



# Completion Report

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Project Number: 40648-023  
Loan Number: 2676  
January 2021

## India: Infrastructure Development Investment Program for Tourism—Tranche 1

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## CURRENCY EQUIVALENTS

Currency unit – Indian rupee(s) (₹)

		<b>At Appraisal</b> 26 Oct 2011	<b>At Project Completion</b> 27 Mar 2019
₹1.00	=	\$0.0222	\$0.014
\$1.00	=	₹45.040	₹69.337

## ABBREVIATIONS

ADB	–	Asian Development Bank
DSC	–	design and supervision consultants
GAP	–	gender action plan
GOHP	–	Government of Himachal Pradesh
GOP	–	Government of Punjab
HPTDB	–	Himachal Pradesh Tourism Development Board
km	–	kilometer
MFF	–	multitranche financing facility
PIU	–	project implementation unit
PMC	–	project management consultant
PMU	–	project management unit
PPP	–	public–private partnership
SHG	–	self-help group
TA	–	technical assistance

## NOTE

In this report, “\$” refers to United States dollars

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## BASIC DATA

### A. Loan Identification

1.	Country	India
2.	Loan number and financing source	2676-IND, ordinary capital resources
3.	Project title	Infrastructure Development Investment Program for Tourism
4.	Borrower	Government of India
5.	Executing agencies	Himachal Pradesh Tourism Development Board, Department of Tourism and Civil Aviation, Government of Himachal Pradesh; and Punjab Heritage and Tourism Promotion Board, Department of Tourism and Cultural Affairs, Government of Punjab
6.	Amount of loan	\$43.42 million
7.	Financing modality	Multitranche financing facility

### B. Loan Data

1.	Appraisal	
	– Date started	10 June 2010
	– Date completed	10 June 2010
2.	Loan negotiations	
	– Date started	13 August 2010
	– Date completed	24 August 2010
3.	Date of Board approval	4 October 2010
4.	Date of loan agreement	20 July 2011
5.	Date of loan effectiveness	
	– In loan agreement	26 October 2011
	– Actual	26 October 2011
	– Number of extensions	2
6.	Project completion date	
	– Appraisal	30 June 2017
	– Actual	30 September 2018
7.	Loan closing date	
	– In loan agreement	30 June 2017
	– Actual	30 September 2018
	– Number of extensions	2
8.	Financial closing date	
	– Actual	27 March 2019
9.	Terms of loan	
	– Interest rate	LIBOR and 0.60% + commitment charge of 0.15% per annum
	– Maturity (number of years)	20 years
	– Grace period (number of years)	5 years

## 10. Disbursements

## a. Dates

<b>Initial Disbursement</b> 7 December 2011	<b>Final Disbursement</b> 27 March 2019	<b>Time Interval</b> 87 months
<b>Effective Date</b> 26 October 2011	<b>Actual Closing Date</b> 27 March 2019	<b>Time Interval</b> 89 months

## b. Amount (\$ million)

Items	Original Allocation	Increased / (Decreased) during Implementation	Cancelled during Implementation	Last Revised Allocation	Amount Disbursed	Undisbursed Balance
	1	2	3	(4 = 1+2- 3)	5	(6 = 4-5)
<b>Base Cost</b>						
Component 1: Urban infrastructure and service improvement	7.27	12.64		19.91	19.91	0.00
Component 2: Connectivity improvement	2.05	(0.87)		1.18	1.18	0.00
Component 3: Quality enhancement of natural and cultural attractions	8.05	(1.47)		6.58	6.58	0.00
Component 4: Community-based activities	1.99	(1.47)		0.52	0.52	0.00
Component 5: Capacity development, community participation, and project management	16.87	(1.63)		15.24	15.24	0.00
<b>Contingencies</b>	7.20	(7.20)				
<b>Financing charges</b>						
<b>Taxes and duties</b>						
<b>Total</b>	<b>43.42</b>			<b>43.42</b>	<b>43.42</b>	<b>0.00</b>

ADB = Asian Development Bank.

