

Project Readiness Checklist for Projects aided by Multi-lateral Financing Institutions (MFI)

| Sl. No | Milestones | Action points / Points to check | Agency responsible for compliance |
|----------|--|--|-----------------------------------|
| 1 | Before sending a project proposal to DEA | | |
| | Checklist for conception stage | i. The concept note identifies clearly defined components of the project, activities, cost estimates and implementing agency (ies), coordinating mechanism in case of multiple implementing agencies and the finance plus elements. | Project submitting agency |
| | | ii. Lessons learnt from the previous projects implemented in the sector have been incorporated. | Project submitting agency |
| | | iii. The project preparation milestones, in months, taking the date of posing as the zero date, have been identified | Project submitting agency |
| 2 | Before posing the project to Multi-lateral Financing Institutions (MFI) | | |
| | | i. Project has been cleared by DEA. | DEA |
| | | ii. The approvals of Planning Commission, Line Ministry and Department of Expenditure, Budget Division, as required in the specific case, have been obtained. | Project submitting agency |
| 3 | Before Appraisal | | |
| | PMU/ PIU | i. Institutional structure for project implementation and funds flow arrangement defined and agreed with DEA and MFI. | Project Implementing Agency (PIA) |
| | | ii. Designation of PMU/PIUs staff completed and core staff for the project assigned. Key project staff (project director, procurement, FM, safeguard) should be identified early in the project cycle. | PIA |
| | | iii. Tenure of key staff should be, to the extent possible, for three years or more | PIA |
| | Procurement plan and actions | iv. Procurement plan of the project detailing contract packages, modes of procurement, pre-requisites for awarding the contracts, approval flow chart, decision making structure and schedule for each contract be in place. | PIA |
| | | v. Terms of reference (TOR) for all consultancy contracts including Project Management consultants, shorting of consultants/consulting firms and documents for prequalification of contractors are prepared and approved/reviewed by MFI | |
| | | vi. RFP for major/ critical consultancies issued | |
| | | Bidding documents for all contracts, to be awarded during first 18 months of project implementation should be prepared, approved and issued. | |
| | R&R | vii. Budgeting for at least 30% of land acquisition & resettlement requirements has been made. Land acquisition/ pre construction activities, where relevant, have started. | |
| | | viii. Land acquisition and resettlement plans are ready, where relevant. | |
| | | ix. Relief & Resettlement Plan, where relevant, for the first two years of the project implementation should be finalized and | |

In the case of ADB assisted projects, Sl.No. 3 (vi) to (vii) and (ix) may be completed before loan negotiations

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| | | confirmation that R&R activities are aligned with the Procurement Plan, be conveyed. | |
| | | x. Environmental Management Plan (EMP) for the first two years of project implementation has been finalized. Complete IEE/ EIA and secure approval of MFI. | PIA |
| 4 | By Appraisal of the Project | | |
| | Institutional arrangement and HR | i. Necessary budget/ counterpart fund provision has been made | PIA |
| | | ii. Key policy and institutional reforms, if critical to the successful completion of the project, should be implemented prior to negotiations. | Project submitting agency |
| | | iii. Project Implementation Plan/ Administration Manual/ Memorandum covering scope, organization and its TOR, procurement, budgeting, disbursement, reporting and auditing arrangement has been finalized. | |
| | | iv. Project Management consultant, if critical to the successful implementation of the project, should be in place by negotiations. | |
| | | v. At least 50% of land acquisition (if required) to be completed | |
| | Implementation readiness | vi. All Statutory clearances like environmental/forest clearances, EFC/CCEA, if applicable, to be in place | |
| | | vii. Administrative clearances for temporary use of land i.e. right of way taken | |
| | | viii. Administrative approval for shifting of utilities taken | |
| | | ix. Bids for contract worth at least 30% of the project cost (or the first phase) are received and award finalized prior to negotiations. | |
| | | x. Entire PMU/PIU is in place | |
| | | xi. Establish (a) Financial Management System, (b) auditing arrangement and (c) system of oversight | |
| 5 | By negotiation | | |
| | | Award of contracts for consultancy services to be completed and at least 30% contracts for civil works, if applicable, to be awarded before signing of the loan | PIA |
| 6 | Before loan effectiveness | | |
| | | Legal opinions taken | DEA/PIA |