

## TECHNICAL ASSISTANCE COMPLETION REPORT

Division: SASS

<b>TA No. and Name</b> TA 2474-IND: Environmental Improvement and Sustainable Development of the Agra-Mathura-Ferozabad Trapezium in Uttar Pradesh			<b>Amount Approved:</b> \$600,000	
			<b>Revised Amount:</b>	
<b>Executing Agency:</b> Ministry of Finance, Department of Economic Affairs		<b>Source of Funding:</b> JSF	<b>TA Amount Undisbursed</b> \$34,183.32	<b>TA Amount Utilized</b> \$565,816.68
<b>Date</b>			<b>Completion Date</b>	
<b>Approval</b> 15 Dec 1995	<b>Signing</b> 31 Jan 1997	<b>Fielding of Consultants</b> September 1997	<b>Original</b> March 1998	<b>Actual</b> 30 June 2002
			<b>Closing Date</b>	
			<b>Original</b> September 1998	<b>Actual</b> 31 March 2003
<b>Description</b>				
<p>Agra city is home to three World Heritage Sites (WHS), including the renowned Taj Mahal. The three districts of Agra, Mathura, and Ferozabad are part of an area referred to as the Trapezium in Agra division of the state of Uttar Pradesh (UP). Agra suffers from acute shortages of water and power supply, severe air pollution, and serious problems of traffic congestion and solid waste management. Rapid growth and industrialization, together with inadequate measures to conserve the environment, have led to adverse environmental impacts affecting the health of the local population as well as preservation of the WHS, and other cultural heritage monuments in the Trapezium. Several studies were conducted by the Government as well as supported by other donors on various aspects of the problems, and identified the factors contributing to these. However, these studies did not suggest any comprehensive remedial action based on a sustainable development approach. Although most cities in India suffer from environmental problems, the Government of India gave priority to the Trapezium because of the severity of the problems there. The Government recognized that appropriate economic policies and a better institutional framework are needed to implement measures for environmental improvement, and to achieve environment-friendly technological changes needed for efficient use of resources and fuel substitution in the Trapezium. These changes were expected to improve the quality of life, obtain environmental benefits, preserve WHS and other monuments, and achieve economic growth at least cost to the economy. In this background, the Government requested assistance to formulate specific programs for environmental improvement, energy conservation, and overall sustainable development of the Trapezium.</p>				
<b>Objectives and Scope</b>				
<p>The objective of the TA was to provide a comprehensive assessment of the current environmental situation in the Trapezium, recommend appropriate mitigation measures for improvement, and formulate a project for possible ADB financing. In formulating a project, the TA was to address three strategic issues: environmental protection, energy conservation, and economic and social impact. The ensuing project was also expected to address issues related to environment-friendly technology transfer, industrial restructuring, fuel substitution, industrial energy efficiency and conservation, industrial and domestic waste treatment and disposal, and human resources development. The scope of the TA included (i) reviewing earlier related studies, (ii) evaluating causes of environmental pollution and recommending mitigation measures, (iii) formulating a plan for alternative employment of labor that may be affected by industrial relocation, (iv) formulating a comprehensive environmental improvement plan, and (v) evaluating economic and social impacts of recommended actions. The TA was also required to provide technical, financial and economic justification to support OCR lending, and to establish an action plan and implementation schedule.</p>				
<b>Evaluation of Inputs</b>				
<p>The formulation of the TA was ambitious, trying to prepare a multisector project with a project cost of up to \$1 billion. Given this aim, the inputs provided in terms of person-months of various consultants were not adequate. A total of 49 person-months were provided for 14 areas of expertise. The domestic experts were expected to put in only 20.5 months of field work out of a total of 32 person-months, while 3 out of the 9 person-months of international expertise were in the home office. An additional 8 person-months of international experts were provided by UNESCO and UNIDO, and these experts also spent only about two-thirds of the time in the field. The TA provided for the UNESCO- and UNIDO-financed experts to work independently, and then submit their reports to the team leader for incorporation in the final report. This did not provide for cohesive team work nor outputs. The Consultants recruited under the TA were inexperienced in project preparation, as well as in ADB procedures—although the Consultant’s representatives</p>				

twice visited ADB to make presentations and understand procedures. Further, due to the time lag between formulation of the TA and start of loan processing, ADB policy and processing requirements had changed, and the terms of reference did not adequately address all the requirements.

The TA and proposed project had a high profile because of its focus on the “home” of the Taj Mahal, which in turn was subject to directions of the Supreme Court of India as a result of public interest litigations on environmental protection. However, the choice of Executing Agency (EA)—Ministry of Finance, Department of Economic Affairs—did not appear to be appropriate, as it was not able to fulfill the inter-sectoral coordinating role envisaged. A central steering committee and four subcommittees were established at TA inception, but there is no record of their meeting(s) or of directions given by these committees to the TA team. Also, the Government of UP does not appear to have been represented on any of the subcommittees, although several of the proposed components would have required implementation by the state and local governments. Supervision of the consultants did not appear to be adequate, as observed from the number of review missions and the issues addressed by them. There is also no record of review missions having visited project sites (the TA was formulated and implemented by former IWEN).

### **Evaluation of Outputs**

The TA outputs were delayed (the Consultant's final report was submitted in March 2000), and loan processing was further delayed as the Consultant could not schedule a presentation requested by the Government of UP. Although the TA formulation noted that several studies had already been done, the TA outputs did not adequately capture the outcomes of these studies. The TA final report was not sufficiently analytical in evaluating impacts and alternatives. In particular, it did not fully address the TOR related to project formulation. Cost estimates and financial analyses were inadequate in detail. Institutional analyses were not done. Implementation arrangements and schedules were not sufficiently detailed. Environmental and social assessments were not adequate. As a result, considerable work had to be done and redone during loan processing (with unutilized TA funds) for an urban environmental improvements project, to provide sufficient basis for drafting an RRP. Ultimately, the proposed project lost ownership both in ADB (with the reorganization) and in the Government of UP (with political changes), and the loan was never negotiated.

### **Overall Assessment and Rating**

The TA was unsuccessful in meeting its objective of formulating a project. The TA outputs were incomplete, and an inadequate basis for loan processing.

### **Major Lessons Learned**

1. TA formulation should clearly define ADB expectations of the EA and ensure ownership of key implementing agencies, especially in the case of such a complex, multisector project formulation.
2. Consultants experienced in project preparation should be selected for such complex tasks, and home office inputs should be kept to a minimum.
3. TA review missions should be documented to some minimum requirement for institutional memory.
4. Cofinanced inputs and outputs should be clearly integrated with ADB inputs and outputs for a TA.

### **Recommendations and Follow-Up Actions**

TA terms of reference should give specific reference to ADB guidelines to be followed in project preparation, so that there is no ambiguity on expected outputs and their level of detail. TA design and implementation should be driven by end-user “ownership”, and not by ADB.

Prepared by Snimer K. Sahni Designation Senior Project Economist, SAAE