Sources: Loan agreement, framework financing agreement, periodic financing request 1 (August 2010). Completion information is from ADB Mainframe Database (ADB share) and ADB estimates.



## C. Project Data

### 1. Project cost (\$ million)

Cost	Appraisal Estimate <sup>a</sup>	Actual
Foreign exchange cost <sup>b</sup>		4.50
Local currency cost		59.18
<b>Total</b>	<b>62.03</b>	<b>63.68</b>

<sup>a</sup> Breakdown of foreign exchange cost and local currency cost was not prepared at appraisal (framework financing agreement and periodic financing request for Tranche 1).

<sup>b</sup> Includes interest and commitment charges.

### 2. Financing plan (\$ million)

Cost	Appraisal Estimate	Actual
Implementation costs		
Borrower financed	15.75	18.44
ADB financed	43.42	43.42
<b>Total implementation cost</b>	<b>59.17</b>	<b>61.86</b>
Financing charges during implementation		
Borrower financed	2.87	1.82
<b>Total project costs during implementation</b>	<b>62.03</b>	<b>63.68</b>

ADB = Asian Development Bank.



## 3. Cost breakdown by project component (\$ million)

Items			Appraisal Estimate					Actual <sup>a</sup>				
			Total Cost	ADB-HP	ADB-P	GOHP	GOP	Total Cost	ADB-HP	ADB-P	GOHP	GOP
A. Investment Cost												
1.	Civil work											
	a.	Urban infrastructure and service improvement	9.67	4.77	2.50	1.62	0.78	30.82	14.05	5.87	7.75	3.16
	b.	Connectivity improvement	2.68	0.00	2.05	0.00	0.63	1.83	0.24	0.94	0.14	0.51
	c.	Quality enhancement of natural and cultural attractions	10.63	4.10	3.94	1.39	1.20	10.19	3.03	3.55	1.71	1.91
	d.	Community-based activities	2.65	1.20	0.79	0.41	0.25	0.80	0.00	0.52	0.00	0.28
2.	Survey, training and workshops		4.03	0.95	2.10	0.32	0.66	0.68	0.02	0.43	0.01	0.22
3.	Consultants		8.36	5.18	3.18	0.00	0.00	8.82	4.19	4.63		
4.	Taxes and duties <sup>b</sup>		5.57	0.00	0.00	3.07	2.50	2.09	0.00	0.00	1.44	0.65
		Subtotal (A)	43.59	16.20	14.56	6.81	6.02	55.23	21.52	15.93	11.04	6.73
B. Recurrent Costs												
1.	Incremental administration cost		5.46	3.07	2.39	0.00	0.00	5.97	1.67	4.29	0.01	0.00
2.	Taxes and duties		0.93	0.00	0.00	0.42	0.51	0.66	0.00	0.00	0.07	0.58
		Subtotal (B)	6.39	3.07	2.39	0.42	0.51	6.63	1.67	4.29	0.08	0.58
C. Contingencies												
1.	Physical		3.23	1.51	0.86	0.51	0.35					
2.	Price		5.81	2.32	2.51	0.54	0.44					
D. Financing Charges during Implementation. <sup>c</sup>			2.98	0.00	0.00	1.62	1.36	1.82	0.00	0.00	0.00	0.00
		Total	62.03	23.10	20.32	9.90	8.68	63.68	23.20	20.23	11.12	7.31
		Percentage		70%	70%	30%	30%		68%	73%	32%	27%

ADB = Asian Development Bank, ADB-HP = ADB's contribution for the Himachal Pradesh region, ADB-P = ADB's contribution for Punjab region, GOHP = Government of Himachal Pradesh, GOP = Government of Punjab.

Sources: Framework financing agreement, periodic financing request of Tranche 1 (page 1) for appraisal estimates. Completion information from ADB Mainframe Database (ADB share) and executing agencies of state governments (for counterpart contribution) and ADB estimates.

<sup>a</sup> Counterpart contribution converted at average exchange value at time of disbursement for each package.

