSC/ Contractor	To be initiated immediately and all required actions should be completed by September 15, 2010
29.	Take corrective actions, including clearing of debris and completion of documentation for two disposal sites located on private land on Contract 8 and share a compliance report with WB	RIDC/CSC/ Contractor	To be initiated immediately and all required actions should be completed by September 15, 2010
30.	Ensure availability of full time Environmental Officers in CSC team (requires provision/ rationalization of man-months in CSC's contract)	RIDC/CSC	By December 31, 2009
31.	Improve worksite safety management (including provision of standard signage and better PPE discipline among engineers and workers) on both Phase I and II up-grading works	RIDC/CSC/ Contractor	Continuous Action
	Procurement		
32.	Project should issue an advisory to all zonal offices about usage of appropriate newspapers for advertisement in case of NCB contracts	HPRIDC	31 August 2010
33.	A workshop of all key stakeholders is organized early facilitated by an expert familiar with various contract conditions and its applicability and a clear Roles and Responsibilities Matrix is developed	HPRIDC	31 August 2010

Annex 5

People Met by the Mission

S. No.	Name	Designation/ Address
Govt. of Himachal Pradesh		
1.	Dr. P.C. Kapoor	Pr. Secy. (PW) to GoHP-cum-M.D. HPRIDC
HPRIDC		
2.	Mr. B. B. Kalra	Chief Engineer-cum-Project Director, SRP, HPRIDC, Shimla
3.	Mr. Rakesh Jain	Superintending Engineer, HPRIDC, Shimla
4.	Mr. A.K. Dutta	E.E. (CM), HPRIDC, Shimla
5.	Mr. Lalit Bhushan	E.E. (P), HPRIDC, Shimla
6.	Mr. Anil Gupta	E.E. (T&D) HPRIDC, Shimla
7.	Mr. Pritam Chand Bandan	E.E. (CMU) HPRIDC, Dharamshala
8.	Mr. A.K. Sood	E.E. (CMU) HPRIDC, Hamirpur
9.	Mr. Suresh Kapoor	E.E. (CMU) HPRIDC, Una
10.	Mr. Kuldeep Rao	E.E. (CMU) HPRIDC, Shimla
HPRIDC (Finance)		
11.	Mr. Anil Kapil	G.M.-cum-F.A. HPRIDC, Shimla
12.	Mr. Virender Bhardwaj	Dy Manager (Fin.), HPRIDC Shimla
HP Public Works Department		
13.	Mr. N. L. Sharma	Engineer-in-Chief, HP.PWD
14.	Mr. Bhartendu Kapoor	E.E. (IT) O/o E-in-C, HPPWD, Shimla
15.	Mr. M.K. Kaushal	E.E. (Horticulture) O/o E-in-C, HPPWD, Shimla.
The Louis Berger Group Inc.		
16.	Mr. B.K. Bansal	Director (Projects), LBG Inc., Gurgaon
17.	Mr. Sudhakar Singh	Senior Procurement-cum – Contract Specialist, LBG
18.	Mr. Edward Hairi	Louis Berger Group Inc.
19.	Mr. Andrew Bogle	Team Leader, CSC, LBG
20.	Mr. Sanjay Kumar Singh	R.E (Pkg-1). LBG
21.	Mr. J. Dhana Singh	Environment Engineer, LBG
22.	Mr. Ajay Arora	R.E (Pkg -5). LBG
23.	Mr. Mukesh Kumar	Acting R.E. (Pkg.-10), LBG
24.	Mr. Anoop Kumar	R.E. (Pkg. – 3 & 4), LBG
M/S Longjian Road & Bridge Co., China		
25.	Mr. Neeraj Kumar	Project Manager (Pkg - 5)

26.	Mr. Diao Zai Xuan	Project Manager
M/S C&C Constructions, India		
27.	Mr. Ashwani Dogra	P.M. of C&C Construction
28.	Mr. Pushkar Malhotra	Planning Engineer, C&C Construction
M/S NKG Infrastructure Limited		
29.	Mr. Kripal Singh	Vice President, NKG Ltd.
30.	Mr. R.L. Mehra	GM, NKG Ltd.
M/S Som Datt Builders Ltd.		
31.	Mr. H.G. Advani	Managing Director.
32.	Mr. Srikrishna	Project Director
M/S Dilip-Valecha Limited (JV).		
33.	Mr. Davinder Jain	Managing Director
34.	Mr. Manoj Kumar	Project Manager
M/S ANS Construction Limited		
35.	Mr. R.C. Kaushal	Project Manager
Consultant for Rural Area Linked Economy (CRADLE)		
36.	Mr. Pranay Kumar	Team Leader, CRADLE
37.	Mr. Surender Parmar	Dy. Team Leader, CRADLE

Annex 6

Detailed Mission Comments on Upgrading Works

The Component 1 (Core Network Upgrading) of the project envisages upgrading of 447 km of roads in the Core Road Network (CRN). HPRIDC is implementing this component through 10 contract packages in two phases.

Phase 1 Works: All five civil works contract packages of phase 1 upgrading works, which constitute a total length of 232 km, have been awarded at a total contract price of Rs 5890 million [approximately US\$ 130.9 million @ 1 US\$ = Rs 45]. In all these contract packages, the contractors and the supervision consultants have mobilized and the civil works are at various stages with physical progress ranging from 7.30% to 33.58% by 30 June 2010. 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.

Package	Original contract price (Rs million)	Revised contract price excluding escalation (Rs million)	Commencement Date	Date of Completion (as per contract)	Revised Date of Completion (with approved EoT / EoT recommended by the supervision consultants)	Physical Progress (as of June 2010)	% of hindrance-free stretches available
1	1265	1389	8 May 2008	7 Nov 2010	6 Feb 2012	10.64%	75.4%
2	979.5	972.6	14 May 2008	13 Nov 2010	15 April 2011	33.58%	87.4%
3	1028.2	986.1	14 May 2008	13 Feb 2011	13 Aug 2011	21.5%	86.7%
4	335	349.7	10 Aug 2008	9 Feb 2010	10 Sep 2010	19.2%	74%
5	2282.5	2428.5	5 June 2008	4 June 2011	4 Sep 2012	7.3%	77.9%

Phase 2 Works: Of the five civil works contract packages of phase 2 upgrading works, contracts for four packages, which constitute a total length of 161.19 km, have been awarded at a total contract price of Rs 3035 million [approximately US\$ 67.46 million @ 1 US\$ = Rs 45] and for the remaining one i.e. Package – 6, the procurement process is on. In these contract packages, the works are at initial stages with physical progress ranging from 0.9% to 2%. The mission visited the sites of all four phase 2 roads which are in implementation i.e. Ranital – Kotla Road, Kumarhatti – Nahan Road, Draman – Sihunta Road, and Bhwarana – Lambagaon Road.

Package	Original contract price (Rs million)	Revised contract price excluding escalation (Rs million)	Commencement Date	Date of Completion (as per contract)	Revised Date of Completion (with approved EoT / EoT recommended by the supervision consultants)	Physical Progress (as of June 2010)	% of hindrance-free stretches available
6	Procurement is in progress. Estimated contract price is Rs 1074. 2 million						
7	622.5	609.3	8 Mar 2010	7 Sep 2011	-	2%	20.1%
8	1422.2	1479.9	26 Oct 2009	25 July 2012	-	1.94%	19.5% *
9	430.2	418.8	1 Dec 2009	31 May 2011	-	1.34%	34.3%
10	560.7	586.2	8 Mar 2010	7 Dec 2011	-	0.89%	25.8% *

*Forest clearance obtained recently. More stretches will be hindrance-free shortly

The mission, along with the officials of RIDC and the Supervision Consultants, discussed the progress of Works with the Contractors of all phase 1 and phase 2 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 had 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. 9 major bridges, 3 minor bridges, 2 pipe culverts and 102 box culverts have to be constructed. 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-1 by 6.38 months has been granted for milestone 1. Further, Extension of Time-2 by 15 months for all milestones has been recommended by the supervision consultants and it is being reviewed by the HPRIDC. If this is approved by HPRIDC, the completion dates for milestones 1, 2 and 3 would be 18 November 2010, 9 May 2011 and 6 February 2012 respectively. Land acquisition, cutting of trees and shifting of utilities such as water pipelines, hand pumps, electric poles and transformers are still in progress in various locations but at an advanced stage.

After long initial delays, the contractor had mobilized the resources and started working on encumbrance-free stretches. This contract was suffering from poor mobilization of financial resources into the project by the contractor. In September 2009, the construction works came to a standstill because the contractor's foreign personnel demobilized from the site apparently because of lack of working visas. These personnel had 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. Contractor's foreign personnel started remobilizing from 15 January 2010. About 25 of these personnel have now been mobilized apart from local personnel and labor. The mission was informed that the contractor has also mobilized the financial resources. Since April 2010, the works have been progressing better with physical progress of 1.47% in April, 1.2% in May and 2.21% in June 2010. Further, recently, a nominated subcontractor for working on the structures has also been mobilized with about 34% of the value of the total contract to be carried out by them. Earthwork in excavation in 15.3 km, Embankment in 9.84 km, GSB in 13.63 km, WMM in 3.67 km and DBM in 3.18 km have progressed in several discontinuous sections. Structural works have started in 3 major bridges and 1 minor bridge. 12 box culverts have been completed. The overall physical progress of works in this package is 10.64%.

Following are the issues which need immediate attention of HPRIDC, the supervision consultants and the contractor.

- (a) In view of the extensions of time being considered, the contractor needs to have revised work program. Since the project has a number of structures, the contractor also needs to have a separate work programs for structures.
- (b) The contractor needs to continue to enhance progress of works and adhere to the revised work program targets
- (c) Progress of culverts needs to be enhanced by increasing the manpower. Poor progress of culvert works has resulted in contractor working on several discontinuous sections. Quality of shuttering and finishing works needs to be improved and supervision consultants should ensure this. Drawings for some culverts need to be submitted by the contractor for approval of the supervision consultants

- (d) For the past one year, payments are being made to the contractor after delays. This affects the cash-flow situation of the project
- (e) HPRIDC approved extension of time by 6.33 months through Variation Order (V.O) - 01 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
- (f) HPRIDC have to expedite review of EoT 2 of 15 months recommended by the consultants
- (g) Mix design of BC should be expedited

Contract Package 2: Una-Bangana-Barsar Road; Contractor: C&C Construction Limited: The works in this Rs. 979.5 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, 39 slab culverts, 23 pipe culverts and 37 box culverts and 4.6 km retaining structures 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 13 Feb 2010, 13 May 2010, 13 August 2010 and 13 Nov 2010 respectively. For delays in handing over of encumbrance-free site, the contractor requested for Extension of Time and the Engineer with the approval of the HPRIDC has awarded 152 days of Extension of Time. Accordingly, the revised completion dates for milestones 1, 2, 3 and 4 would be 15 July 2010, 12 October 2010, 12 January 2011 and 15 April 2011 respectively.

