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HOST COUNTRY REQUIREMENTS

FOR

INFRASTRUCTURE PROJECTS

By

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A Project Report

submitted in partial fulfillment of

the requirement for the

Degree of Master of Science in

Construction Project Management (1998/99)
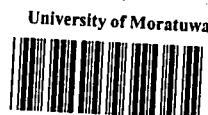
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**Dedicated to my Motherland,
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Abstract

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.

Acknowledgement

I would like to take this opportunity to pay my utmost gratitude to Professor Malik Ranasinghe, Dean of Engineering, University of Moratuwa, Moratuwa for his excellent guidance, advice and cooperation throughout the project.

It is my duty to remember with gratitude Eng. Susil Weerathunga, Planning Director, Road Development Authority and Eng. S.V.Nagodavithana, Deputy Director, Planning Division, Road Development Authority for their valuable contributions given to complete Masters Degree Program successfully.

I must thanks all engineers from Road Development Authority for their valuable contributions extended to me through interviews and discussions, which enabled me to make this project a success.

My sincere appreciation is greatly extended to many professionals of the infrastructure development, who have shared with me their views on country requirements for foreign aided projects.

Finally, I wish to express my sincere gratitude to Vilasini, my wife and my parents for their encouragement and moral support given to me during this study.

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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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