<sup>b</sup> Portion of taxes and duties paid by GOHP and GOP on category 1 – civil works was not segregated but was included in GOHP and GOP contribution shown under Base Cost.

<sup>c</sup> Financing Charges during Implementation at completion until September 2018 include commitment charge and interest (Source: ADB Collections Database). Financing charges are recorded for the entire Loan 2676 and segregation by state is not available in Collections Database.

## 4. Project schedule

## Himachal Pradesh

Item	Appraisal Estimate	Actual
Date of contract with consultants	June 2011	December 2011
Completion of engineering designs	April 2011	
Civil works contract		
Date of award	August 2011	October 2011
Completion of work	June 2017	September 2018
Dates		
First procurement	May 2011	December 2014
Last procurement	October 2015	June 2015
Completion of equipment installation	October 2017	June 2015

## Punjab

Item	Appraisal Estimate	Actual
Date of contract with consultants	June 2011	December 2011
Completion of engineering designs	April 2011	June 2011
Civil works contract		
Date of award	August 2011	December 2011
Completion of work	June 2017	September 2018
Dates		
First procurement	May 2011	September 2015
Last procurement	October 2015	January 2017
Completion of equipment installation	October 2017	January 2017

## 5. Project performance report ratings

Implementation Period	Ratings
	Single Project Rating
From 1 October 2011 to 31 December 2011	On track
From 1 January 2012 to 30 September 2012	On track
From 1 October 2012 to 31 December 2012	Potential problem
From 1 January 2013 to 31 December 2013	Actual problem
From 1 January 2014 to 31 December 2014	On track
From 1 January 2015 to 31 December 2015	On track
From 1 January 2016 to 31 December 2016	On track
From 1 January 2016 to 31 December 2016	On track
From 1 January 2017 to 31 December 2017	On track
From 1 January 2018 to 31 December 2018	On track
From 1 January 2019 to 31 March 2019	On track

## D. Data on Asian Development Bank Missions

Name of Mission	Date	No. of Persons	No. of Person-Days	Specialization of Members
Midterm-review-mission	10–14 May 2010	1	5	a
Consultation 1	2–3 Dec 2010	3	6	a,b,c
Loan review 1	21–29 Feb 2012	9	81	h,f,i,j,k,i,j,k,l
Loan review 2	26–28 Sept 2012	5	13	d,e,e,f,g
Special loan administration 1	11–12, 16–23 Jun 2013	2	15	e,l
Special loan administration 2	23, 28 Oct–2 Nov 2013	3	8	e,m,n
Consultation 2	13 Nov 2013	1	1	e
Midterm review	27 Feb 2014	2	2	h,f
Loan review 3	15–18, 22–26 Jun 2015	3	27	f,g,o
Special loan administration 3	2–6 Nov 2015	2	10	f,p
Loan review 4	14–17, 21–25 Jun 2016	2	18	q,r
Loan review 5	10–13 Oct 2017	1	4	q

a = senior urban development specialist, b = project implementation officer, c = senior project assistant, d = country director, e = senior project officer (urban), f = associate project officer, g = associate project analyst, h = senior project officer, i = civil engineer, j = procurement specialist, k = conservation architect, l = safeguard specialist, m = resident procurement specialist, n = senior procurement officer, o = gender consultant, p = social safeguard consultant, q = project officer (urban), r = project analyst.



## I. PROJECT DESCRIPTION

1. India's tourism sector had experienced impressive growth. Its total foreign tourist arrivals had risen by 126% from 2.38 million in 2002 to around 5.37 million in 2008. Total domestic tourist visits also had grown by about 109%, from 269.6 million in 2002 to 562.9 million in 2008.<sup>1</sup> With a diverse tourism product mix including cultural, religious, adventure, and ecotourism, India had demonstrated immense potential for tourism growth.<sup>2</sup> Lack of infrastructure, last mile connectivity, accommodation, trained tour operators, and tourist information were major challenges to tourism's further growth. Enhancement interventions in these areas of concern would significantly improve visitor experience, efficiency, and competitiveness of these destinations vis-à-vis other international destinations while creating opportunities for generating employment and growth in livelihood programs contributing to substantial poverty reduction.<sup>3</sup> According to 2003–2004 surveys, India's tourism sector was contributing only 5.9% of gross domestic product as against the world average of 10.4% in 2007.<sup>4</sup> The Government of India's proposed roadmap (2008–2017) for the development of tourism infrastructure had identified a strategic framework for sustainable and inclusive tourism infrastructure. The roadmap targeted 14.5 million international tourist arrivals spending \$24.5 billion in foreign exchange, 10% of which should accrue to poor communities and result in lifting 5.4 million out of poverty by 2017.<sup>5</sup>

