

# Chapter 15

## Suggested MIEC Action Plan

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#### 14.6 Role of Project Management Consultant(s)

The Project Management Consultancy firm(s) may be appointed to develop the Project(s) as commercially viable and bankable propositions to enable completion of the project development activities and achieve an early financial closure. The PMC(s)' proposed role in assisting the SDDA would mainly be:

- (a) **Preparation of Project Plan** in consultation with SDDA along with due consultations from respective Country Level Nodal Agencies for its successful development. The focus of the plan will be on projects identification, prioritization, selection, structuring and packaging, bundling/unbundling of various projects and assistance in getting approvals.
- (b) **Selection and Supervision of Technical/Planning Consultants/Agencies** for preparation of feasibility/preliminary project reports/engineering studies. The PMC(s) would assist in reviewing/preparing the risk management framework to enable to take view on overall risk profile, formulate strategies to deal with individual risk components and its impact on overall financials.
- (c) **Coordination with Stakeholders** to achieve effective project planning, development and implementation of the identified project components.
- (d) **Financial Structuring** to arrive at appropriate financing frameworks for various project components and to strike a balance between the objectives of SDDA, Country Level Nodal Agency and those of the prospective project investors/lenders in order to enhance the commercial viability of the overall project.
- (e) **Formulation of Project Implementation Structure** taking into consideration the given risks and uncertainties that are usually associated in such projects. The PMC(s) would also work closely with the client in formulating an appropriate strategy for project implementation and operations.
- (f) **Bid Process Management for selected PPP and EPC projects** to select suitable developers/operators/ contractors for various project components and achieve technical and financial close. The PMC(s) may also help in incorporation of project specific Special Purpose Companies (SPCs) for implementation/ management of projects (if necessary).
- (g) **Finalization of Project Execution and O&M Arrangements** for activities/components retained in Joint Venture SPCs and would also assist in developing bankable project execution, operations and maintenance frameworks.
- (h) **Interface with Potential Investors** to identify support, incentives and concessions required for effective and efficient implementation of projects.

### 15. Suggested MIEC Action Plan

It is envisaged that implementation of various identified projects in MIEC would be done in two phases spread over the time period of 10 years (2009-2019) starting from July 2009. A time frame of four years is envisaged for short-term (2009-2013) and beyond four years is considered as a medium-term period.

ERIA has constituted a Working Group for advising and monitoring the planning of various development initiatives under MIEC. The Working Group comprises of all the primary stakeholders including senior officials from line ministries and premier academic institutions from the countries in corridor. Apart from these, the Working Group also has the members from Industries and Chambers of Commerce of countries in corridor, Japan Overseas Development Corporation (JODC), Japan External Trade Organization (JETRO), ERIA and consultants working on the preparation of MIEC plan.

It may be noted here that the members of Working Group are key policy makers and specialists from respective sectors who have been actively involved in planning and development of MIEC.

The overall suggested action plan is divided into two phases:

- a) **Short-term action plan** –first 4 years for development of projects selected and prioritized by Working Group from the lists of priority and key projects
- b) **Medium-term action plan** – beyond 4 years for developing projects (other than the projects considered in the short-term) as selected and prioritized by Working Group

### 15.1 Short-term Action Plan

The short-term action plan essentially involves the planning and development of projects that the Working Group will select and prioritize from the list of priority and key projects.

The step-wise approach for development of priority projects is as follows:

- (a) Selection and Prioritization of Projects by Working Group
- (b) Identification and Selection of Consultants
- (c) Preparation of Technical and Feasibility Studies
- (d) Institutional and Legal Review from a PPP Perspective
- (e) Formulation of Project Implementation Structure
- (f) Marketing of Projects
- (g) Procurement of Developers/Contractors
- (h) Supervision of Developers/Contractors

It may be noted that ERIA would co-ordinate the project development activities till a dedicated agency is created. To do this ERIA would either develop its internal capacity to undertake the specialized tasks or appoint Project Management Consultant(s) (PMCs) who would provide necessary advisory assistance with respect to the specialized tasks as above mentioned.

The prioritization of projects and their planning are proposed to be completed by July 2010 and implementation by July 2013. This includes the time period required for developers' procurement through the competitive bidding.

### 15.2 Medium-term Action Plan

The medium-term action plan is proposed to undertake project planning and development activities for identified projects other than the priority projects. This may also include a few priority projects which may not require to be developed during short-term action plan.

The approach suggested for development of projects is as follows:

- (a) Prioritize key projects from the list of priority and key projects by the WG
- (b) Undertake and supervise project preparatory, development and implementation activities of the prioritized projects
- (c) Preparation of detailed development plans/master plans/tourism plans/concept plans of the identified growth poles and growth nodes
- (d) Spatial planning to place the identified potential projects in overall development plans of growth poles and growth nodes
- (e) Potential demand assessment of the proposed projects in the market through market/industry research
- (f) Preparation of technical, economic, financial, political and legal feasibility studies of the identified projects
- (g) Undertake environmental and social rehabilitation studies as development of various projects would affect the region's ecology (due to presence of Cardamom Mountains in Cambodia, various life sanctuaries enroute, etc.) and human settlements in the region

- (h) Determine the detailed framework and prioritization of projects for implementation based upon demand assessment, feasibility studies and interest of various industrial groups/organizations towards the proposed projects
- (i) Marketing of projects
- (j) Selection and supervision of developers

The prioritization, planning and implementation activities of high potential projects are proposed to complete between 2013 and 2019.

The action proposals mentioned above are therefore represented by a finite set of initiatives that have been prioritized but for which it is not possible to provide ordinal properties, due to the need for implementation “in parallel” and the multi-structured nature of envisaged implementation structuring.

The summary of total investments (based on costs of development of priority and key projects provided in Annexure 2) in the infrastructure development in MIEC is tabulated below:

**Table 13: Summary of Project Costs**

Description	Project Cost (USD Million)
Priority Projects	3,730
Key Projects	84,440
<b>Total Cost (USD Million)</b>	<b>88,170</b>

The total investment requirements for the development of world class infrastructure (in terms of roads, railways, airports, port, power, industrial estates, healthcare, human resource development and allied social infrastructure) in MIEC would be about USD 88.17 Billion. The total investment requirement for development of priority projects is estimated as USD 3.7 Billion and for development of model PPP projects (presented in Annexure 2) is estimated to the tune of USD 3.9 Billion.

The effective implementation of various projects in the corridor also depends upon a few softer issues (detailed below) which hold the key of achieving the economic integration of countries in corridor. These issues are critical and need to be addressed on priority to achieve the effective implementation of overall corridor concept. Sincere efforts are to be required by member countries and associated multi-lateral organizations to resolve these issues which should ideally be initiated along with the inception of the short-term plan. Some of the key issues are:

1. Creation of Single Dedicated Development Agency
2. Set-up ASEAN infrastructure fund to address the financing Issues
3. Promote Implementation of cross border transportation agreement
4. Promote power grid integration in MIEC region
5. Development of strategies to promote multimodal transport
6. Focus on training and capacity building of stakeholders
7. Development of MIEC strategy results-based framework for monitoring

The work plan presents in the following figure entails details regarding likely scheduling of the identified projects, timelines with respect to addressing specific issues taking into account governance and other procedural delays.

Figure 5: Suggested Work Plan for Development of MIEC