Land acquisition, cutting of trees and shifting of utilities such as water pipelines, hand pumps, electric poles and transformers are nearing completion. The contractor has mobilized the resources and working on the encumbrance-free stretches which constitute about 87.4% of the total stretch. Works are in progress in about 30 km length. DBM has been laid in about 23 km. Structural works are in progress on 1 major bridge, 3 minor bridges, 2 pipe culverts, 1 slab culvert and 3 box culverts whereas 3 minor bridges, 11 pipe culverts, 11 slab culverts and 10 box culverts have been completed. The overall physical progress of works in this package is 33.54%.

The contractor has mobilized majority of the construction machinery. BC works should be taken up immediately after the rainy season on the stretches where DBM has been laid. Since the project has a number of structures for construction with about thirty five percent of the contract price attributed to the structures and drains, the contractor needs enhance deployment of sufficient gangs of skilled and unskilled labor along with requisite sets of shuttering material for construction of structures and drains. Slow progress of structural works is still being resulting into non-availability of long stretches for construction of pavement layers especially the wearing course. The quality of DBM and BC also will suffer if works are not carried out in long continuous stretches. Contractor should prepare the working drawings for culverts [about 50%] immediately. The contractor should improve safety measures at construction zones and the supervision consultants should thoroughly check them.

Following are the issues which need immediate attention of HPRIDC, the supervision consultants and the contractor.

- (a) Since the project has a number of structures, the contractor also needs to have a separate work programs for structures.
- (b) The contractor needs to continue to enhance progress of works and adhere to the revised work program targets. The contractor should immediately start working on the remaining unencumbered stretches [about 7 km]

- (c) Progress of culverts needs to be enhanced by increasing the manpower. Poor progress of culvert works has resulted in contractor working on several discontinuous sections. Quality of shuttering, compaction of concrete and finishing works needs to be improved and supervision consultants should ensure this. Drawings for some culverts [about 50%] need to be submitted by the contractor for approval of the supervision consultants
- (d) For the past one year, payments are being made to the contractor after delays. This affects the cash-flow situation of the project. The contractor is not advised of the corrections made in the IPCs.
- (e) The material used at some places for shoulders appears to have excessive fine material. The supervision consultants should verify this.

Contract Package 3: Barsar-Jahu Road; Contractor: C&C Construction Limited: The works on this Rs. 1028 million contract package have commenced on 14 May 2008. In this 45.800 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, 1 minor bridge, 47 slab culverts, 21 pipe culverts, 10 box culverts and 4.58 km protection walls 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 13 May 2010, 13 Aug 2010, 13 Nov 2010 and 13 Feb 2011 respectively. For delays in handing over of encumbrance-free site, the contractor requested for Extension of Time and 6 months EoT for all milestones has been recommended by the supervision consultants and it is being reviewed by the HPRIDC. If this is approved by HPRIDC, the completion dates for milestones 1, 2, 3 and 4 would be 13 Nov 2010, 13 Feb 2011, 13 May 2011 and 13 August 2011 respectively.

Land acquisition, cutting of trees and shifting of utilities such as water pipelines, hand pumps, electric poles and transformers are in progress at an advanced stage. The contractor has mobilized the resources and working on the encumbrance-free stretches which constitute about 86.7% of the total stretch. Works are in progress in about 21 km length. DBM has been laid in about 13 km length. Structural works are in progress on 3 major bridges, 1 minor bridge, 13 slab culverts and 2 box culverts, 3 Pipe culverts. 14 slab culverts, 1 box culvert, 3 pipe culverts and 0.82 km protection walls have been completed. The total number of structures to be constructed is 82. The overall physical progress of works in this package is 21.5%.

The contractor has mobilized majority of the construction machinery but many of these are located at one end of the stretch, near Jahu. During the last mission, it was advised that locating machinery at one end of the project road would cause delays in material transfer to the worksites and increase the dead mileage. It was also advised that the 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 has not explored any alternate plant sites. However, since the travel time on the project road has decreased because of maintenance of existing road and considerable progress made in laying of pavement, now the contractor is able to reduce delays in movement of its machinery. 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 enhance manpower to accelerate the works on them. The contractor's manpower is still inadequate as can be seen from the poorly progressing structures. Slow progress of structural works has resulted into non-availability of long stretches for construction of pavement layers. The previous missions have advised that 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 suitable manpower; prepare the working drawings of structures; immediately procure pipes for

culverts; and improve safety measures at construction zones. The contractor should have an approved work program in view of extension of time being considered.

Following are the issues which need immediate attention of HPRIDC, the supervision consultants and the contractor.

- (a) Since the project has a number of structures, the contractor also needs to have a separate work programs for structures.
- (b) The contractor needs to continue to enhance progress of works and adhere to the revised work program targets. The contractor should immediately start working on the remaining unencumbered stretches [about 18 km]
- (c) Progress of culverts needs to be enhanced by increasing the manpower. Poor progress of culvert works has resulted in contractor working on several discontinuous sections. Quality of shuttering, compaction of concrete, clearing the sites of debris and finishing works needs to be improved and supervision consultants should ensure this. Drawings for many structures need to be submitted by the contractor for approval of the supervision consultants
- (d) For the past one year, payments are being made to the contractor after delays. This affects the cash-flow situation of the project. The contractor is not advised of the corrections made in the IPCs.
- (e) The supervision consultants should finalize the designs and drawings for Bhota bypass bridge and Jahu bypass bridge.
- (f) Compaction of embankments and shoulders need to be thoroughly checked by the supervision consultants. Shoulders should be compacted timely so that bituminous edges are not unsupported.

Contract Package 4: Jahu-Kalkhar Road; Contractor: ANS Construction Limited: The works in this Rs. 335 million contract package have commenced on 10 August 2008 with completion time of 18 months i.e up to 09 February 2010. 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, 46 pipe culverts, along with 1.48 km protection walls have to be constructed. The works are divided into 2 milestones with 5.60 km and 9.79 km length covered in milestones 1 and 2 respectively. As per contract agreement, both milestones 1 and 2 have to be completed by 09 Feb 2010. For delays in handing over of encumbrance-free site, the contractor has requested for Extension of Time and the Engineer has, with the approval of the HPRIDC, awarded 7.10 months Extension of Time. With this approved EoT, the revised completion date for both the milestones is 10 September 2010. Land acquisition, cutting of trees and shifting of utilities such as water pipelines, hand pumps, electric poles and transformers are in progress at an advanced stage. The contractor is working on the encumbrance-free stretches which constitute about 11.39 Km (74%) of the total stretch.

The contractor has not mobilized the WMM plant, crusher and Hot Mix Plant but is appearing to be depending upon the contractor for Package 3 for supply of materials. 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 the laboratory of Contract package 3 for various testing operations of materials and works. The contractor is working in about 7.73 km stretch. The overall physical progress of works in this package is 19.2%. Formation cutting has to be started in a systematic manner in the stretches in which works have not been started. The contractor should expedite the structural works by significantly enhancing manpower, pipes, shuttering and other materials. 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.

Following are the issues which need immediate attention of HPRIDC, the supervision consultants and the contractor.

- (a) The contractor needs to continue to enhance progress of works and adhere to the revised work program targets. The contractor should immediately start working on the remaining unencumbered stretches [about 3.5 km]
- (b) Progress of culverts needs to be enhanced by increasing the manpower.
- (c) Quality of works needs to be thoroughly checked by the supervision consultants. The mission observed that two gabion walls and GSB material at some locations are not as per specifications.
- (d) There are delays in making payments to the contractor.
- (e) The contractor needs to deploy experienced manpower

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 with 36 months construction period i.e. for completion by 04 June 2011. 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. 14 minor bridges, 23 slab culverts, 175 pipe culverts, 125 box culverts and 25.4 km protection walls 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 04 Sep 2010, 04 Dec 2010, 04 Mar 2011 and 04 June 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 with proposal for 15 month EOT to total contract. If approved, the revised completion date would be 4 September 2012. Land acquisition, cutting of trees and shifting of utilities such as water pipelines, hand pumps, electric poles and transformers are in progress at an advanced stage. 78% of the total stretch is encumbrance-free.

After long initial delays, the contractor had mobilized the resources and started working on encumbrance-free stretches. The contract was suffering from poor mobilization of financial resources into the project by the contractor. The contractor's PM was also not at site for a long time. The works were at a standstill from September 2009 to February 2010. In September 2009, the contractor's foreign personnel demobilized from the site apparently because of lack of working visas. To facilitate issue of visas and return of these personnel, GoHP had issued recommendation letters to them. The Contractor's personnel have returned to the site in February 2010 and started working on various components of works including mobilization & installation of plant & equipment, materials and manpower. Earth works have progressed in about 24 km length in several discontinuous sections. Structural works have not progressed much. Retaining walls at few locations totaling to 0.83 km and 10 box culverts, 10 pipe culverts and 1 slab culvert have been completed. 1 minor bridge, 3 pipe culverts, 5 box culverts and 0.41 km protection walls are in progress. The overall physical progress of works in this package is 7.30%. The contractor has installed the hot mix plant but erection of WMM plant and crusher has not been done. 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 in the process. 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 start the works on them. Non-mobilization of required financial resources by the contractor which has hampered progress of works 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 adequate maintenance during the past several months, potholes have developed and these are causing inconvenience and are hazard for traffic movement.

Following are the issues which need immediate attention of HPRIDC, the supervision consultants and the contractor.

- (a) The contractor needs to enhance progress of works and adhere to the revised work program targets. The contractor should immediately start working on the remaining unencumbered stretches [about 40 km]
- (b) Progress of structures needs to be enhanced by increasing the manpower.
- (c) The revised work program needs to be finalized early in view of the EoT being considered. If the progress of works is not as per the revised work program, the supervision consultants and HPRIDC should take remedial measures as per the contract.

Contract Package 6: Procurement of works is in progress for this contract package.

Contract Package 7: Ranital-Kotla Road; Contractor: Valecha – Dilip JV: The works on this Rs. 623 million contract package have commenced on 8 March 2010 with 18 months construction period i.e. for completion by 7 September 2011. In this 39.17 km-long road, the scope of work includes widening of existing highway to intermediate lane configuration in the entire length. The project also has several structures. 65 slab culverts, 42 pipe culverts, 51 box culverts and 3.62 km protection walls have to be constructed. About 7.8 km stretch is hindrance-free. Forest clearance is required for the entire stretch of this contract. The mission was informed that in-principle approval of the forest authorities is expected very soon as all the requisite verifications/meetings have already been held. The contractor is working in about 1.8 km stretch on earthworks. 3 pipe culverts and one box culvert have been completed. 5 pipe culverts, 6 slab culverts and 3 box culverts are in progress. The overall physical progress of works in this package is 2%. Obtaining final approval of the forest authorities, and clearance for crusher erection site are important issues in this contract.