2. The Infrastructure Development Investment Program for Tourism was designed to support inclusive economic growth and provide livelihood opportunity for local communities in the tourism sector through developing tourism infrastructure. The program was planned to support the four participating states of Himachal Pradesh, Punjab, Tamil Nadu, and Uttarakhand in developing the tourism sector as a key driver for economic growth.

3. The Asian Development Bank (ADB) approved the program as a multitranche financing facility (MFF) on 4 October 2010 at a cost of \$250 million.<sup>6</sup> Under the first tranche, Project 1 of the MFF (Loan 2676-IND) would be implemented primarily in Himachal Pradesh and Punjab over a period of 4 years, with preparation of subprojects commencing in 2010 and works in 2011. It was estimated to cost \$62.03 million equivalent for the two states combined, and the ADB loan component combined was \$43.42 million.

4. With diverse tourism product mixes including cultural, religious, adventure, and ecotourism, both these states identified and demonstrated immense potential for tourism growth. The impact of the MFF was enhanced contribution of the tourism sector to sustainable and inclusive economic growth. The outcome of Project 1 was to increase volume of domestic and international tourists to destinations within each participating state. Project 1 outcomes were in line with the MFF outcome and no separate outcomes were defined for the project.

5. Project 1 consisted of five main outputs: (i) enhanced quality of natural and cultural tourist attractions to ensure convenience and safety for visitors; (ii) greater participations by

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<sup>1</sup> Government of India, Ministry of Tourism. 2009. *India Tourism Statistics 2008*. New Delhi.

<sup>2</sup> ADB. 2010. *Report and Recommendation of the President to the Board of Directors: Proposed Multitranche Financing Facility to India for the Infrastructure Development Investment Program for Tourism*. Manila.

<sup>3</sup> ADB. 2008. *Technical Assistance for Improving Connectivity and Destination Management of Cultural and Natural Resources in the South Asia Subregion*. Manila (TA 6504-REG).

<sup>4</sup> World Travel and Tourism Council. <http://www.wttc.org/eng/Home>.

<sup>5</sup> Government of India. 2007. *Study to Prepare a Road Map for the Development of Tourism Infrastructure in India*. New Delhi.

<sup>6</sup> The loan allocations were \$66.61 million to Himachal Pradesh, \$61.98 million to Punjab, \$55.79 million to Tamil Nadu, and \$61.62 million to Uttarakhand.

local communities in tourism-related economic and livelihood activities; (iii) improved basic urban infrastructure and incidental services; (iv) improved connectivity to tourist attractions focusing on the improvement of last-mile connectivity; and (v) strengthened capacity of concerned sector agencies and local communities for planning, development, management, and marketing of tourist destinations and attractions.

