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# PROJECT READINESS

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**Identification**



**Design**



**The Project Cycle**

**Evaluation**



**Advance Actions**



**Approval**



**Implementation**



# Identification Stage



**Country Partnership Strategy**

**Country programming missions**

**Interim country pipeline (ICPM)**

**New projects outside the ICPM**



# Design Stage



**Policy and design relevance**

**Appropriate lending modality**

**Lessons from previous operations**

**Design and monitoring framework (DMF)**

**Project preparation resources**



# Advance Action



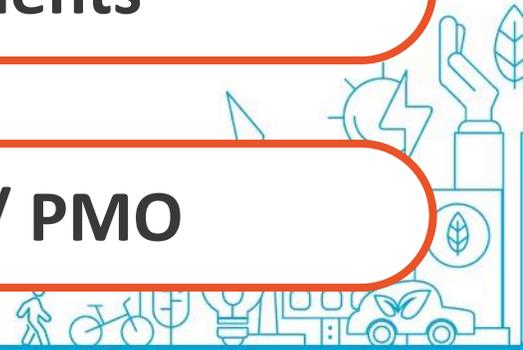
**Parallel government approval processes**

**Retroactive financing**

**Advance contracting**

**Master bidding documents**

**Counterpart resources / PMO**



# Approval Stage



**ADB internal review**

**Loan negotiations**

**Board approval**

**Loan signing**

**Loan effectiveness**



# Implementation Stage



**Inception**

**Communication**

**Safeguards**

**Procurement & contract management**

**FM and audit**

**Monitoring and evaluation**



# What is Project Readiness?

## Two types:

- Design readiness
- Procurement readiness



# What is Design Ready?

- **Design-ready projects are those that have completed one of the following steps before project approval (can use a TA loan)**
  - Detailed engineering designs (DED), suitable for preparing and launching bidding documents for major construction or goods contract. For sector projects, DED for those subprojects for which construction is scheduled to start in the first two years should be available; or
  - Preliminary design and specifications suitable for preparing and launching bidding documents for (a) construction contracts that include detailed design as its part, and/or (b) turnkey EPC



# What is Procurement Readiness?

- Procurement readiness is considered to have been achieved when bid documents were advertised before project approval for major construction or goods contracts.