Contract Package 8: Kumarhatti-Nahan Road; Contractor: Somdatt Builders Pvt. Ltd: The works on this Rs. 1422 million contract package have commenced on 26 October 2009 with 33 months construction period i.e. for completion by 25 July 2012. In this 71.74 km-long road, the scope of work includes widening of existing highway to intermediate lane configuration in the entire length. The project also has several structures. 85 slab culverts, 334 pipe culverts, 57 box culverts and 25.865 km protection walls have to be constructed. About 14 km stretch is hindrance-free. Forest clearance is required for the entire stretch of this contract. The mission was informed that final approval of the forest authorities is recently received for about 42 km length and trees would be cut. The contractor is working in about 10 km stretch on earthworks. 23 pipe culverts are in progress and 9 pipe culverts have been completed. The overall physical progress of works in this package is 1.94%. Obtaining forest clearance for the rest of the stretch is an important issue in this contract. The contractor should expedite progress of works. HPRIDC and the supervision consultants should closely monitor progress of works as per the work program.

Contract Package 9: Draman-Sihunta Road; Contractor: NKG Infrastructure Ltd: The works on this Rs. 430 million contract package have commenced on 1 December 2009 with 18 months construction period i.e. for completion by 31 May 2011. In this 24 km-long road, the scope of work includes widening of existing highway to intermediate lane configuration in the entire length. The project also has several structures. 29 slab culverts, 35 pipe culverts, 40 box culverts and 4.42 km protection walls have to be constructed. About 8.22 km stretch is hindrance-free. Forest clearance is required for the entire stretch of this contract. The mission was informed that in-principle approval of the forest authorities is expected very soon as all the requisite verifications/meetings have already been held. The contractor is working in about 2.35 km stretch on earthworks. The overall physical progress of works in this package is 1.34%. Obtaining final approval of the forest authorities is an important issue in this contract. The contractor

should expedite progress of works. HPRIDC and the supervision consultants should closely monitor progress of works as per the work program.

Contract Package 10: Bhawarna-Lambagaon Road; Contractor: Valecha – Dilip JV: The works on this Rs. 561 million contract package have commenced on 8 March 2010 with 21 months construction period i.e. for completion by 7 December 2011. In this 26.28 km-long road, the scope of work includes widening of existing highway to intermediate lane configuration in the entire length. The project also has several structures. 3 minor bridges, 27 slab culverts, 35 pipe culverts, 15 box culverts and 2.635 km protection walls have to be constructed. About 6.8 km stretch is hindrance-free. Forest clearance is required for the entire stretch of this contract. The mission was informed that final approval of the forest authorities is recently received for the entire stretch and trees would be cut. The contractor is working in about 1 km stretch on earthworks. 2 pipe culverts and 5 slab culverts are in progress. The overall physical progress of works in this package is 0.89%. The contractor should expedite progress of works. HPRIDC and the supervision consultants should closely monitor progress of works as per the work program.

Annex 7

Detailed Mission Comments on Maintenance Works

The mission visited three contracts under Tranche II of periodic maintenance. These roads are (i) Hamirpur – Maranda Road [Section Hamirpur – Sujanpur], (ii) Hamirpur – Maranda Road [Section Bhawarna – Maranda], and (iii) Hamirpur – Maranda Road [Section Alampur – Sujanpur]. 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 ‘kutchra’ (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 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.

Critical issues identified include (a) slow progress of bio-engineering works, (b) need for protection of slopes at the edges of the cross-drainage structures; and (c) need to have provisions in the agreements for construction of drains and breast walls/gabions in all stretches where they are required.

Annex 8

Detailed Discussions on Social Issues and Agreed Actions

1. **The Impact:** The project altogether is affecting 2503 households of which 1303 are titleholders and 1200 are non titleholders. The project is also affecting 122 common property resources of which merely 5 have been relocated so far. The project needs to acquire 160.08 ha of land from 359 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	Kiosk	Total	Shifted
	Land and structures	Structures only	Structures only	Structures only	Structures only		
I	233	6	0	163	34	4	2
II	383	6	3	98	11	17	3
III	467	275	0	133	-	27	0
IV	19	4	0	7	-	5	0
V	40	6	1	30	-	27	0
VI					-		0
VII	120	150	0	63	-	22	0
VIII	1	0	0	0	-	0	0
IX	0	4	0	1	4	4	0
X	40	200	0	50	-	16	0
Total	1303	651	4	545	49	122	5

2. **Land and Structure Acquisition:** In phase I, the project requires a total of 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 206 villages. Negotiation has failed in 3 villages and land will be acquired through LA Act. Notices under section 6 and 7 of LA Act have been issued for all the three villages on October 24, 2010. The compensation for the remaining villages will be disbursed by August 31, 2010. In order to arrive at the base value for negotiation, following process is being adhered to by HPRIDC:

- HPRIDC has constituted a negotiation committee for the acquisition of private land which includes, Deputy Commissioner of the concerned district as Chairman; Superintending and Executive Engineer of the concerned division and Tehasildar
- Taking into account the average of the actual transaction rates of similar lands for contemporary years for which sale deeds are registered.
- Taking into consideration 20 times of the annual value of gross production of the concerned land, averaged over preceding five years. For this purpose, authentic secondary data from the district statistical Handbook, the data from the local agricultural produce samities, and agricultural department should be used.
- Fixing up market value of land equal to the minimum land value if so prescribed by the State Government under Indian Stamp Act for the purpose of registration of sale deeds under Indian Registration Act of 1908.

The highest of the three methods is considered which is topped up by the market value survey report conducted by the DC to arrive at the base value for negotiation. However, in packages 1,2,3,4 and 5, the R&R assistance is also included in the land compensation amount unlike packages 7, 8, 9 and 10. The micro plans prepared for the packages 1,2,3,4 and 5 for land losers does not include any R&R assistance but for packages 7 to 10, PAPs those who are below minimum economic holding (5 bigha or 3740 sq m)

post acquisition (including those who were already below MEH – pre acquisition), are eligible for R&R assistance and micro plan for them needs to be prepared.

The Land Acquisition Process:

In order to acquire land, following steps are taken:

Step 1: HPRIDC through its Land Acquisition Officer, issues notification u/s 4(i) followed by notifications u/s 5A, 6 and 7.

Step 2: Post notification u/s 7, the base value for negotiation is being arrived at by the process described above.

Step 3: Once base value is arrived at by the negotiation committee, the Deputy Commissioner prepares the report and invites the PAPs for negotiation.

Step 4: Post negotiation, LAO shares the negotiated value with the HPRIDC for its consent. LAO then forwards the final compensation amount to DC for approval.

Step 5: Once DC approves the rates, HPRIDC deposits the entire compensation amount with LAO.

Step 6: LAO declares the award.

Step 7: LAO through local revenue officer at village level informs the date of disbursement to the PAPs.

Step 8: PAP visits LAO's office for collection of cheque.

3. In phase II, project requires 45.5706 ha of land of which 13.6069 ha is private land to be acquired from 141 villages. Out of total 141 villages, negotiation has been completed for 91 villages and award has been announced for 38 villages. So far disbursement has been made in 51 villages. The LA process will be completed by August 31, 2010. The table below provides the details of land acquisition for phase I and II roads:

Package	Total Number of villages	Negotiation Completed (# of Villages)	Award Announced (# of villages)	Disbursement Made (# of villages)
Phase I				
I	35	33	33	31
II	54	54	54	53
III	59	59	54	54
IV	11	11	11	11
V	59	59	59	57
Total	218	215	211	206
% to total	100	99	97	94
Phase II				
6	47	3	3	0
7	30	30	10	10
8	22	17	14	14
9	11	10	10	10
10	31	31	17	17
Total	141	91	54	51
% to total	100	65	38	36
Overall progress in %		85	69	58

4. **Structure Compensation:** The disbursement of compensation though initiated, is extremely slow. HPRIDC has so far identified 1800 residential and commercial structures within the Corridor of Impact out of which only 45 have been relocated though 64 structure owners have been paid. In package IV,

entire structure compensation has been paid through micro plan as during acquisition of land, structures were not evaluated by the LAO.

Package	Total Number of structures	Number of structures removed	Number of structures for which compensation has been paid
I	436	5	5
II	501	40	45
IV	29	-	29
Total	1800	45	64

Yet to be assessed for packages 6,7 and 10.

5. **Disbursement of R&R assistance:** So far INR 1950560 has been disbursed among 49 PAFs in packages 1, 2 and 4 which includes 38 titleholders fully paid and 13 partially paid; 4 encroachers fully paid and 2 partially paid; and 7 tenants fully paid. INR 585,592 has been disbursed towards relocation of CPRs.

Package	Amount approved by DLC	Amount disbursed so far
I	13255428	157881
II	14098180	2085799
IV	5214344	292472
Total		1950560

6. **Preparation of micro plan and other R&R activities:** The NGO has already submitted the micro plans for both titleholders and non titleholders for all the packages barring packages 6, 7 and 10 for structures and CPRs. The micro plans for land affected PAPs are yet to be prepared for 7 to 10 packages.

7. **Findings of field visits:** The mission visited all the upgradation contracts. Apart from issues of pending land acquisition and structure compensation across all the packages except for package 4, the other adverse social issues were identified in packages 1, 4, 5, 8, and 9 as following:

Package 1 (Mehatpur - Una – Amb): The mission observed that in one location due to high embankment of road, access to the shops below has been affected.

Package 3 (Barsar to Jahu): due to the recent process of land settlement in Barsar and Mehre village, land acquisition process in a section of about 2 km has put been on hold for verification of affected plot numbers.

Package 4 (Jahu to Kalkhar): Land has been fully acquired in this package and disbursements have also been made. The mission noted that in village Jakhed, hill cutting has resulted in loss of access. The community claimed that hill cutting has also resulted in loss of drinking water sources; and irrigation channels on the upper reaches of the hill. The excavated material has been dumped on the slopes without adequate protection resulting in loss of cultivable land and crops. Some of the community members claimed that their houses have developed cracks due to blasting. The mission noted that contractor neither pre-informed the villages prior to blasting nor any survey of structures above the blasting site was carried out. The villagers further complained that neither the contractor nor the engineer ever listened to their requests for provision of access road and protection walls in the dumping site. They have even complained to the office of sub divisional magistrate. The SDM once visited the dumping site and verbally instructed the contractor not to dump excavated material on that particular site, but contractor continued the dumping. Since no protection wall has been provided on the excavated site, there has been landslide due to heavy rains.

Package 5 (Theog – Katkhai – Hatkoti – Rohru): Baring two villages (one each in milestone 3 and 4) compensation has been disbursed in rest of the 56 villages. During the visit, mission noticed that due to hill cutting and subsequent rains, one house and several apple trees (totaling 17) have been affected at km 25 in village Guma in milestone 1. No protection wall has been provided for such vulnerable sites. The client has already made the damage assessment. The NGO will submit the supplementary micro plan to DLC by July 31 so that compensation and other assistance can be paid. It was encouraging to see that as a best practice, contractor did not fell several apple trees on various locations so that farmers could harvest the current crop.

Package 8 (Kumarhatti – Sarahan – Nahar): The mission observed that contractor has dumped the excavated materials on private land without proper documentation of the consent given by the plot owner. It was agreed that contractor will sign a memorandum of understanding with the owner of the private land and will also attach all the revenue details of that particular plot.