## II. DESIGN AND IMPLEMENTATION

### A. Project Design and Formulation

6. Project 1 was relevant to the government's and ADB's sector strategies at appraisal and remained so at completion. It also was relevant to tourism policies for the states of Himachal Pradesh and Punjab that regard a thriving tourism sector as the key driver for sustainable and inclusive growth. The investment program including Project 1 was aligned with ADB's country partnership strategy,<sup>7</sup> as well as with the government's 11th Five-Year Plan emphasizing the need for accelerated investment in tourism.<sup>8</sup> The government's overall strategy for developing tourism under the five-year plan was to enhance and maintain India's competitiveness as a tourist destination while targeting inclusive growth through tourism infrastructure development. To facilitate that initiative, a tourism sector road map for the country was prepared with ADB's technical assistance (TA) in the context of the government's five-year plan.<sup>9</sup> Project 1 aimed to stimulate the rural nonagricultural and service sector as a whole to generate more economic and employment opportunities and thus effectively address the urban–rural economic divide. The investment was expected to boost tourist flow in Himachal Pradesh and Punjab with its strategic focus on tourism infrastructure and sector reforms like (i) public sector financing; (ii) sector policies on, and institutional capacities for, heritage site management; (iii) creating an effective enabling environment for enhanced private sector participation; (iv) operation and management of tourism infrastructure; and (v) effective mechanisms to engage local communities in the tourism value chain. The project remains consistent with ADB's Strategy 2030 that aims to address poverty, reduce inequality, and promote gender equality.<sup>10</sup>

7. Project design was appropriate to achieve the outcomes expected at appraisal. The MFF modality allowed flexibility in making investment decisions according to the needs and constraints of the investment program within the sector road map of infrastructure development for tourism.<sup>11</sup> The MFF modality was suitable for the proposed intervention because developing capacities of the sector agencies as facilitators and regulators of tourism development would be a gradual process requiring long-term commitments. The modality also suited the complex and specialized nature of work in the tourism sector, which requires relatively long implementation periods. The MFF modality addressed Himachal Pradesh and Punjab's medium- and long-term requirements and facilitated a long-term partnership for tourism-centric development between ADB and the state governments. Given that both of the project's executing agencies were new to ADB's processes and procedures, the modality facilitated subproject programming based on priorities and preparedness. It also enhanced the capacities of both executing agencies.

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<sup>7</sup> ADB. 2009. *Country Partnership Strategy: India, 2009–2012*. Manila.

<sup>8</sup> Government of India, Planning Commission. 2002. *Eleventh Five Year Plan, 2007–17*. New Delhi.

<sup>9</sup> ADB. 2007. *Technical Assistance to India for Inclusive Tourism Infrastructure Development Project*. Manila (TA 7014-IND, approved 12 December).

<sup>10</sup> ADB. 2018. *Strategy 2030: Achieving a Prosperous, Inclusive, Resilient, and Sustainable Asia and the Pacific*. Manila.

<sup>11</sup> *Facility Administration Manual, 2010. Project No. 40648, Infrastructure Development Investment Program for Tourism*, Asian Development Bank.



8. Project preparation utilized resources from project preparatory TA (para. 16). Four minor changes in scope during implementation addressed execution requirements. Two of these were due to creating a new category for goods to (i) facilitate procurement of goods that were part of the original procurement plan but inadvertently left out of that plan without any allocations under schedule 3 of the loan agreement, (ii) provide funds for increased and revised cost of civil works that were market driven, and (iii) use unallocated funds available under Part B of the project. The addition of multilevel car parking at Tutikandi in Himachal Pradesh and parking at Attari in Punjab is covered by the aforementioned change in scope. The remaining two minor changes in scope were due to reallocation of loan categories. These changes did not affect Project 1's design and monitoring framework. The addition of parking facilities in both states improved the basic urban infrastructure and resulted in greater volume of domestic and international tourists to these destinations. Moreover, both parking facilities followed a public-private partnership (PPP) scheme and became revenue generators for the respective state governments.

## B. Project Outputs

9. Project 1 covered 15 subprojects (9 in Himachal Pradesh and 6 in Punjab) consisting of 44 contract packages (19 in Himachal Pradesh and 25 in Punjab).<sup>12</sup> In Himachal Pradesh, these packages were spread over the four districts of Bilaspur, Kangra, Shimla, and Una.<sup>13</sup> In Punjab, the 25 contract packages covered the western side of the tourism circuit extending from Amritsar to Gurdaspur. Additionally, in Himachal Pradesh there were 6 community-based activity packages and 15 goods packages while Punjab had 9 goods packages. The investment program outputs and performance indicators are summarized below:

