



ASIAN INFRASTRUCTURE  
INVESTMENT BANK



PROJECT  
LEARNING  
REVIEW  
REPORT

# Gujarat Rural Roads Project

## ABOUT THE PROJECT LEARNING REVIEW (PLR)

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The Independent Evaluation Function of the Asian Infrastructure Investment Bank (AIIB) is part of the Complaints-resolution, Evaluation and Integrity Unit (CEIU), which reports directly to AIIB's Board of Directors. It drives accountability and learning at AIIB by evaluating investment projects, policies, strategies and procedures to enhance institutional performance and credibility.

For completed standalone projects, the Evaluation Function conducts Project Learning Reviews (PLRs). These evaluations assess project results, identify key drivers and extract lessons for future projects. The PLR is based on an Approach Paper outlining the selected criteria and methodology.

This is the first PLR conducted by AIIB's Independent Evaluation Function, underscoring AIIB's commitment to continuous learning and institutional accountability.

The PLR was led by Eskender Zeleke, Head of the Independent Evaluation Function, with contributions from CEIU staff, including Marla Hinkenhuis, Evaluation Analyst, and an external consultant. The review was developed using evidence from field visits, stakeholder interviews, and document analysis.

The Gujarat Rural Roads Project (GRRP) was implemented during AIIB's early years, and many processes and structures have since evolved.



# ABOUT THE GUJARAT RURAL ROADS PROJECT

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AIB provided a USD329 million loan to support the Government of Gujarat's Chief Minister's Rural Roads Program (Mukhya Mantri Gram Sadak Yojana, MMGSY). The Project marked AIB's first stand-alone project in the roads sector.

The Gujarat Rural Roads Project (GRRP) was intended to provide all-weather connectivity to 4,000 villages as part of a larger program supporting 17,843 villages and 20 million people. The primary beneficiaries were villagers using the roads. Secondary beneficiaries were teachers, healthcare workers, traders and shopkeepers.

## PROJECT OUTPUTS: ROAD AND BRIDGE WORKS ACROSS GUJARAT

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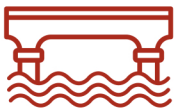
The project financed substantial road and bridge works across the state of Gujarat, improving connectivity for more than 6,000 villages. The output targets were mostly achieved.



**8 million**  
beneficiaries



**6,600**  
villages



**72**  
new bridges/new links



**7,700 km**  
resurfaced/widened roads

**5,323 km**  
new/upgraded roads

Roads passing through:



**2,000**  
schools



**641**  
health centers



**793**  
religious sites



**1,137**  
marketplaces

## FINDINGS: A SUCCESSFUL PROJECT

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The PLR team conducted a criteria-based assessment covering six evaluation criteria with a four-point rating scale.

### OVERALL PROJECT PERFORMANCE:

The Project was **SUCCESSFUL**.

**RELEVANT:** The Project solved key problems in rural connectivity. It was well-aligned with state and national objectives as well as AIIB's strategic focus on infrastructure development.

**EFFECTIVE:** The Project exceeded connectivity targets and improved the lives of approximately eight million people through better access to markets, schools, and healthcare.

**EFFICIENT:** The Project showed strong economic returns, 38% cost savings, and timely delivery despite minor monsoon delays.

**LIKELY SUSTAINABLE:** The Implementing Agency has the institutional and financial capacity to manage and maintain the roads and bridges that were constructed, generating sustainable benefits for the population.

**SATISFACTORY AIIB WORK QUALITY:** AIIB showed a responsive and flexible approach as well as strong project support and oversight, despite challenges related to staff turnover and limited monitoring mechanisms.

**HIGHLY SATISFACTORY CLIENT WORK QUALITY:** The client demonstrated exceptional engagement, high adaptability, strong project management and effective handling of environmental and social risks.