Package 9 (Draman to Sihunta): Though contractor has signed a memorandum of understanding with the private land owner for the dump site, proper documentation has not been carried out. The MOU signed between the contractor and the owner does not have supporting documents.

Annex 9

Environmental Management and Safeguards

The mission held detailed discussions with Construction Supervision Consultant (CSC), Contractors and officials from RIDC and CMUs. Site visits were made to all up-grading works under Phase I and II except contract 6, for which the tendering process is on.

The focus of the mission was to review and ascertain the adequacy and quality of EMP implementation in the up-grading works covered under the project. The mission also reviewed the following aspects/activities related to environment management: (a) status of forestry clearances required for Phase I and II up-grading works; (b) regulatory clearances/permissions linked to establishment and operation of camps, plants/equipment and borrow areas for Phase I works; (c) mobilization and functioning of environmental officers in the Contractor, CSC and RIDC project teams; and (d) bio-engineering works.

Over-view

The over-all implementation of environment management plans/activities in the project is 'satisfactory', despite the challenges posed by the geological and climatic setting in which the project roads are located. Some of the key aspects that were considered for the over-all 'satisfactory rating' include:

- a) a notable progress in obtaining Forest Clearances for up-grading works
- b) availability of environmental officers in the contractor's team on all packages in Phase I except Contract 4, with appropriate support and resources for their functioning
- c) obtaining of required regulatory clearances/permissions for all operational camp and plant sites;
- d) deployment of Nodal Environment and Bio-engineering Officers within RIDC
- e) Efforts made towards mainstreaming bio-engineering for slope protection; and
- f) Over-all satisfactory compliance of the EMPs, including camp and plant site management, pollution monitoring and debris disposal.

The mission also noted substantial progress and efforts, particularly on part of the RIDC and CMUs on various actions that were identified and agreed during the previous missions. An update on these has been provided in Annex 3.

Implementation of Environment Management Plans (EMPs)

As a part of mid-term review exercise, the mission assessed the status and quality of EMP implementation in all on-going up-grading works and paid specific attention to the review of the following of key aspects :

- a) Camp and plant management (including obtaining of necessary regulatory permissions/consents from the State Pollution Control Boards and over-all house-keeping in camp and plant sites)
- b) Identification of debris disposal sites, actual disposal of debris and site rehabilitation (where the site has been exhausted).
- c) Worksite safety management (including traffic safety and management measures, worker's safety and first-aid facilities)
- d) Drainage arrangements (particularly temporary drainage arrangements along the road and at structure construction sites) and

- e) Borrow area identification and operation (including the process of obtaining consents from the land owners and the local authorities for the same) (this applies particularly to Contract 1 and is not much applicable to other contract packages).

On the whole, the implementation of EMPs was found to be satisfactory (other than issues mentioned in the following sub-section) in the project. The implementation of environmental management measures on the project includes 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 required arrangements for storage of bitumen drums, cement, petrol, oil and lubricants storage; provision of proper accommodation and sanitation arrangements for staff and workers; pollution monitoring; dust control arrangements; and efforts towards top soil preservation (such as in contract 2).

Key Issues/Activities that Need Attention for strengthening EMP implementation

While the project is largely in compliance with the agreed EMPs, there are a few actions/activities where immediate attention is needed. Action and follow-up on these key issues/activities will help in strengthening EMP implementation and will lead to improved compliance levels. These include:

- a) Immediate corrective actions on issues/deficiencies that were identified in Contract 4 (restoration of temporary/permanent access to properties/settlements; repair of damaged water lines and a *kul* (irrigation facility); clearance of debris from farmland/orchards and unapproved locations and rehabilitation/execution of protective works of debris disposal sites)
- b) Immediate corrective actions on Contract 8 (complete protection works and documentation for two debris disposal sites located on private land and identification and approval of additional debris disposal sites before undertaking slope cutting/ excavation work)
- c) Ensuring/strengthening enforcement of worksite safety management measures (including provision of standard signage and delineation at work fronts on/along the road and improving PPE discipline among engineers and workers alike) – the mission reiterated that worksite safety management measures need to be enforced on all contracts in accordance with contractual requirements and enforced strictly and
- d) Removal of debris and clearance of waterways, particularly from structure construction sites.

These actions/activities have to be closely monitored by RIDC and CSC and completed as per the agreed schedule. The mission was assured by the Principal Secretary, PWD and the Project Director, RIDC that the required actions will be undertaken and these will be closely reviewed by RIDC. A few other contract-package wise observations that were noted during site visits and need to be followed-up have been listed separately in Attachment 1 of this annex.

Bio-engineering for Slope Stabilization

Bio-engineering is the use of vegetation, either alone or in conjunction with civil engineering structures, to reduce the instability of hill slopes, thereby protecting the road itself from landslides and ensuring the safety of road users. It not only provides one of the best ways to armour slopes against erosion, but also retains the hillside's productivity, unlike civil structures on which nothing can grow. It therefore, reduces adverse impacts on forests, water bodies, private properties, farmlands and orchards by helping in stabilization of cut/unstable slopes. It also helps in covering-up any unsightly scars that result from road widening activities.

Under the project, technical specifications for bio-engineering works and nursery manual have been prepared; Horticulture Wing has been strengthened and staff has been trained; trial sites have been established and extended to works under the periodic maintenance component and bio-engineering plans/DPRs for up-grading works have been prepared. These efforts have helped in main-streaming sound

environmental management practices into HPPWD/HPRIDC regular operations as well, going beyond the Bank funded project. The HPPWD's 'Schedule of Rates' now covers bio-engineering items as well. In this light, the introduction of bio-engineering is a good practical example of the Bank's aim of helping the GoHP in mitigating the adverse effects of unscientific road construction and the stabilization of unstable slopes.

The execution of plantation and some pilot bio-engineering (BE) sites for the periodic maintenance component is being carried out under supervision of PWD's Horticulture Wing staff. Such works have been completed along Tranche I roads. The same activity is on-going in case of Tranche 2 roads. It was agreed that the staff of Horticulture Wing will continue to monitor the survival rate and update data records on the said activity.

Based on the plans and assessments carried out under the project, RIDC/PWD plans to pilot some bio-engineering work on the cut slopes and on (exhausted) debris disposal sites for roads under Phase I up-grading component in the months to come.

To take the bio-engineering initiative forward, RIDC has sought Bank support to move from the initial 'pilot demonstration' and 'institutional support' for introducing bio-engineering techniques in the state to an 'up-scaled treatment of slopes', particularly for the works under the up-grading component. For this purpose, detailed DPRs to cover almost the entire length of works under Phase I up-grading component have been prepared and shared with the Bank. While the Bank appreciates the intention and effort put-in by the RIDC in this regard, it was agreed during the discussion with RIDC that the additional financing requirement and an agreement on the modalities for execution will be deliberated in the coming months to arrive at a decision in this regard.

Institutional Arrangements for Environment Management

Contractors: Environment and safety officers (ESO) in the contractor's team are in place in Contracts 1, 2, 3, 5 and 8, where civil works are fully in progress. Deployment of Environment and Safety Officers in the Contractor's team with proper resource support is required in case of Contract 4 (immediate deployment is necessary) and on other contracts such as 7, 9 and 10 (along with mobilization of contractor's team, which is currently in progress).

Construction Supervision Consultant: The deployment of full time Environment Officers (EOs) within the CSC's team is an issue that has been pending for a long time and needs to be addressed urgently. A one senior level Environment Officer (providing intermittent inputs as per the contract) is available and is providing the required over-sight in the field. However, this arrangement is not sufficient as more number of contracts and work fronts open-up.

The man-month allocation for environmental over-sight (both for Environment Officers and for Bio-engineering Specialist) within the CSC's contract has been quite low from the very beginning. As mentioned and agreed during previous missions, 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 (where works are/will be starting now and is already in progress in Contract 8).

RIDC had informed earlier that a proposal on man-month requirements/rationalization (for all positions) of the CSC was under consideration and a decision was likely to be in place during first quarter of 2010. However, a satisfactory arrangement has not been agreed upon till date and a quick decision on staffing/man-month rationalization, including provision of additional man-months in relation to the civil works schedule needs to be worked without further delay.

RIDC: The RIDC has a Nodal Environment Officer as a part of its set-up, who co-ordinates with field staff on environmental management issues. Likewise, the RIDC also has the Nodal Bio-engineering Officer in place to co-ordinate and facilitate activities pertaining to bio-engineering works. The mission

recommended exposure visit/s for both the Nodal Officers to other projects, which will help in strengthening technical knowledge and management capacity of the staff engaged in the project.

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 all Phase I up-grading contracts other than one case (an additional requirement of 7.11 hac.), pending in Contract 5. This has been possible due to rigorous and regular follow-up by RIDC, CMUs and the senior management of PWD and GoHP. The procedures are time consuming and the mission appreciated and acknowledged the efforts put in to accomplish this task.

On Phase II up-grading works, the first level (in-principle clearance) has already been obtained for two cases in Contract 8 and the same is in progress for other contracts. RIDC and CMUs are pursuing these cases closely and it is expected that a substantial progress will be achieved by the end of the year. The mission reiterated that no work should be undertaken in the forest stretch till the requisite clearance is obtained from the concerned department. Contract package-wise status on Forestry Clearances for Phase I and II has been presented in Annex 15. An attachment of this annex provides an insight into the steps and time requirement to obtain regulatory clearances related to tree cutting.

Permission for felling of trees on private land is being undertaken only after acquisition and mutation of such land in PWD's name. 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. A complete contract-package-wise update category-wise tree cutting update is available in Annex 15.

ISO Certification

A consultant had been appointed by RIDC to facilitate and hand-hold the organization in obtaining the ISO Certification (9001:2008 and ISO 14001:2004). The process for ISO Certification for Quality Management System and Environmental Management System within the RIDC and National Highway Wing of HPPWD is in process. An internal audit was conducted under the supervision of the consultant by HPRIDC and National Highway Wing of PWD. After the audit is completed by an external agency, RIDC will be ready to seek the ISO certification. It is expected that the external audit process will be completed before September 15, 2010.

The consultant has also imparted training during a three-day workshop that was organized at Shimla. Apart from RIDC staff, the training programme was attended by all the Divisional level Officers and officials from the National Highway Wing of PWD.

Attachment to Annex 9

Forest Clearance and Tree Cutting Procedure

While a typical EA report (in the Legislative Framework Chapter) describes environmental regulatory process requirements along with the time schedule, these are not always entirely taken into account while initiating bidding process and awarding works contract/s. This attachment provides a detailed step-by-step account of the regulatory process to help create an understanding about the detailed procedures and time requirement for obtaining (a) Forest Clearance and (b) Permission to cut trees within Right of Way (categorized under ‘other forests’).

