

TECHNICAL ASSISTANCE COMPLETION REPORT

Division: SANS

TA No.: Country and Name TA 4059-SRI: Preparing the Delivering Natural Resources and Environmental Management Services Sector Project		Amount Approved: \$800,000	
		Revised Amount: \$800,000	
Executing Agency: Ministry of Environment and Natural Resources	Source of Funding: Japan Special Fund	Amount Undisbursed: \$29,591	Amount Utilized: \$770,409
TA Approval Date: 19 December 2002	TA Signing Date: 10 February 2003	Fielding of First Consultants: 14 January 2004	TA Completion Date Original: 31 Jan 2004 Actual: 23 Nov 2006 Account Closing Date Original: 31 Jan 2004 Actual: 23 Nov 2006
Description <p>Sri Lanka's population and economic growth have taken a toll on its natural resources and environment. Depleting forest cover and biodiversity, land degradation, degrading water quality and quantity, unsustainable extraction of non-renewable resources and increasing urban pollution were among the key issues identified by the Government. Effective national resources and environment management (NREM) was hindered by several factors including: (i) the absence of a comprehensive policy framework; (ii) gaps and overlaps in legislative and regulatory instruments; and (iii) weak institutional, planning and enforcement mechanisms. The Government had demonstrated a commitment to addressing these issues through several measures including: (i) establishing a single ministry for environment and natural resource management functions; (ii) preparing a national environmental action plan and national policies for several natural resource subsectors; and (iii) investing in several subsectoral development projects (i.e., management of: watersheds; forestry; biodiversity and wildlife; water resources; and coastal resources).</p> <p>Expected Impact, Outcome and Outputs</p> <p>The executing agency's (EA) experience with implementing subsectoral NREM projects had demonstrated the need for broadening coordination and integration at the higher (i.e., sectoral) level and deepening effective implementation responsibility at the sub-national (i.e., provincial, district and local) levels. Accordingly, the outcome of the technical assistance (TA) was to develop an institutional framework and a prioritized investment program for NREM. The broader impact of the TA was to contribute towards long term sustainable NREM. The key outputs that the TA was expected to produce were: (i) a comprehensive integrated NREM framework and systems for implementation; and (ii) feasibility studies for a prioritized pipeline of investments.</p> <p>Delivery of Inputs and Conduct of Activities</p> <p>The TA was originally intended as the follow-on to an earlier advisory TA;¹ hence it was formulated in consultation with the Government during the preceding TA and clearly reflected the needs of the EA. However, the ensuing loan was removed from the Asian Development Bank's (ADB) pipeline due to changing priorities of the Government and ADB, in particular a renewed focus on the North and East following the ceasefire accord with the LTTE.² The TA was redesigned to an advisory TA with a minor change in scope. Instead of preparing a sector project, the TA prepared an indicative investment program which the EA could present to donors including ADB and the Government. The terms of reference (TOR) were revised slightly, mainly to shift emphasis from detailed costing of a sector project to preliminary costing and financing plans of an overall investment program. This change of scope delayed commencement of the TA by almost one year. The revised TOR was adequate to achieve the TA outcomes, and the TA was implemented on schedule after its late commencement.</p> <p>Following the delayed commencement, the consultants were mobilized on schedule; however due to the initial delay, several international and local consultants were unavailable when the TA commenced. The firm presented replacement candidates promptly and undertook the TA effectively and efficiently. They established close working relations with the Government and on several instances, demonstrated flexibility in adjusting inputs to suit the specific needs of the EA. The TA activities were conducted through a consultative process, engaging stakeholders through workshops and focus group discussions at the national, provincial and local levels. The TA reports consisting of an inception, interim and draft final report were submitted on time and were relevant and useful. The consultant's overall performance was highly satisfactory.</p> <p>The EA showed strong interest in and ownership of the TA. The EA's commitment was displayed by: (i) designating key staff to work with the consultants; (ii) providing office space and communication facilities; and (iii) providing at EA's expense, a team of specialists to undertake the social assessments related to the investment program developed by the TA consultants. The EA guided the consultants well and took the lead in organizing and conducting the workshops and meetings with stakeholders. The EA's performance was satisfactory.</p>			

¹ TA 3271-SRI: Sustainable Natural Resources Management for Development, approved on 6 October 1999 for \$800,000.