# OUTCOMES: TRANSFORMING LIVES IN VILLAGES

The PLR team visited 13 villages that benefitted from the roadworks. The residents of the villages highlighted the transformative change that all-weather connectivity brought to their lives:



## Education

Reduced **absenteeism** of students and teachers as access to schools was improved.

Saved travel time used by parents to help children with **homework**.

Lower dropout rates and more students continuing to **higher education** due to improved access to high schools and colleges.



## Health

Improved **emergency and maternal care** due to reduced travel time to hospitals and ambulances reaching the villages.

Less **accidents** due to improved road conditions.

Improved **primary healthcare** such as child vaccinations as healthcare workers can reach the population more easily.



## IMPROVED ALL-WEATHER CONNECTIVITY



## Social

Improved **safety for women** as they can travel by motorized vehicles instead of walking.

Improved access to religious sites for **worship**.

Reduced **migration** to cities.

Improved **social relations** with friends and family in other villages.



## Economy

Increased **agricultural productivity, crop diversification and growing dairy business** due to improved access to farmland, inputs and markets for selling crops.

New **employment** opportunities in agriculture and nearby factories.

Improved access to **banking services**.

Improved **access to supplies** for stores and **new transport businesses**.

Increased **value of farmland** used as collateral for loans.

## KEY ISSUES

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**Difference Between Appraisal and Actual Project Cost:** The project spent 38% less than expected. If recognized earlier, the unutilized amount could have been used to improve outcomes or expand the scope.

**Limited Monitoring of Outcomes and Efficiency:** The project tracked output but did not effectively measure socioeconomic benefits and efficiency.

**Shortcomings in Implementation Arrangements and Knowledge Management:** During implementation, effective oversight was challenged by the complexity of the project, the lack of local presence and the lack of a dedicated supervision consultant.

## LESSONS LEARNED

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**Prioritize Safeguards and Monitoring:** Early set up of environmental and social protections helps to reduce risks and ensures project benefits last long. Keeping detailed records is important for accountability.

**Ensure Adequate Time for Due Diligence:** Thorough technical due diligence prevents issues with cost estimates and loan structuring. While AIIB may not always control timelines, adequate time for appraisal ensures a successful project implementation.

**Combine High Client Capacity with Flexibility:** AIIB's flexible approach was a distinct advantage in combination with a strong Implementing Agency. However, relying too much on external consultants can limit Implementing Agencies from building own skills.

**Streamline Contract Packaging:** Using fewer and larger contract packages makes managing projects more efficient. The GRRP struggled with 1,615 contract packages, while later AIIB rural roads projects in India showed the advantages of streamlining packaging.

**Foster Sustainability:** Early engagement with borrowers and communities is essential for building trust and ensuring smooth implementation. AIIB can enhance its supervision of E&S safeguards. Balancing strong internal capacities and strategic partnerships with the private sector is crucial.

# RECOMMENDATIONS

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## **RECOMMENDATION 1: Monitor Outcomes Better.**

Ensure to track both physical results (like roads built) and social and economic benefits (like better access to schools).



## **RECOMMENDATION 2: Comprehensively Assess Project Success.**

Strengthen the quality of final assessments to improve accountability and learning. Adopt a project performance ratings system and include a reassessment of the economic costs and benefits (EIRR).



## **RECOMMENDATION 3: Strengthen Internal Knowledge Management Systems.**

Enhance internal knowledge management practices to ensure proper project documentation, knowledge transfer, and the preservation of institutional memory.



## **RECOMMENDATION 4: Streamline Contract Packages.**

Use fewer, larger contract packages for small-scale infrastructure projects to reduce monitoring challenges.



## **RECOMMENDATION 5: Engage Early and Stay Flexible.**

While preserving the distinct advantage of AIIB's flexible approach, prioritize early engagement with borrowers to ensure smooth implementation.



## **RECOMMENDATION 6: Expand Local Presence.**

Expand the network of local representatives and offices to improve oversight and support for complex projects.

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