A lack of appreciation of time requirements of such a process has many a times adversely affected project delivery schedule. This is particularly important in case of a state like Himachal Pradesh, which has a large percentage of its geographical area categorized as forests. The purpose of this note on one hand, is to commend the efforts of some CMUs and RIDC in accomplishing the task of obtaining almost all necessary clearances/permissions for Phase I upgrading works and on the other hand, provide a ready reference to new staff engaged in preparing and processing forest applications for Phase II upgrading works.

A. Forest Clearance under Forest (Conservation) Act (applies when forest land diversion is required for road works)

Step No.	Activity	No. of Days
1	Preparation of case / application letter that is submitted to Revenue and Forest Department	7
2	Area calculation to identify land diversion requirement with the help of Revenue Department represented by Patwari	30
3	Joint visit by Executive Engineer, DFO and SDM	
4	Enumeration of trees by the Forest Department after the visit of Forest Guard and Range Officer	7
5	List is forwarded by the Range Officer to DFO for approval	15
6	Preparation of a combined ‘case’ papers (documents prepared by Revenue Department, list of trees enumerated by Forest Department and actual area calculation for diversion of forest land are enclosed)	7
7	Case submitted to DFO - DFO Office will examine the case and further send to Conservator of Forests	7
8	Conservator of Forests will examine the papers and further forward the case (subject to the fact that no short-comings/deficiencies are found) to Prin. Chief Conservator of Forests at Shimla	7

Step No.	Activity	No. of Days
9	Case is further examined by the Prin. Chief Conservator of Forests and forwarded to Additional Secretary (Forests)	4
10	Additional Secretary (Forests) recommends the case for the approval of the Forest Minister.	3
11	Forest Minister approves the case and returns the case file to Additional Secretary (Forests)	8
12	Case file is sent to CF, Chandigarh (MoEF) after the counter signature of Chief Secretary, GoHP. (The case file is counter-signed by the Chief Secretary as the case file goes to MoEF).	2
13	CF (Chandigarh) examines the case. May opt for conducting a site inspection or may provide an 'in- principle' clearance without conducting the site visit.	90 (primarily due to work load)
14	If CF, Chandigarh provides 'in-principle' approval, it is conveyed to DFO. The concerned DFO works out the cost for compensatory afforestation and NPV and the total cost/amount is conveyed to the concerned Executive Engineer.	3
15	Executive Engineer requests RIDC for releasing the said amount. The Project Director's Office/RIDC directly deposits the specified amount into the bank account of the concerned DFO.	2
16	The DFO communicates the amount deposition to CF, Chandigarh and requests to provide final/formal approval	2
17	CF, Chandigarh conveys (in writing) the final/formal approval to the concerned DFO.	30
18	DFO conveys the final/formal sanction to the Executive Engineer	2
19	DFO further directs the concerned Range Officer (Forest Department) to mark (process is formally known as 'hammering') the trees for cutting.	1
20	Range Officer hammers/ marks the trees in presence of Executive Engineer or his field representative	10
21	The Range Officer sends the final list of trees to the concerned DFO for information	1
22	DFO forwards the case to Forest Corporation to call 'tender' for cutting the marked trees	3
23	DM, Forest Corporation calls for bid and fixes date/s to receive the tender documents	30
24	After opening of the tenders and their evaluation, tree cutting work is awarded to the selected contractor	15
25	Contractor mobilizes the required labour and machinery at site	15

Step No.	Activity	No. of Days
26	Contractor cuts the trees.	30
Total Number of Days *		331

* This is the time requirement in a typical or an ideal case - this means that all concerned officials are available and there are no comments/remarks raised at any level. However, this is practically not the case, which results in more time requirement to complete the process.

B. Permission for Felling Trees

(Applies when tree cutting is required within the Right of Way (RoW) i.e. on land already with the Public Works Department)

Step No.	Activity	No. of Days
1	Preparation of case / application letter to the Revenue and Forest Department for felling of trees falling within the Right of Way	7
2	Area to be cleared of trees is verified on the ground with the help of Revenue Department represented by Patwari	30
3	Joint visit by Executive Engineer, DFO and Revenue Department staff for the verification of the land and trees falling within the ROW	
4	Enumeration of trees by Forest Department after the visit of Forest Guard and Range Officer (both from Forest Department). The details cover number of trees to be cut along with chainage, species and girth information.	7
5	List of trees to be cut is forwarded by the Range Officer to the concerned DFO for approval	15
6	The combined case paper is prepared by enclosing the documents received from Revenue and Forest Department (as prepared in the steps mentioned above).	7
7	Case is submitted to the concerned DFO – the DFO Office examines the case and if there are no observations, sends it to the Conservator of	7
8	The CF office will examine the case and if there are no observations, will approve the felling proposal.	7
9	The approval from CF office is conveyed to the concerned DFO, who further conveys the final sanction (in writing) to Executive Engineer.	2
10	DFO further directs the concerned Range Officer (Forest Department) to mark (process is formally known as ‘hammering’) the trees for cutting.	1
11	Range Officer hammers/ marks the trees in presence of Executive Engineer or his field representative.	10
12	The Range Officer sends the final list of trees to the concerned DFO for information.	1

Step No.	Activity	No. of Days
13	DFO forwards the case to Forest Corporation to call 'tender' for cutting the marked trees.	3
14	DM Forest Corporation calls for bids and fixes date/s to receive the tenders.	30
15	After opening of the tenders and their evaluation, tree cutting work is awarded to the selected contractor.	15
16	Contractor mobilizes the required labour and machinery at site.	15
17	Contractor cuts the trees.	30
Total Number of Days *		187

* This is the time requirement in a typical or an ideal case - this means that all concerned officials are available and there are no comments/remarks raised at any level. However, this is practically not the case, which results in more time requirement to complete the process.

Annex 10

Procurement Aspects

The Mission has reviewed the progress in procurement achieved against the procurement plan and the Action plan agreed in August 2009. Mission has noted that the progress is satisfactory, except for the repeated rebidding requests received for maintenance contracts from a few zonal offices. Procurement plans are revised at present and the **Mission suggested an early submission of the revised Procurement plans for regular contracts and maintenance contracts for review and agreement.**

The Mission has also noted that the post review of procurement carried out by Bank Consultants has found all reviewed cases complaint with the requirements. **As a follow up to post review recommendations, the Project should issue an advisory to all zonal offices about usage of appropriate newspapers for advertisement in case of NCB contracts.**

Except two positions at one each AE and DE level, the procurement wing is staffed. Though the training program planned to be conducted in Shimla with ASCI support has not taken place yet, the approved training plan for 2010 include provision of Procurement training to staff members in HPRIDC in ASCI, Hyderabad. With majority procurement tasks underway, the roles and responsibilities of the Procurement team members would now focus on contract management to offer correct interpretations of various provisions under the various clauses and inter-facing with various stakeholders like Contractors, Supervision Consultants and various functionaries within HPRIDC like Finance, Project Management, etc. **Hence it is essential that all staff are trained on programs that cover works contracts management in detail. In this context, it is also essential to fill in vacant positions in Procurement at the earliest.**

There are strains visible on contract management leading to multiple interpretations of contract conditions for handing over site, mobilization, measurement of work progress, payments etc., which could affect the progress of implementation of contracts and could attract unnecessary disputes and arbitrations. **It is recommended that a joint meeting of the above stakeholders is organized early facilitated by an expert familiar with various contract conditions and its applicability and a clear Roles and Responsibilities Matrix is developed for moving forward.**

The Mission has noted continued improvements in response time at project as well as Bank end. It was noted that rebidding for ICB 6 is progressing well with high levels of interest seen from the contracting community.

Annex 11

Financial Management

Budget and Disbursements: GoHP has made a provision of Rs. 141 crores for the project in its Budget for FY 10-11. Out of this Rs 100 crores is for the upgradation component and Rs. 41 crores for the maintenance component. The cumulated expenditure till March 2010 in the project is Rs 268.53 crores and the expenditure for the financial year 2009-10 was Rs 166.40 crore. Though the availability of the fund with the project is currently adequate, but based on the previous year's expenditure, the current year's budget will fall short. Therefore, an additional budget will be required to be approved by the Vidhan Sabha at the earliest.

Components	Amount in Rs Crores	
	Expenditure FY 2009-10	Cumulative expenditure till 31 March 2010
Core Network Improvement	55.73	101.89
Core Network Maintenance and Management	44.52	75.49
Land Acquisition	66.19	91.15
Total	166.44	268.53

Disbursement as on July 14, 2010 is USD 24.37 million which represents 11.08% of the loan of USD 220 million. There are claims in pipeline, which will lead to a further disbursement of USD 0.43 million.

Staffing and Accounting: As planned initially an accountant was to be posted at each of the 3 CMUs to handle payments and record keeping relating to R&R payments. However, as per the current system R&R payments are transferred to an HPRIDC account maintained at the CMU & operated by the Executive Engineer at the CMU. Whenever, cheques are to be issued to Project Affected Persons (PAPs) an accountant from Head Office travels to CMU to make R&R payments. Since, the role of the accountant at the CMU is limited to R & R payments, the new staff will be posted at the Head Office itself. Since the work on the packages has progressed, 2 more accountants will be hired at the Head Office. As of now the interviews for the 5 posts are expected to be held and staff to be on board by September 2010. TALLY accounting software is operational at the Head Office. To ensure that this arrangement does not lead to over centralization of the payment process, it will be reassessed once the payment process progresses.

Financial Reporting: In the past few reviews of the quarterly Interim Unaudited Financial Reports (IUFR) one of the observations was that the "Bank funds received till date" were incorrectly reflected in Format 3 of the IUFR. This led to a different amount of "net funds required from the bank" as computed by the project and as computed by the bank. During the mission it was explained to the project that the amount of "Bank funds received till date" has to be taken as per Claim Status on CAAA site as this is the amount which has already been released by the bank for the project. The IUFR for quarter ending June 2010 which is due by 15 August 2010 will be submitted after taking this into account.

Financial Management Manual (FMM): It was agreed during the last mission that a revised version of the FMM, incorporating the following changes, will be sent to the Bank: (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 IUFRs formats. This action has remained incomplete and it has now been agreed that this will be completed by September 2010.

Training on Financial Management (FM) aspects: In the month of January 2010, FM training sessions were conducted in Shimla and Dharamshala. The training was attended by Contractors, Resident Engineers, and Executive Engineers. For smooth and faster processing of the contractor payments a checklist of documentation to be enclosed with the Interim Payment certificate and Running Bills submitted by the contractors was shared by the Finance team. This checklist covers documentation aspects related to Performance Guarantee, Mobilisation Advance, Insurance, Indemnity Bond, Compliance of law of land, Escalation with available index numbers, Material Advance at Contract Value, etc. This training may further be extended to other project participants to ensure that all are well aware of the FM requirements and documentation/ reporting obligations. The second phase of training will be conducted during October 2010 to March 2011. A detailed training plan for the same will be shared with the Bank by 15 October 2010.