- (i) **Enhanced quality of natural and cultural tourist attractions to ensure convenience and safety of visitors.** All the performance indicators were achieved with the 19 civil works packages in Himachal Pradesh and 25 in Punjab. A total of 7 (3 in Himachal Pradesh, 4 in Punjab) tourist clusters were identified against the target of 6 (3 in each state) for investment in protection, conservation, and adaptive reuse and/or upgrading of existing natural and cultural tourist attractions. In Himachal Pradesh, urban façade restoration and pedestrian environment improvement of the Mall Road in Shimla and conservation and adaptive rehabilitation of the historic Town Hall were undertaken. In Punjab, Gobindgarh Fort was restored, thereby rejuvenating one of the few remaining tangible cultural legacies of erstwhile Maharaja Ranjit Singh Ji in India and reestablishing a historic cultural attraction in the city of Amritsar. The existing Town Hall in Amritsar was restored and adaptively reused as a Partition Museum, thus creating a new historical tourist attraction. Gender-sensitive community needs (like separate toilets for women) were incorporated in all subprojects and plans.
- (ii) **Greater participation by local communities in tourism related economic and livelihood activities.** All three performance targets were fully achieved. Details are as follow: (i) To foster community-based tourism products, in Himachal Pradesh, a Town Tourism Development Committee and 12 Panchayat Tourism Development Committees were formed and provided institutional training.<sup>14</sup> Punjab, on the other hand, established and registered a total of 50 community-based bed & breakfast and home stays. (ii) The states formed about 50 self-help groups that were provided training on various aspects

<sup>12</sup> Originally 20 contract packages were planned for Himachal Pradesh but 1 was dropped.

<sup>13</sup> ADB.2010. Infrastructure Development Investment Program for Tourism: *framework financing agreement and periodic financing request for Project 1*.

<sup>14</sup> Community-based tourism committees have the same function as envisaged for community-based societies. During implementation, both states used the terminology "committees" instead of societies.

of tourism services (management of natural and cultural heritage sites) and local crafts. In Himachal Pradesh, 35 such groups were formed across the state with 360 members, 85% of whom were women, thus surpassing the baseline target of 30% (Appendix 7). Ecotourism facilities were established in both states.<sup>15</sup> In Punjab, community-based ecotourism facilities at Keshopur Wetlands were constructed and their operation and management successfully undertaken by community-based organizations. In Punjab, 15 self-help groups were formed with 1,720 members, 95% of whom were women. The community-based organizations are providing inputs to prepare management plans for future interventions to make tourism sustainable and inclusive of the local economy. (iii) In both states, individuals were trained in tourism activities (Appendixes 1 and 7). Both states fully achieved the training participation target of 30% women.

- (iii) **Improved basic urban infrastructure and incidental services at tourist destinations and attractions.** All outputs were achieved in both states. In Himachal Pradesh, signage and an information center complete with a tourist facility of 10 tents with toilets was built near Pong Dam. Amenities like parking, signage, and toilets were added at Naina Devi's temple (car parking for 16), Chintpurni's temple (car parking for 303), and Bajreshwari temple (car parking for 100) in Himachal Pradesh.<sup>16</sup> In Punjab, parking was added near Gobindgarh Fort and the Attari border. The number of vehicles parked in Attari Parking from April 2019 to January 2020 was 257,004. Tourist facilities were also developed in Gurdaspur, Sultanpur Lodhi, and Kapurthala clusters in Punjab. The project enjoined women participation in subproject selection and implementation (Appendix 1).
- (iv) **Improved connectivity to tourist attractions focusing on the improvement of last-mile connectivity.** In Himachal Pradesh, the output was partially achieved. Punjab achieved it completely. In Himachal Pradesh, a 1 km stretch of access road near the Naina Devi temple reduced the overall travel distance by 4 km for pilgrims and visitors. Also improved were 2.5 km of Mall Road and the Ridge in Shimla. In Punjab, upgrading of the last 11 km of access road to Chhota Ghallughara (Appendix 1) in Gurdaspur facilitated hassle-free accessibility to a remote tourist location. In both states, as per the target, women's participation in all consultative processes for subprojects selection was ensured and equal wages for equal work were ensured through a clause in bid documentation. In both states, workshops and training programs were conducted to create awareness. Promotional and education material were printed and disseminated at various sites to promote women's health and safety (Appendixes 1 and 7).
- (v) **Strengthened capacity of concerned sector agencies and local communities for planning, development, management, and marketing of tourist destinations and attractions.** Both states achieved all targets completely. Details are as follow: (i) Both states developed training programs on topics related to environment, gender, culture, and tourism. (ii) Trained in environment, culture, tourism, planning, coordination, monitoring, and marketing were 4,383 staff (2,512 from Himachal Pradesh, 1,871 from Punjab) from state tourism offices and related organizations. Women's participation was 47% (1,474 from Himachal Pradesh, 606 from Punjab). (iii) Created were 150 community-based tourism products (96 in Himachal Pradesh, 50 in Punjab). (iv) Against the target of 1 PPP, 4 were created (i.e., parking at Bajreshwari temple,

