

The views expressed in this presentation are the views of the author/s and do not necessarily reflect the views or policies of the Asian Development Bank, or its Board of Governors, or the governments they represent. ADB does not guarantee the accuracy of the data included in this presentation and accepts no responsibility for any consequence of their use. The countries listed in this presentation do not imply any view on ADB's part as to sovereignty or independent status or necessarily conform to ADB's terminology.

Project Readiness

Rehan Kausar

Director, Portfolio Management Division



Identification



Design



The Project Cycle

Evaluation



Advance Actions



Approval



Implementation



Identification Stage



Country Partnership Strategy

Country programming missions

Country operations business plan

New projects outside the COBP



Design Stage



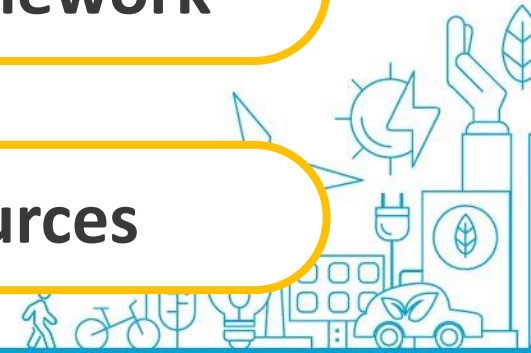
Policy and Design Relevance

Appropriate Lending Modality

Lessons from Previous Operations

Design and Monitoring Framework

Project Preparation Resources



Advance Action



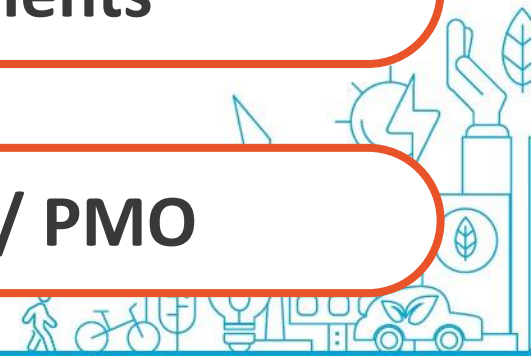
Parallel Government Approval Processes

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



Evaluation Stage



Project Level

Country Level



What is Project Readiness?

- **Two definitions:**
 - 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.