External Audit: During the mission the project shared with the Bank a copy of Audit and Inspection Note dated June 4, 2010 from the Office of the Principal Accountant General (Audit), HP on the Accounts of HPRIDC for the financial year 2008-09. The Note reported four paragraphs on irregularities amounting to Rs 4.42 crores. Further, the Office of the Principal Accountant General (Audit), HP requested response on these paragraphs within 15 days from the issue of the letter. Since no response has been sent these paras are proposed to be developed as a Draft Para for inclusion in the Audit Report of CAG (Commercial) for the year 2009-10. These paragraphs highlighted irregularities on account of award of work without clearing encumbrances thus leading to undue favor to contractor, infructuous expenditure, undue favor to contractors by not levying the liquidated damages but by paying the escalation for the extended time period and loss of interest due to provision of mobilisation advance to contractors but delay in timely commencement of work. Based on the finalization of these paras by the CAG, this expenditure may be considered as ineligible to be financed by the Bank. The project needs to prepare a response to the findings.

Internal Audit: M/S K.N. Chandla & Co. has been hired as the internal auditor for the financial year 2009-10 and audit is underway. The report by the auditor will be submitted by end of July 2010.

Utility Shifting and Land Acquisition: The utilization certificates have not been received from various departments for utility shifting and land acquisition. The project must make an effort to ensure that utilization certificates are obtained from these departments at the earliest.

Amount in Rs Crore

Department	Total	2007-08	2008-09	2009-10	2010-11
HPSEB	2.55	0.70	0.61	0.17	1.07
IPH	1.40	-	0.26	-	1.14
Land Acquisition Officer	61.00	-	-	61.00	-
Total	64.95	0.70	0.87	61.17	2.21

Governance: As per the Companies Act Private Limited Company shall hold at least one meeting of the Board in a period of three months and four meetings in a year. The last board meeting was held in April 2010 and the next meeting is scheduled to be held in July 2010.

Annex 12

Status of Upgrading Works

Phase-I- Total Packages = 5 Nos.		Total length= 231.69 km		
Contract Package No.	Length (km)	Contract amount Rs. Crore	Date of commencement/ Intended Completion Date	Present Status ending June, 2010
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 [EoT up to 6 Feb 2012 being reviewed]	• Earth work achieved = 25 km
				• Sub Grade achieved = 19.69 km
				• GSB = 13.63 km; WMM = 3.67 km; DBM = 3.18 km
				• Box Culvert = 12 completed
				• Minor Bridge = 1 in progress.
• Major Bridge = 3 in progress.				
Package -2 (ICB) Una Barsar km 0.000 to km 45.000	45.00	98.84	14-05-2008 / 13-11-2010 [revised completion date as per approved EoT is 15 April 2011]	• Earth work achieved = 30 km
				• Sub Grade achieved = 26.64 km
				• GSB = 25 km; WMM = 24.7 km
				• DBM achieved = 23 km
				• Slab Culvert = 11completed; 1 in progress
				• Box Culvert = 10 completed; 3 in progress
				• Pipe Culvert = 11completed; 2 in progress
• Major Bridge = 1 in progress				

				<ul style="list-style-type: none"> • Minor Bridge= 3 completed; 3 in progress
Package-3 (ICB) Barsar Jahu km 45.00 to km 90.800	45.80	103.94	14-05-2008 / 13-02-2011[EoT up to 12 May 2012 being reviewed]	<ul style="list-style-type: none"> • Earth work achieved = 21 km
				<ul style="list-style-type: none"> • Sub Grade achieved = 20.58 km
				<ul style="list-style-type: none"> • GSB achieved = 20.15 km
				<ul style="list-style-type: none"> • WMM achieved = 15 km; DBM achieved = 13 km
				<ul style="list-style-type: none"> • Pipe culvert = 3completed; 3 in progress
				<ul style="list-style-type: none"> • Slab Culvert = 14completed; 13 in progress
				<ul style="list-style-type: none"> • Box Culvert = 1completed; 2 in progress
				<ul style="list-style-type: none"> • Major Bridge = 3 in progress; Minor Bridge = 1 in progress
Package-4 (NCB) Jahu –Kalkhar km 93.440 to km 108.830	15.39	33.50	10-08-2008 / 09-02-2010 [revised completion date as per approved EoT is 10 September 2010]	<ul style="list-style-type: none"> • Earth work achieved = 7.73 km
				<ul style="list-style-type: none"> • Sub Grade achieved = 1.79 km; GSB = 0.62 km
				<ul style="list-style-type: none"> • Pipe Culvert = 13 completed; 23 in progress
				<ul style="list-style-type: none"> • Retaining walls = 860 m completed
Package-5 (ICB) Theog- Kotkhai- Rohru km 0.000 to km 80.680	80.68	228.26	05-06-2008 / 04-06-2011 [EoT up to 4 September 2012 being reviewed]	<ul style="list-style-type: none"> • Excavation achieved = 24 km; Sub Grade achieved =2.05 km
				<ul style="list-style-type: none"> • Pipe culvert = 10 completed, 3 in progress
				<ul style="list-style-type: none"> • Slab culvert = 1 completed
				<ul style="list-style-type: none"> • Box Culvert = 10 completed, 5 in progress
<ul style="list-style-type: none"> • Minor Bridge= 1 in progress 				
TOTAL	231.69			

Phase-II- Total Packages = 5 Nos. Total length= 203 km				
Package No.	Length (km)	Estimated Cost / Contract price of Civil works (Rs. Crore)	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	107.42	30	Bank's No Objection for re-bidding of Package ICB 6 was issued on Dec 16, 2009. Procurement is in progress.
Package –7 (ICB) Ranital-Kotla km 0.00 to km 39.17	39.17	62.25	18	Earthwork = 1.78 km
				Pipe culvert = 3 completed, 5 in progress
				Box culvert = 1 completed, 3 in progress
				Slab culvert = 6 in progress
Package –8 (ICB) Kumarhatti-Sarahan-Nahan km 0.300 to km 72.035	71.74	142.22	33	Earthwork = 8.5 km
				Pipe culvert = 5 completed, 29 in progress
Package –9 (NCB) Draman-Sihunta km 0.00 to km 24.00	24.00	43.02	18	Earthwork = 2.35 km
Package –10 (ICB) Bhawarna-Lambagaon km 0.00 to km 26.280	26.28	56.07	21	Earthwork = 1km
				Pipe culvert = 2 in progress
				Slab culvert = 5 in progress
TOTAL	203.14	410.98		

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
Tranche-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
Tranche-II						
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, 368 km has been completed -	
Tranche-III						
21 Nos.(Two number dropped because of inclusion in some other programme)	402.74	546	18 DPR's have been checked one under process	Mostly done	-	10 packages awarded and the remaining are at an advanced stage of completion of procurement process

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 was extended up to March 24, 2010 (for five months) on account of revision in ISO 9001:2000 Quality Assurance System (QMS) and is further likely to be extended up to August 31, 2010. Internal audit completed. NCR's issued, External audit to be carried out.
3. Consultancy Services for Tunnels in Shimla and other parts of State.	Detailed Project Report (DPR) completed. Bid documents to be submitted by the consultant.
4. Proof Review of Design of Tunnels in Shimla & other parts of the State under Himachal Pradesh State Roads Project.	Final Report of the consultant is submitted.
5. Road Sector Finance Study	The Study is 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 at baseline has been completed. The procurement for RUSS at mid term is under process. Expressions of interest have been received and these are being evaluated.
7. Force account Productivity Study	This study is completed and recommendations forwarded to the Government.
8. Periodic survey for traffic and road asset monitoring on the core-road network.	RFP is finalized and is to be issued to short-listed consultants. Agenda item ready to be placed before next BOD meeting of HPRIDC on 15-07-2010.
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 Director, IT.
12. Independent Environment Review Consultancy Service	Consultant Mr. Hari Parkash (Director, DCE Pvt. Ltd., Delhi) has completed services as per deliverables of the design consultant.
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 with M/s ICT Pvt. Ltd., New Delhi and services are to be started.

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
Status of Forestry Clearances – Phase I

Contract Package	Name of the Road	Chainage (Forest Case)	Area to be diverted (in ha.)	In-principle Approval	Amount Deposited	Formal Approval
1	Mehatpur-Una-Amb (Km 5.600 to 50.426)	Km 5.600 to 31.300	11.31	Obtained	Yes	Obtained
		Km 5.600 to 31.300 (additional requirement)	0.5020	Obtained	Yes	Awaited *
		Km 31.300 to 50.300	3.80	Obtained	Yes	Obtained
		Km 31.300 to 50.300 (additional requirement)	0.1420	Obtained	Yes	Awaited *
	Sub-total	-	15.754	Obtained	Yes	Approval awaited for 0.644 out of 15.754 ha.
2	Una-Barsar (Km 0 to 45)	Km 0 to 4	2.0	Obtained	Yes	Obtained
		Km 4 to 45	10.0885	Obtained	Yes	Obtained
		Km 4 to 45 (additional requirement)	0.5800	Obtained	Yes	Awaited *
	Sub-total	-	12.6685	Obtained	Yes	Approval awaited for 0.580 out of 12.6685 ha.

Contract	Name of the	Chainage	Area to be	In-principle	Amount	Formal
3	Barsar-Jahu (Km 45 to 90.800)	Km 60 to 65	2.88	Obtained	Yes	Obtained
4	Jahu-Kalkhar (Km 93.440 to 108.830)	Forest Area in 5 kms length	1.79	Obtained	Yes	Obtained
5	Theog-Kotkhai-Rohru (Km 0 to 80.600)	Km 10.470 to 29	0.4930	Obtained	Yes	Obtained
		Km 29 to 51	13.52	Obtained	Yes	Obtained
		Km 29 to 51 (additional requirement)	7.11	Pending	-	To be Obtained
		Km 55.500 to 56.700	1.9316	Obtained	Yes	Obtained
	Sub-total	-	23.0546	Pending for 7.11 out of 23.0546 hac.	Yes	Pending for 7.11 out of 23.0546 ha.

* Entire process has been completed; only letter awaited now; letter expected to be with CMU by August 20, 2010.

