

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	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 ¹		
	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

¹ In the case of ADB assisted projects, Sl. No. 3 (vi) to (viii) and (ix) to (xi) may be completed before loan negotiations

	Procurement plan and actions	iv. Procurement plan for 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, shortlist of consultants/consulting firms and documents for prequalification of contractors are prepared and approved/reviewed by MFI	PIA
		vi. RFP for major/ critical consultancies issued	PIA
		vii. Bidding documents for all contracts, to be awarded during first 18 months of project implementation should be prepared, approved and issued.	PIA
	R & R	viii. Budgeting for at least 30% of land acquisition & resettlement requirements has been made. Land acquisition/ pre construction activities, where relevant, have started.	PIA
		ix. Land acquisition and resettlement plans are ready, where relevant.	PIA
		x. Relief & Resettlement Plan, where relevant, for the first two years of the project implementation should be finalized and confirmation that R&R activities are aligned with the Procurement Plan, be conveyed.	PIA
		xi. 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	PIA
		iii. Project Implementation Plan/ Administration Manual/ Memorandum covering scope, organization and its TOR, procurement, budgeting, disbursement, reporting and auditing arrangement has been finalized.	

	Implementation readiness	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	
		vi All Statutory clearances like environmental/forest clearances, EFC/CCEA, if applicable, to be in place	PIA
		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