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SECTOR BREAKOUT SESSION: HUMAN AND SOCIAL SECTOR DEVELOPMENT

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Context: The Paradigm Shift in Readiness

CRF 2019–2024: The Problem

Relied on **two** fragmented indicators
(Design-ready & Procurement-ready).
Start-up delays persisted.



Land acquisition hurdles



Consultant recruitment lags



Disbursement delays



CRF 2025–2030: The Shift

A single, holistic indicator:
Implementation-ready by approval.



The Value:



Ensures sovereign operations are not
just technically sound, but
**institutionally and financially
prepared to execute immediately.**
Shortened implementation yields
**higher economic benefits and
mitigates external risks.**



Synthesis: The 5 Pillars of Implementation Readiness



Metric: The overall project readiness rating is calculated as the **average percentage achievement** across these five tracking indicators.



Pillar 1 & 2: Design & Procurement

The Threshold Gate

Applies to contract packages representing $\geq 10\%$ of ADB financing
OR amounting to $\geq \$10$ million ($\geq \$2$ million for FCAS/SIDS).

Step 1: Design Ready (100 Points)

Detailed Engineering Designs (DED) for civil works (or preliminary designs/specifications for turnkey/goods) are prepared, approved by government, and suitable for bidding.



Step 2: Procurement Ready (100 Points)

Bidding documents for those exact same major packages are officially advertised prior to project approval.



Pillar 3: Institutional Readiness

The Binary Criteria (100 or 0 Points)



PMU/PIU staff positions are officially designated or appointed. (If consultants, contracted before approval).



PMU/PIU staff training plan is developed (if necessary).

Mandatory Documentation Requirements

Readiness must be explicitly recorded in official documentation.



Project Administration Manual (PAM)



Back-to-Office Report (BTOR)



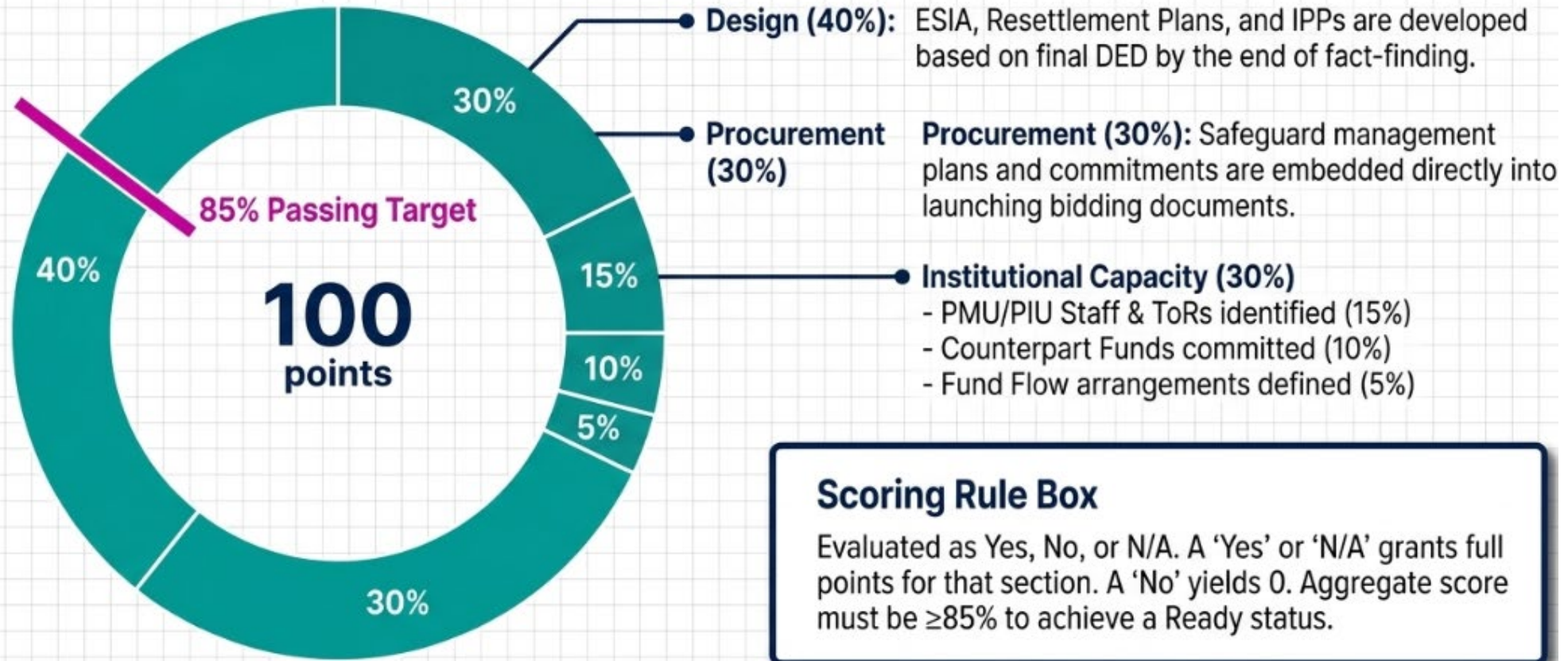
Memorandum of Understanding (MOU)