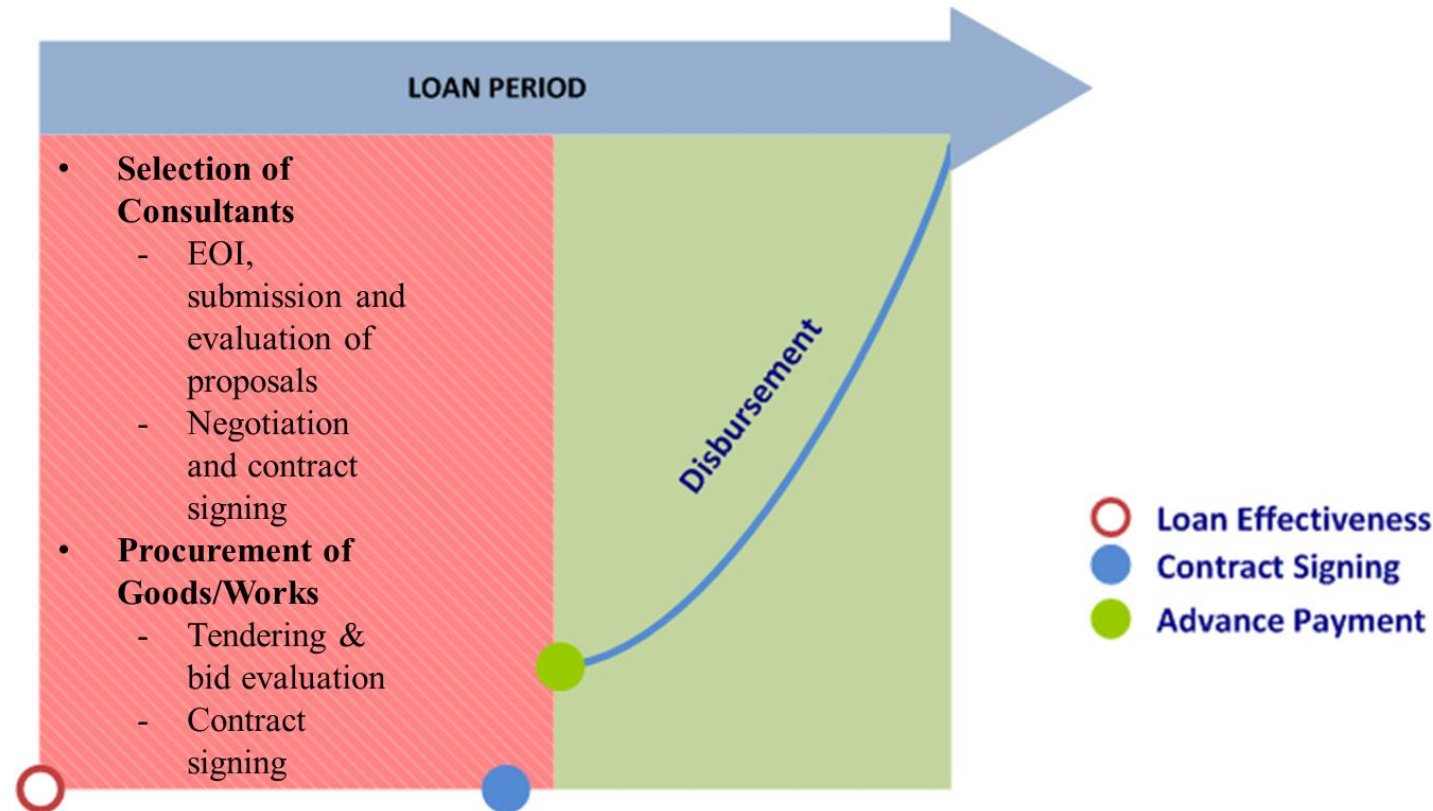
The Importance of Readiness

- 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



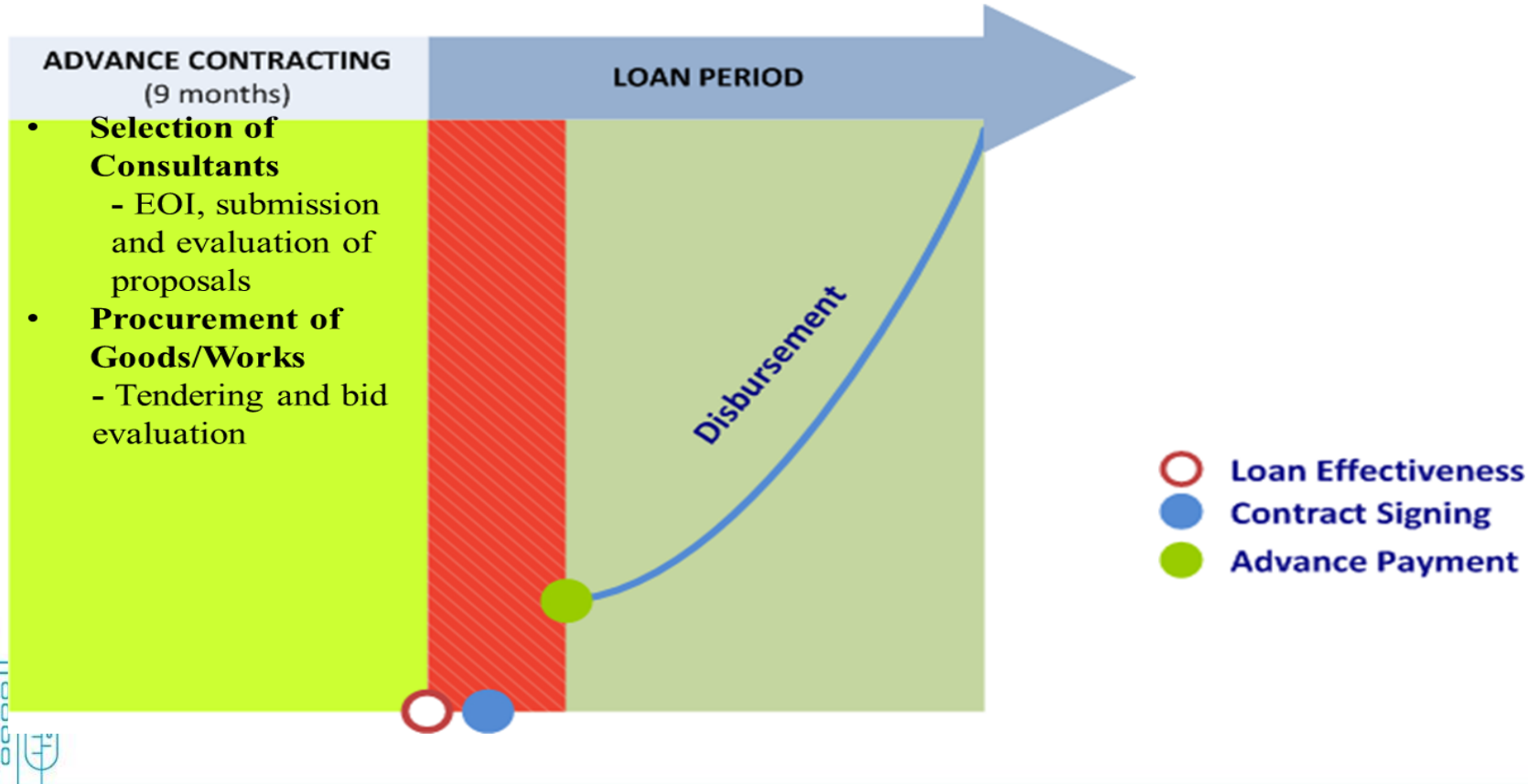
The Importance of Readiness

Business as Usual Scenario...



The Importance of Readiness

With Advance Contracting Scenario...



Key Indicators on Project Readiness Across ADB

Indicator	Target	Achievement (2018)	Difference
Time from approval to first contract in sovereign projects (months)	9	10.4	+1.4
Infrastructure projects that are procurement ready (%)	40	46	+7
Infrastructure projects that are design ready (%)	-	80	-
Processing time for procurement contracts > \$10 million (days)	40	38	-2
Sovereign operations procurement time	-	348	-



Options for Enhancing Readiness

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

The above are loans not grants..

