

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: CWID

TA No., Country and Name		Amount Approved: \$700,000	
TA 3944-PAK: Industrial Environmental Management		Revised Amount: \$700,000	
Executing Agency: Ministry of Industries and Special Initiatives	Source of Funding: Technical Assistance Special Fund (TASF)	Amount Undisbursed: \$24,178	Amount Utilized: \$675,822
TA Approval Date: 22 October 2002	TA Signing Date: 11 December 2002	Fielding of First Consultants: 1 April 2003	TA Completion Date Original: 31 August 2003 Account Closing Date Original: 31 August 2003 Actual: 31 October 2005 Actual: 31 October 2005
<p>Description</p> <p>The TA was provided in accordance with ADB's strategy for Pakistan. The TA focused on improving industrial environmental management for sectors with high effluent discharge and thereby also on enhancing energy efficiency. The TA was divided into 2 parts. Part A of the TA was for (i) policy formulation, and (ii) a needs assessment for capacity building. Part B was for needs assessment for investments, inclusive of preparation of feasibility studies for six common effluent treatment plants (CETPs) and two hazardous waste handling facilities (HWHFs).</p> <p>Expected Impact, Outcome and Outputs</p> <p>The planned outcome of the TA included tools for improving industrial environmental management and related energy efficiency, particularly for sectors with high effluent discharge. The TA expected 4 major outputs: (i) policy reforms ready for introduction by the Government; (ii) financing modalities for common effluent treatment plans; (iii) feasibility studies for the CETPs and HWHFs; and (iv) capacity building of stakeholder organizations. ADB supported the policy formulation and investment needs assessment through this TA, but only the preliminary analysis for the capacity building needs assessment.</p> <p>Delivery of Inputs and Conduct of Activities</p> <p>The TA study was conducted by Hagler Bailly Pakistan. For Part A of the TA, originally about 7 person-months of international and 10 person-months of domestic consulting services to be provided by a firm, and for Part B, about 10 person-months of international and 36 person-months of domestic consultant, were expected to be employed. Hagler Bailly was engaged on 4 April 2003 for an amount of \$261,000 for Part A and \$399,000 for Part B.</p> <p>Additional inputs of 3.5 person-months of international consulting services under Part A was approved to conduct environmental impact assessments (EIAs) and resettlement plans and social and poverty assessments for six CETPs and two HWHFs, instead of framework assessments and initial environmental examinations (IEEs).</p> <p>The design of the Project was appropriate, the terms of reference were comprehensive, and the Project was completed within the budget. Overall, the performance of the consultants is rated satisfactory. The enthusiasm put forward by the consultants during the activities of the TA was contagious and inspiring. They interacted well and obtained the confidence of the Ministry of Environment, Local Government and Rural Development.</p> <p>The Ministry of Environment was the initial executing agency, but due to limited progress, the Government decided that it would be more appropriate to have the Ministry of Industries and Special Initiatives take over as the executing agency as it was more directly involved with the industry associations in Pakistan, and it also had a more active operational interest. The change of executing agencies caused a delay in the implementation of the TA.</p> <p>Evaluation of Outputs and Achievement of Outcome</p> <p>The consultants provided high-quality reports, in accordance with the schedules determined by the original contract and/or the contract modifications. The policy formulation would further enhance the environmental coverage and protection of Pakistan's nature. More importantly, the proposed policies, if implemented, would lead to less pollution in Pakistan. The CETP and HWHF feasibility studies contained in-depth data, clearly establishing the base data and construction design for each selected area.</p> <p>The disappointing factor has been the lack of response by the Government. To date, there is not one single common industrial effluent treatment plant in Pakistan that meets the international treatment standards, and the various</p>			

industrial parks and estates in Pakistan do not actively pursue CETPs, as it is seen to be the responsibility of the Government. Through information dissemination, the TA succeeded in creating increased awareness among the industrial associations of effluent treatment, and several associations are now pursuing independent and individual solutions to resolve the effluent pollution issues.

Overall Assessment and Rating

The TA was rated as successful as the objectives of the TA have been substantially met. The TA was implemented in accordance with the implementation schedule in terms of activities and tasks, but the implementation period was longer than envisaged at approval. The data gathered by the consultant is of high quality and will be extremely useful for the formulation and investment needs in Pakistan. The feasibility studies are still being used by the Government, but the investment program has not been progressing with the speed and ambition required to reduce the industrial pollution levels in Pakistan.

However, the TA did not lead to the ensuing investment project envisioned at the beginning of the work, and to-date not one of the CETPs or HWHFs have been built. Two CETP feasibility studies are being pursued for financing by the local industrial associations, but the Government has not increased its efforts to establish CETPs and HWHFs in Pakistan.

Major Lessons

It is important for ADB staff to ensure that the executing agency is actually the most appropriate ministry or agency within the Government for execution of the TA and the ensuing investment projects. An assessment during fact-finding of the long-term incentives for the potential executing agencies would establish the most appropriate ministry and/or agency to be the executing agency. Furthermore, the incentive structure and implementation emerged as a major variable in terms of attracting the necessary amount of individual industrialists to embrace treatment of industrial effluents.

Recommendations and Follow-Up Actions

No further action is required.

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