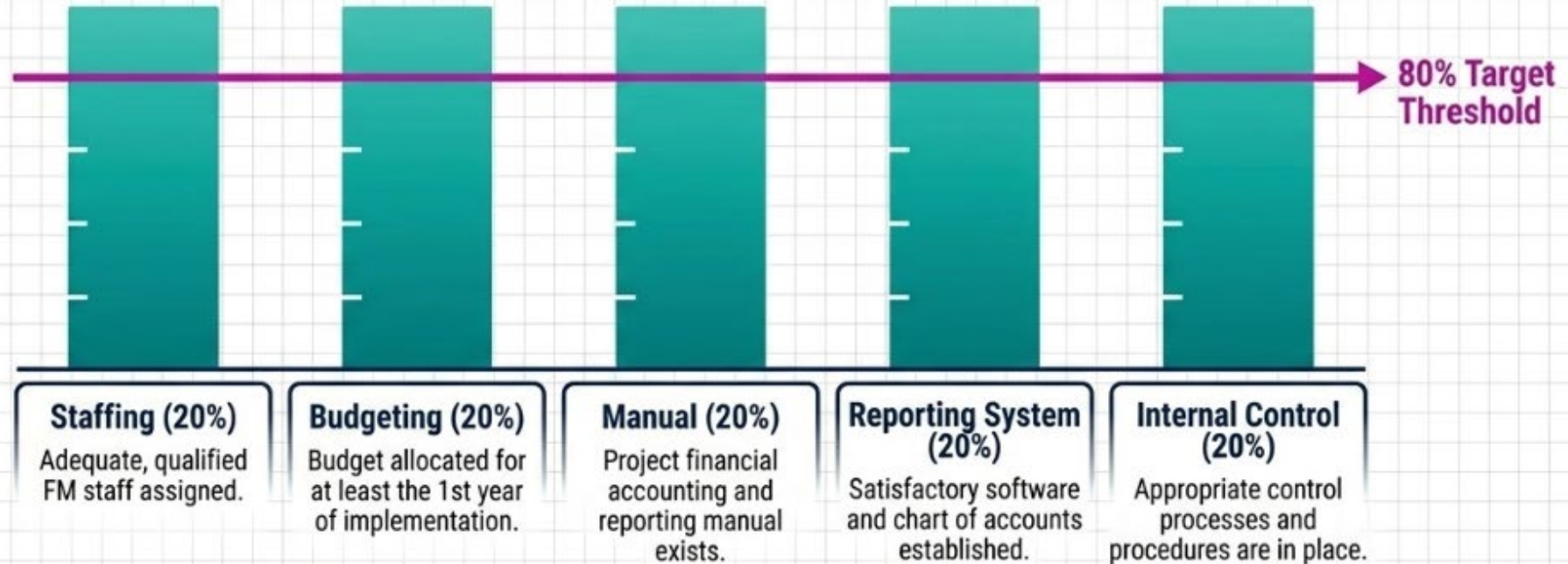
Aide Memoire



Pillar 4: Safeguards Readiness



Pillar 5: Financial Management



Scoring Rule Box

Binary assessment ('Yes' = 20%, 'No' = 0%). A project must hit at least 4 out of 5 criteria (80% total) to be rated FM Ready.



The Illusion
of Readiness

Indicators:
Design-ready,
Procurement-
ready.

Status:
Looks complete,
technically
sound.

Fracture 1:
Stalled Land
Acquisition

Fracture 2:
Empty PMUs

Fracture 3:
Disbursement
Bottlenecks



Converting the Risk-to-Action

<i>Diagnostic Signal</i>	<i>Identified Gap</i>	<i>Preventive Action</i>
Design: Are 10% of the inputs backed by detailed engineering designs?	Preliminary designs require major revisions post-approval	Finalize specifications for major civil/goods contracts before launch
Procurement: Are major works (\$10M+) advertised pre-approval	Market engagement lags, delaying contractor mobilization	Launch advance contracting aligned with the procurement plan
Institutional: Are PMU key staff designated?	“Ghost ship” project management at start-up	Formalize staff recruitment and training plans
Safeguards: Are ESIA/LARP based on detailed designs and integrated into bids?	Unfunded compensation halts land readiness	Mandate legal covenants for counterpart budget allocation
Financial: Is the first-year budget allocated with a customized FM manual?	Untracked funds and disbursement	Deploy customized accounting software and update chart of accounts (flow of funds) before approval