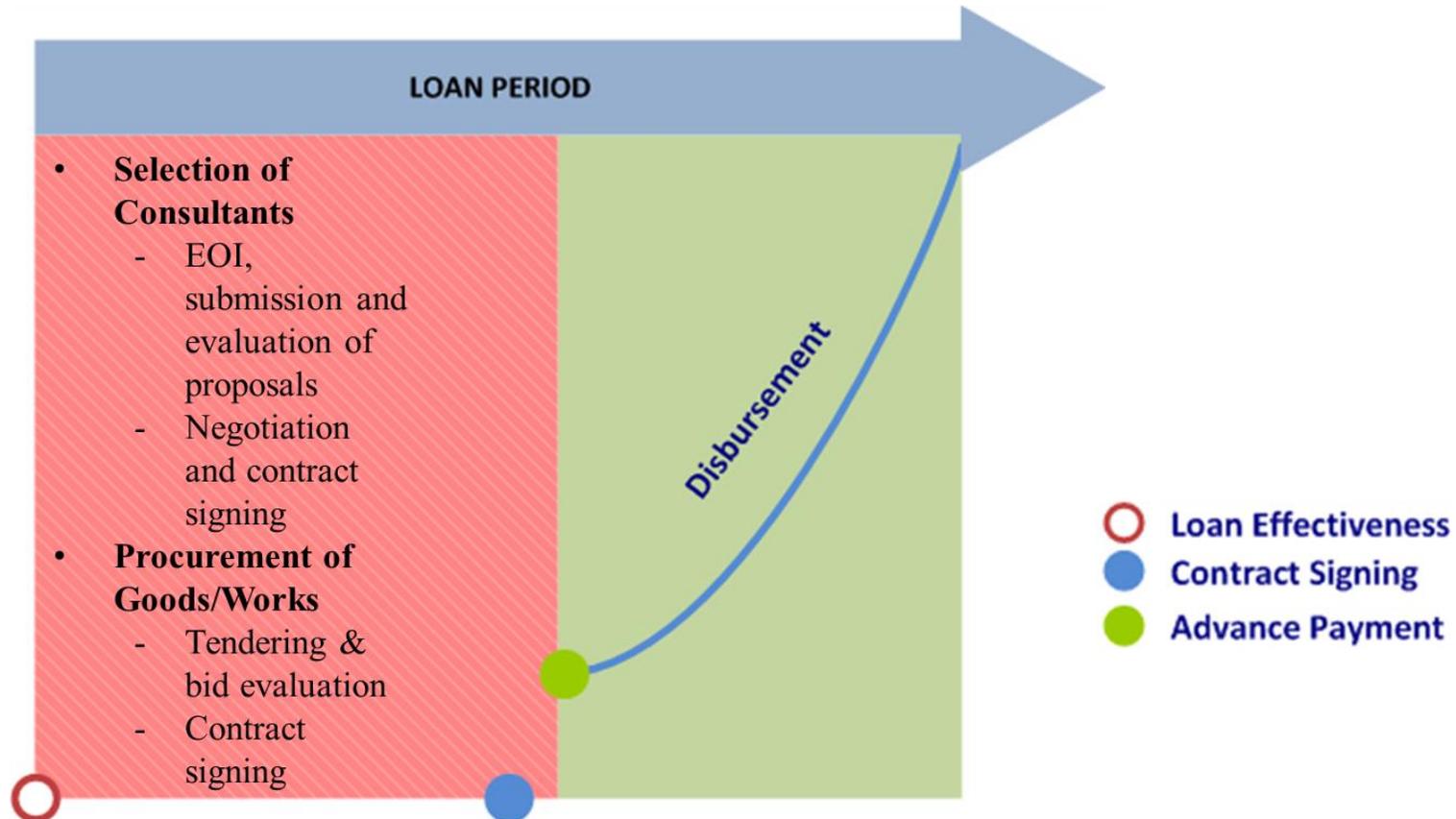
# The Importance of Readiness

- Preparation of ADB's investment projects typically start with a grant-funded TA. Because the TA cannot finance detailed engineering design (DED), the consulting services to prepare DED and bid documents are financed as part of the investment loan. This combination tends to result in slow project startup with very slow disbursements in the initial years



