

# HOST COUNTRY REQUIREMENTS FOR INFRASTRUCTURE PROJECTS

By

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*A Project Report*

*submitted in partial fulfillment of*

*the requirement for the*

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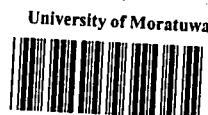
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**Dedicated to my Motherland,  
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## **Abstract**

The significance of host country requirements in funding projects in terms of emphasising the country needs in foreign investments, have a notable insufficiency during project appraisal stage. In this research, the importance and benefits of host country requirements for funded infrastructure projects is discussed in the context of present situation of most developing countries.

This research develops a model, called the Host Country Index (HCI) to incorporate host country requirements effectively in to the infrastructure project. HCI model cross checks the macro planning requirements of host country, against different sectors towards integrated infrastructure development.

Based on the feasibility studies of major highway projects in Sri Lanka, a HCI model was developed by this research for analysis of host country requirements in future highway projects. HCI model for highway projects is based on probabilistic framework and develops a project ranking system with different project classifications. These defined project classification and relevant limits for results of application of this model can be used as a tool for measuring the intensity of satisfaction of host country requirements in prospective funding projects. It would give clear advice to the project appraiser in comparing and ranking infrastructure projects.

The developed HCI model for highway projects was validated by applying data from two major highway projects in Sri Lanka. The results give clear insights and quick advice from the HCI model on project appraisal by comparing each project with other competing proposals or comparing individual project with standard benchmarks.

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## List of Abbreviations

BO	Build - Operate
BOQ	Bill of Quantities
BOT	Build- Operate –Transfer
CGMPI	Central Government Macro Planning Institution
CKAH	Colombo-Kandy Alternative Highway Project
ERD	External Resource Department of Sri Lanka
GDP	Gross Domestic Products
HCI	Host Country Index
ICR	Implementation Completion Report
MAC	Minimum Acceptance Criteria
NIC	Newly Industrialised Countries
NPD	National Planning Department of Sri Lanka
PAP	Project Affected Persons
PIP	Public Investment Program
PMS	Preferential Margin Scheme
PP	Project Pipeline
PPP	Public Private Participation
PSP	Private Sector Participation
SAR	Staff Appraisal Report
SDS	Sector Development Strategy
STDP	Southern Transport Development Project

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