² LTTE or Liberation Tigers for Tamil Eelam, is the separatist group claiming a separate state in the North and East of the Country.

ADB fielded three review missions to assess the TA progress in close consultation with the World Bank and the Royal Netherlands Embassy, the two other key development partners supporting the NRE sectors in the Country at the time. ADB provided the consultants with timely feedback on their reports. ADB also exercised flexibility in accommodating the EA's request for minor changes including: (a) a change in the composition of consultants; (b) financing a computer networking facility to support institutional strengthening of the EA; and (c) extending the TA closing date by 23 months. ADB's performance was also satisfactory.

Evaluation of Outputs and Achievement of Outcome

The TA outputs were achieved to the satisfaction of the EA and ADB. With respect to output (i) and (iii) as listed above, it was agreed during the stakeholder consultation process, that the NREM framework had to squarely address the dichotomy between natural resource management on the one hand and economic and social development on the other. Accordingly, the proposed framework includes a hierarchical planning process to achieve this objective, along with the institutional structure and detailed guidelines on implementation, financing, reporting and monitoring. Two case studies on integrated NREM were carried out to support the framework and demonstrate the corresponding implementing arrangements. One features implementation arrangements at the Divisional Secretariat (i.e., local authority) level and the other demonstrates management of a wetland which transcends the administrative boundaries of a single local authority.

Building on the NREM framework, output (ii) which is a sector investment program, aims to enhance rural livelihoods through sustainable NREM practices. The investment program is sufficiently detailed for the EA to prepare a detailed concept note and solicit external financing. Aside from the sector investment program the TA produced a comprehensive strategy and investment plan for solid waste management (SWM). This is an extremely detailed product which can be readily adopted for financing without much further preparatory input. In preparing these outputs, the TA consultants worked closely with the Ministry of Finance to identify appropriate financing modalities using existing Government sources. Several promising options were identified during the TA.

While the TA fully achieved its outputs, the intended outcome of the TA was partially achieved, primarily due to factors beyond control of the EA. A change of the Government and consequent changes of political and administrative leadership at the EA and related institutions resulted in a shift of emphasis and priorities within the EA. The investment climate for the EA and the Country as a whole changed during the course of the TA. Consequently, the EA was unable to secure additional external funding for the sector. With its limited resources, the EA initiated a pilot program adopting the TA outputs in the North Western Province, and this program has continued since 2002. Substantive parts of the TA recommendations on SWM are likely to be adopted under an ongoing national SWM program of the EA known as "Pilisarū" and a future project of the World Bank. The EA has also utilized the model public-private partnership agreements designed under the TA to guide the Local Authorities when entering into partnerships with private parties for solid waste disposal and management. The GEF funded Climate Change Adaptation Program is expected to implement the TA recommended NREM framework in one river basin. While several important elements of the TA outputs have thus been adopted, a substantial portion of the outputs still remain to be effectively implemented.

Overall Assessment and Rating

Overall, the TA is rated successful. It was relevant to the EA's mandate and served as the means for the EA to engage in dialog at the sub-national level to formulate effective strategies for decentralized NREM. The TA activities were carried out with strong stakeholder participation through a series of workshops and meetings. The TA effectively achieved its outputs and partially achieved its intended outcome. Sustainability of the TA interventions was ensured to some degree through institutional capacity building conducted under the TA.

Major Lessons

The partial success of achieving the TA outcomes demonstrates the challenges faced by a sectoral agency in garnering support for its investment program, particularly when it is not high on the Government's list of priority sectors for investment. In view of this challenging environment, greater emphasis may need to be given to follow up actions of such TAs. A clear, time-bound action plan for follow up actions could have been prepared at the end of the TA.

Recommendations and Follow-Up Actions

The EA should proactively seek financial support to implement the outputs of the TA. As mentioned above, the investment programs are sufficiently well developed to be present to interested development partners including the Government; however the EA may need to repackage the TA output to suit different formats of individual financiers. The EA has indicated intentions to incorporate the remaining TA outputs in its next five-year Implementation Plan (2008-2012).