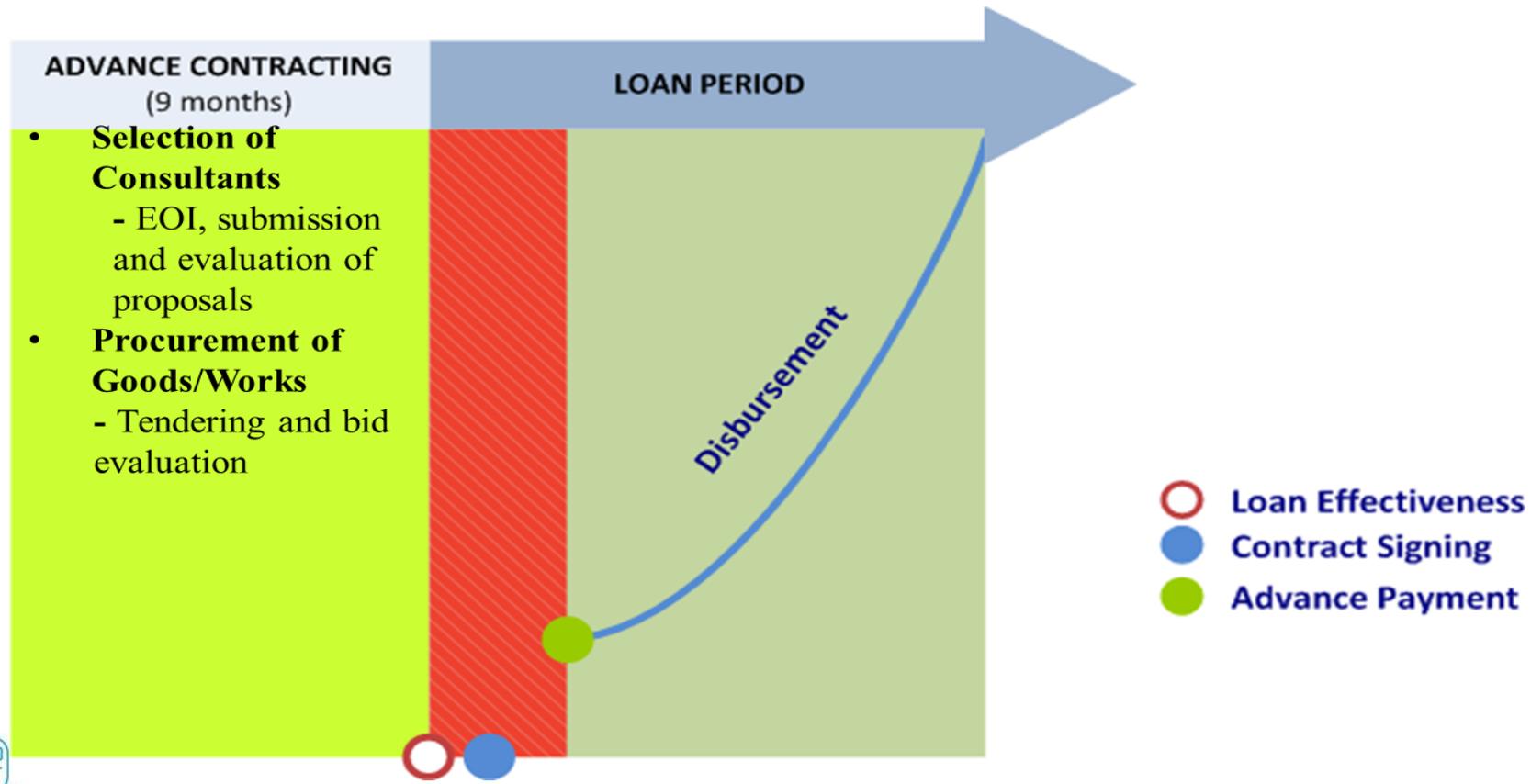
# The Importance of Readiness

## Business as Usual Scenario...



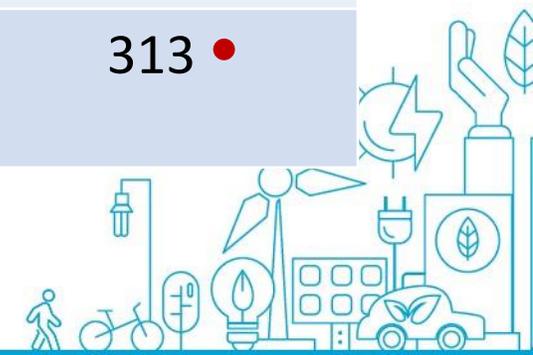
# The Importance of Readiness

## With Advance Contracting Scenario...



# Key Indicators on Project Readiness Across ADB

Indicator	2020	2021
Time from signing to first contract in sovereign projects (months)	10.1	10.6 ●
Infrastructure projects that are procurement-ready (%) (Target: 60% by 2024)	51	55 ●
Infrastructure projects that are design-ready (%) (Target: 80% annually)	81	69 ●
Processing time for procurement contracts > \$10 million (days)	50	31 ●
Sovereign operations procurement time (days)	285	313 ●



# Options for Enhancing Readiness

## Two modalities:

- **Project Readiness Financing**
- **Small Expenditure Financing Facility**