Status of Forestry Clearances – Phase II

Contract Package	Name of the Road	Chainage (Forest Case)	Area to be diverted (in ha.)	In-principle Approval	Amount Deposited	Formal Approval	Remarks
6	Sarkaghat-Ghumarwin (Km 61.420 to 103.370) (Work Not Yet Tendered)	Km 61.420 to 70	Forest Case under preparation – not known now	To be Obtained	-	To be Obtained	Milestone 4
7	Ranital-Kotla (Km 0 to 39.173)	Km 6 to 14 and Km 24 to 39.173	1.7146	Pending (Site Inspected by MoEF on 25.06.10)	-	To be Obtained	Milestone 1
		Km 0 to 6 and Km 14 to 24	17.4769	Pending (Site Inspected by MoEF on 25.06.10)	-	To be Obtained	Milestone 2
8	Kumarhatti-Nahan (Km 0.300 to 72.035)	Km 0.500 to 14.310	15.91	Obtained	Yes	Obtained	Milestone 1
		Km 14.310 to 43.150	15.61	Obtained	Yes	Obtained	Milestone 2
		Km 43.150 to 72.035	Forest Case under preparation – not known now	To be Obtained	-	To be Obtained	Milestone 3

Contract Package	Name of the Road	Chainage (Forest Case)	Area to be diverted (in ha.)	In-principle Approval	Amount Deposited	Formal Approval	Remarks
9	Draman-Sihunta (Km 0 to 24)	Km 0 to 14	1.212	Pending (Site Inspected by MoEF on 12.06.10)	-	To be Obtained	Milestone 1
		Km 14 to 24	12.8473	Pending (Site Inspected by MoEF on 12.06.10)	-	To be Obtained	Milestone 2
10	Bhawarna-Lambagaon (Km 0 to 26.280)	-	1.0	Pending (SAG meeting conducted on 11.05.10; Site Inspection conducted by MoEF on 26.06.10)	-	To be Obtained	Milestone 1
		-	2.0956	Pending (SAG meeting conducted on 11.05.10; Site Inspection conducted by MoEF on 26.06.10)	-	To be Obtained	Milestone 2
		-	9.0	Pending (SAG meeting conducted on 11.05.10; Site Inspection conducted by MoEF on 26.06.10)	-	To be Obtained	Milestone 3

Tree Cutting Status (as on June 30, 2010)

Contract Package	Name of the Road	Trees to be Cut				Trees Cut				Balance Trees to be Cut				
		Forest Land	RoW	Private Land	Total	Forest Land	RoW	Private Land	Total	Forest Land	RoW	Private Land	Total	
		No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	No.	%
Phase I														
1	Mehatpur-Una-Amb	3314	0	457	3771	2617	0	161	2778	697	0	296	993	26.33
2	Una-Barsar	2301	0	518	2819	2027	0	191	2218	274	0	327	601	21.31
3	Barsar-Jahu	456	1160	169	1785	416	1110	60	1586	40	50	94	184	10.30
4	Jahu-Kalkhar	70	512	0	582	70	250	0	70	0	262	0	262	45.01
5	Theog-Kotkhair-Rohru	5195	3848	0	9043	2959	2680	0	5639	2236	1168	0	3404	37.64
TOTAL		11336	5520	1144	18000	8089	4040	412	12291	3247	1480	717	5444	30.24
Phase II														
6	Sarkaghat-Ghumarwin	TBD	881	29	910	0	0	0	0	TBD	881	29	910	100
7	Ranital-Kotla	5801*	624	481**	6906	0	506	0	506	5801	118	481	6400	92.67
8	Kumarhatti-Nahan	17055*	0	0	17055	5449	0	0	5449	11606	0	0	11606	68.05
9	Draman-Sihunta	4947	829	0	5776	0	494	0	494	4947	335	0	5282	91.44
10	Bhawarna-Lambagaon	3160	727	400**	4287**	0	200	0	200	3160	527	400	4087	95.33
TOTAL		30963	3061	910	34934	5449	1200	0	6649	25514	1861	910	28285	80.96

* This number includes about 5000 saplings; ** Final number to be ascertained - field verification currently on-going.

Annex 15 - Appendix-B

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

S. no.	Contract Package	Mile Stone	Handing over Date	Status			
				IPH		HPSEB	
				Hand Pumps	Pipe Lines	Poles,HT/LT Lines	Transformer s/ 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)	August 07,2008	√	Total = 13670 m Shifted= 6930 m Balance= 4740 m Irrigation= 750 m	Total = 318 Nos. Shifted= 213 Nos. Balance= 105 Nos.	-
		3-(Km 18+180 to Km 41+300)	February 07,2009	√	Total = 14645 m Shifted= 10755 m Balance= 3890 m	Total = 303 Nos. Shifted= 216 Nos. Balance= 87 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)	November 13,2008	√	√	√	-
		3- (Km 0+000 to Km 2+000 & Km 11+000 to Km 25+000)	February 13,2009	Total = 9 Nos. Shifted=8 Nos. Balance= 1 No.	Total = 3190 m Shifted= 1190 m Balance= 2000 m	Total = 138 Nos. Shifted= 38 Nos. Balance= 100 Nos.	-
		4- (Km 35+000 to Km 45+000)	May 13,2009	√	√	Total = 33 Nos. Shifted= 29 Nos. Balance= 4 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	√	√	√	√
		2- (Km45+000 to Km51+000 & Km65+000 to Km 67+250	November 13, 2008	Total=6 Nos. Shifted=2 Nos. Balance=4 Nos.	√	Total=61 Nos. Shifted=52Nos. Balance=9 Nos.	_____
		3- (Km 67+250 to 73+000 & Km 79+000 to Km 88+000)	February 13, 2009	Total=3 Nos. Shifted=1 No. Balance=2 Nos.	Total=33320 m. Shifted=31920 m Balance=1400m	Total=48 Nos. Shifted=45 Balance=3 Nos.	_____
		4- (Km73+00 to 79+000 & Km 88+000 to Km 90+800)	May 13, 2009	√	Total=3940 m. Shifted=3500 m Balance=440 m.	Total=33 Nos. Shifted=30 Nos. Balance=3 Nos.	√
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	√	Total=610 m. Shifted=300 m Balance=310 m.	Total=12Nos. Shifted=9Nos. Balance=3Nos.	√
		2- (Km 93+440 to Km 96+200 & Km 101+800 to Km 108+830)	November 09, 2008	Total=2Nos. Shifted=Nil Balance=2 Nos.	Total=1395 m. Shifted=1200 Balance=195 m	Total=15Nos. Shifted=13Nos. Balance=2Nos.	-
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.	√
		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	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 75+684	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.	√
		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=6Nos. Shifted=Nil Balance=6 Nos.	Total=4965 m. Shifted=1295 m Balance=3695 m	Total=56 Nos. Shifted=0 Nos. Balance=56 Nos.	_____

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

S.N	Contract Package	Mile Stone	Handing over Date	Status			
				IPH		HPSEB	
				Hand Pumps	Pipe Lines	Poles,HT/LT Lines	Transformers/ Substation
6	ICB-6: Widening & Strengthening of Sarkaghat-Ghumarwin road Km 61.420 to Km 103.370. Length= 41.950 (Km)	1- (Km 91+000 to Km 103+370)		Total = 10 Nos. Shifted= Nil Balance= 10 Nos.	Total = 13270 m Shifted= 0 m Balance= 13270 m	Total = 43 Nos. Shifted= 0 Nos. Balance= 43 Nos.	_____
		2- (Km 76+000 to Km 85+000)		Total = 8 Nos. Shifted= Nil Balance= 8 Nos.	Total = 2430 m Shifted= 0 m Balance= 2430 m	Total = 35 Nos. Shifted= 0 Nos. Balance= 35Nos.	_____
		3- (Km 70+000 to Km 76+000 & Km 85+000 to Km 91+000)		Total = 3 Nos. Shifted= Nil Balance= 3 Nos.	Total = 4070 m Shifted= 0 m Balance= 4070 m	Total = 17 Nos. Shifted= 0 Nos. Balance= 17 Nos.	_____
		4- (Km 61+420 to Km 70+000)		Total = 9 Nos. Shifted= Nil Balance= 9 Nos.	Total = 9450 m Shifted= 0 m Balance= 9450 m	Total = 92 Nos. Shifted= 0 Nos. Balance= 92 Nos.	_____
7	ICB-7: Widening & Strengthening of Ranital-Kotla road Km 0.00 to km 39.173 Length= 39.173 (Km)	1- (Km 6+000 to Km 14+000 & Km 24+000 to Km 39+173)	March 08, 2010.	Total = 22 Nos. Shifted= Nil Balance= 22 Nos.	Total = 2898 m Shifted= 1900 m Balance= 998 m	Total = 44 Nos. Shifted= 12 Nos. Balance= 32 Nos.	Total=1 No. Shifted=Nil Balance=1No.
		2- (Km 0+000 to Km 6+000 & Km 14+000 to Km 24+000)	July 07, 2010.	Total = 9 Nos. Shifted= Nil Balance= 9 Nos.	Total = 4940 m Shifted= 500 m Balance= 4440 m	Total = 14 Nos. Shifted= 0 Nos. Balance= 14 Nos.	_____

Utilities in respect of Upgrading roads under Phase-II of HP State Roads Project (30.06.2010)

S.N	Contract Package	Mile Stone	Handing over Date	Status			
				IPH		HPSEB	
				Hand Pumps	Pipe Lines	Poles,HT/LT Lines	Transformers/ Substation
8	ICB-8: Widening & Strengthening of Kumarhatti-Sarahan-Nahan road Km 0.300 to Km 72.035 Length= 71.735(Km)	1- (Km 0+300 to Km 10+800)	October 14, 2009	Total=4 Nos. Shifted=Nil Balance=4 Nos.	Total=3028 m. Shifted=0 m Balance=3028 m	Total=6 Nos. Shifted=0 Nos. Balance=6 Nos.	Nil
		2- (Km 10+800 to Km 29+340)	April 13, 2010	Total=12 Nos. Shifted=Nil Balance=12 Nos.	Total=2475 m. Shifted=0 m Balance=2475 m.	Total=18 Nos. Shifted=0Nos. Balance=18 Nos.	Total=1 No. Shifted=Nil Balance=1No.
		3- (Km 29+340 to Km 54+340)	July 13, 2010	Total=16 Nos. Shifted=Nil Balance=16 Nos.	Total=1620 m. Shifted=0 m Balance=1620m	Total=25 Nos. Shifted=0 Balance=25 Nos.	Total=1 No. Shifted=Nil Balance=1No.
		4- (Km 54+340 to Km 72+040)	October 13, 2010	Total=8Nos. Shifted=Nil Balance=8 Nos.	Total=4965 m. Shifted=0 m Balance=4965 m.	Total=7 Nos. Shifted=0 Nos. Balance=7 Nos.	Nil
9	NCB-9: Widening & Strengthening of Draman-Sihunta road Km 0.00 to km 24.00 Length= 24.000 (Km)	1- (Km 0+000 to Km 14+000)	November 20, 2009	Total=4Nos. Shifted=Nil Balance=4 Nos.	Total=2470 m. Shifted=1950 m Balance=520 m.	Total=22 Nos. Shifted=15 Nos Balance=7 Nos.	Total=1 No. Shifted=Nil Balance= 1
		2- (Km 14+000 to Km 24+000)	March 20, 2010.	Total=7 Nos. Shifted=0 Nos. Balance=7 Nos.	Nil	Total=38 Nos. Shifted= 0Nos. Balance=38 Nos.	Total = 3 Nos. Shifted= Nil Balance= 3 Nos.

10	ICB-10: Widening & Strengthening of Bhawarna-Lambagaon Road Km 0.00 to km 26.280 Length= 26.280 (Km)	1- (Km 3+000 to Km 12+000).	March 08, 2010.	Total=4 Nos. Shifted=Nil Balance=4 Nos.	Total=2400 m. Shifted=0 m Balance=2400 m	Total=28 Nos. Shifted=5 Nos. Balance=23 Nos.	Nil
		2- (Km 0+000 to Km 3+000 & Km 19+000 to Km 26+280)	September 07, 2010.	Total = 10 Nos. Shifted= Nil Balance= 10 Nos.	Total=2800 m. Shifted=0 m Balance=2800 m	Total=33 Nos. Shifted=0 Nos. Balance=33 Nos.	Total=2 Nos. Shifted=Nil Balance=2 Nos.
		3- (Km 12+000 to Km 19+000)	December 07, 2010.	Total=4 Nos. Shifted=Nil Balance=4 Nos.	Total=1000 m. Shifted=0 m Balance=1000 m	Total=18 Nos. Shifted=0 Nos. Balance=18 Nos.	Total=1 No. Shifted=Nil Balance=1No.

Annex 15 - Appendix – C

Land Acquisition in respect of Upgrading roads under Phase-I of HP 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	Compensation disbursed in all 6 villages
		2- (Km 5+600 to Km 18+180)	August 07,2008	Compensation disbursed in 12 out of 14 villages. DLC failed thrice in village Jalgran and Una. Notification u/s 6 & 7 published on 24.10.2009. Land to be acquired by August 31, 2010.
		3-(Km 18+180 to Km 41+300)	February 07,2009	Compensation disbursed in 13 villages out of total 15. Compensation disbursement to be completed by August 31, 2010 in Lalsinghi and Panoh villages.
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	Compensation disbursed in all 7 villages.
		2- (Km 25+000 to Km 35+000)	November 13,2008	Compensation disbursed in all 25 villages.
		3- (Km 0+000 to Km 2+000 & Km 11+000 to Km 25+000)	February 13,2009	Compensation disbursed in 10 out of 11 villages. Disbursement to be made in Aryan agar and left out cases by August 31, 2010.
		4- (Km 35+000 to Km 45+000)	May 13,2009	All payments disbursed except for left out khasras.
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	Compensation disbursed in all 13 villages.
		2- (Km45+000 to Km51+000 & Km65+000 to Km 67+250)	November 13, 2008	Compensation disbursed in 8 out of total 10 villages. Compensation could be disbursed in Badsar – Mehre village due to land settlement.
		3- (Km 67+250 to 73+000 & Km 79+000 to Km 88+000)	February 13,2009	Out of total 29 villages compensation disbursed in 28 villages. Acquisition under process in Jahu Bye passes due to delay in design.
		4- (Km73+00 to 79+000 & Km 88+000 to Km 90+800)	May 13,2009	Compensation paid for 5 out of total 7villages except for part of Jahu Bye pass and village Patta.

Annex 15 - Appendix-C

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

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	Compensation disbursed in all 5villages.
		2- (Km 93+440 to Km 96+200 & Km 101+800 to Km 108+830)	November 09,2008	Compensation disbursed in all 6 villages.
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	Compensation disbursed in all 26 villages.
		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	Compensation disbursed in all 13 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	Out of total 5 villages, compensation disbursed in 4 villages. Award to be declared in one village. Compensation disbursement to be completed by August 31, 2010.
		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	Out of total 14 villages, compensation disbursed in 13 villages. Award to be declared in one village. Compensation disbursement to be completed by August 31, 2010.

Annex 15 - Appendix – D

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

S.N	Contract Package	Mile Stone	Handing over Date	Status
1	Package No- ICB-6 (Sarkaghat to Ghumarwin from Km 61..420 to Km 103.370)	1-(Km 91+300 to Km 103.370)	Re-bidding under process	Out of 16 villages, land has already been acquired in 5 villages. Award process has been completed in 3 villages. Negotiations yet to start in 8 villages.
		2 (Km 76+000 to Km 85+000)		Process of LA yet to start in any of the 13 affected villages.
		3 (km 70 +000 to Km 76+000 and Km 85+000 to Km 91+000)		Process of LA yet to start in any of the 14 affected villages
		4 (Km 61+420 to Km 70+000)		Process of LA yet to start in any of the 9 affected villages
2	Package No - ICB 7 (Ranital to Kotla Road – From Km 0.000 to Km 39.173)	1 (Km 6+000 to Km 14+000 and Km 24+000 to Km 39+173)	March 08, 2010	Compensation disbursed in 10 out of total 21 villages. Award for rest 11 villages have been forwarded to Deputy Commissioner for approval.
		2 (Km 0+000 to Km 6+000 and Km 14+000 to Km 24+000)	July 07, 2010	Negotiations completed. Awards prepared and forwarded to DC for approval for 7 villages. Awards under preparation for balance 2 villages.
3	Package No – ICB 8 (Kumarhati – Sarahan – Nahan Road from Km 0.300 to Km 72+035)	1 (Km 0+300 to Km 10+800)	October 14, 2009	Payment disbursed in 3 out of total 4 villages.
		2 (Km 10+800 to Km 29+340)	April 13, 2010	Compensation disbursed in all 5 villages.
		3 (Km 29+340 to Km 54+340)	July 13, 2010	Compensation disbursed in 6 out of total 10 villages. Award under preparation for rest 4 villages.
		4 (Km 54+340 to Km 72+040)	October 13, 2010	Negotiations completed in all the 3 affected villages. Award under preparation.
4	Package No. NCB 9 (Draman to Sihunta Road)	1 (Km 0+000 to Km 14+000)	November 20, 2009	Out of total 11 affected villages, compensation has been disbursed in 10 villages (out of these 10 villages, mutation has also been

	from Km 0.000 to 24.000)	2 (Km 14+000 to Km 24+000)	March 20, 2010	completed in 6 villages). Negotiation to be completed in one village. Entire land to be acquired by August 7, 2010.
5	Package No ICB 10 (Bhawarna to Lambagaon from Km 0.000 to Km 26.280)	1 (km 3+000 to Km 12+000)	March 08, 2010	Out of total 23 villages, compensation has been disbursed in 17 villages. Award under preparation in 4 villages and award submitted to government for 2 villages.
		2 (Km 0+000 to Km 3+000 and from Km 19+000 to Km 26+280)	September 07, 2010	Award under preparation for all 8 affected villages.
		3 (km 12+000 to Km 19+000)	December 07, 2010	No private land to be acquired. Forest land to be transferred in 8 villages.

Status of Actions to Enhance Transparency

The mission met with PIO of the HPRIDC 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, the latest quarterly progress and internal unaudited financial reports and statistics on information requests received under the RTIA. However, information on the organization as mandated under Section 4(1) b of the RTIA has not been disclosed³. Also, HPRIDC has not yet published an annual report on RTIA for submission to both GoHP and the Bank (as mandated under the PAD). Further, minutes of public consultations, statistics of complaints received/resolved, physical and financial progress of works⁴, status of invoices received/paid are not available on the website. ***The HPRIDC officials were informed that these need to be rectified by end-September 30 2010.***
2. In terms of capacity building on RTIA, the PIO (technical matters) is performing this function as an additional charge which constrains his time. Further, there is no support to the PIO as no one has been nominated as the APIO yet. In addition, the PIO has also not been trained in the RTIA. To facilitate the compliance to RTIA, ***it was suggested that the APIO be nominated and both the PIO/APIO sent for training to the HP Institute of Public Administration by August 31, 2010.***
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 July 31, 2010.** 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.

³ Specifically, information mandated under Section 4(1)b – pertaining to (vi) documents held by HPRIDC, (vii) arrangements for public consultation, (x) remuneration received by employees, (xi) agency budget, (xii) manner of execution of subsidy programs, (xiv) details of information available or held by HPRIDC in electronic form, and (xv) facilities available to citizens for obtaining information including working hours of library/reading room for public use has not been disclosed.

⁴ In this regard, the mission suggested that HPRIDC look at <http://bsrdcl.bih.nic.in/> for a template on how to disclose physical progress at each stage of the project.

4. In January 2010, the GoHP initiated an online public grievance monitoring system called e-samadhan (<http://admis.hp.nic.in/esamadhan>) to facilitate fast redressal of grievances pertaining to any department of the administration. Grievance redressal cells and committees have been set up in each department and district respectively for the purpose. The system enables online registration and tracking of complaint by citizens across the state. It is monitored by the Chief Minister of the state on a monthly basis. Time limits have also been stipulated for various types of complaints. Specific to the PWD, the maximum time of redressal ranges from 3 to 21 days. Time limits for complaints relating to delays in land acquisition, non-payment to contractors, quality/quantity of works executed, delays in start of work, refund of earnest money/performance security to contractors have been stipulated. It appears to be an excellent system for complaint handling that could be used as a platform for monitoring complaints on the HPSRP as well. ***As such, the mission suggested that the HPRIDC website should have a link to the e-samadhan website to enable users to record and track their grievances specific to the HPSRP.***
5. Staffing in HPRIDC continues to be an issue – there is one EE dealing with contract management for all the 10 contracts, which is probably causing delays in verifying the technical correctness in the IPCs. There is no sense of ownership or commitment to working in HPRIDC. The lack of incentives to working in HPRIDC is also a constraint in attracting quality staff from PWD/outside. This also needs to be tackled soon before it becomes a critical issue.

Annex 17

Details of Cost overrun in Upgrading Works (in Rs Crore)

Package	At the time of Appraisal (April 2007)				At the time of Estimates		As per Lowest bid received		Date of contract Award	Now for completion of works			
	Base Cost	Physical Contingency	Price Contingency	Total	Estimate Date	Estimated Base Cost	Bid opening Date	Bid Amount		Base cost	variations	Escalation	Total
1	131.9	9.23	14.11	155.25	Dec-06	132.52	Jun-07	126.5	Oct-07	126.5	12.92	27.01	166.43
2	82.5	5.78	8.83	97.10	Dec-06	81.81	Jun-07	98.94	Feb-08	98.94	5.57	17.54	122.05
3	87.2	6.10	9.33	102.63	Dec-06	86.67	Jun-07	103.94	Feb-08	103.94	-1.64	18.33	120.63
4	28	1.96	3.00	32.96	Dec-06	27.42	Feb-08	33.5	Oct-07	33.5	3.05	0	36.55
5	198.5	13.90	21.24	233.63	Dec-06	197.65	Jun-07	228.26	Feb-08	228.26	22.48	51.71	302.45
6	85.3	5.97	9.13	100.40	Sep-09	107	To be bid	107	To be bid	107	0	22	129
7	36.5	2.56	3.91	42.96	Dec-08	55.2	Jan-08	62.67	Oct-09	62.67	-3.12	8.93	68.48
8	99	6.93	10.59	116.52	May-07	106.2	May-09	142.22	Jun-09	142.22	0	30.34	172.56
9	37.6	2.63	4.02	44.26	Dec-08	37.65	May-09	43.02	Nov-09	43.02	-0.87	0	42.15
10	17.8	1.25	1.90	20.95	Dec-08	50.28	May-09	56.07	Oct-09	56.07	3.15	9	68.22
Total	804.3	56.30	86.06	946.66		882.40		1002.12		1002.12	41.54	184.86	1228.52
Total in \$ million @ 1\$=Rs 45	178.73	12.51	19.12	210.37		196.09		222.69		222.69	9.23	41.08	273.00