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<sup>15</sup> In Himachal Pradesh, camping facilities for 10 tents (including toilets), parking, and an information center were developed near Pong Dam. In Punjab, natural trails, bus shelters, watch towers, and check dams were constructed, and sitting places were added at the ecotourism facilities

<sup>16</sup> Letter dated 12 July 2019 from the Office of the Temple Trust Bajreshwari indicates the increase in revenue generated by parking at Bajreshwari. It was ₹228,740 in 2017 and ₹457,212 in 2018.

Himachal Pradesh and Gobindgarh Fort, Partition museum, and Attari car parking in Punjab); (v) 15 tourist information centers (1 in Himachal, 14 in Punjab) were developed. With regard to planning, (i) tourist surveys were conducted in both states; (ii) a comprehensive long-term state tourism policy was prepared by Himachal Pradesh and tourism policy 2008–2023 by United Nations World Tourism Organization for Punjab; (iii) income-generating assets were developed; and (iv) both states allocated budget for meeting operation and maintenance (O&M) expenditures, including to introduce user charges. With regard to fostering community participation, both states have undertaken detailed analysis to develop local economy-based tourism products. In total, 150 trainings were conducted for local communities in heritage management- and hospitality-related skills (Appendixes 1 and 7).

### **C. Project Costs and Financing**

10. Costs were estimated at \$62.03 million equivalent for the two states combined, and the ADB loan component combined was \$43.42 million.<sup>17</sup> At completion, the actual project cost was higher, at \$63.68 million. No project outcomes or outputs were curtailed. The ADB loan amount was \$43.42 million (68.2% of total) and combined contribution from the Government of Himachal Pradesh (GOHP) and Government of Punjab (GOP) was \$20.26 million (31.8%).<sup>18</sup> Financing charges were \$1.05 million less due to lower interest rates. Loan savings from dollar appreciation and overestimation of other components and contingencies were used to increase allocations (i) for civil works (urban infrastructure and service improvement from \$9.67 million to \$30.82 million for expanding coverage, for inclusion of procurement of goods and equipment),<sup>19</sup> and (ii) for consulting by \$ 0.46 million due to contract variations. Costs decreased due to prices lower than estimated by (i) \$3.35 million for survey, training, and workshops; (ii) \$0.85 million for civil works (connectivity improvement workshops), (iii) \$0.44 million for civil works (quality enhancement of natural and cultural attractions workshops), and (iv) \$1.85 million for civil works (community-based activities workshops). Taxes and duties were lower by \$3.48 million due to rationalization of tax rates during implementation. The extended implementation period of 15 months raised the cost of incremental administration by \$0.51 million. There was no cancellation and no amount remained unutilized at loan closing. The ratio of ADB loan to state governments' contribution was 70:30 at appraisal and 68.2:31.8 at completion. Appendix 2 provides cost details at appraisal and actual. Appendix 3 shows costs at appraisal and completion by financier. These investments involved no major land acquisition (except for Circular Road, Naina Devi), resettlement, or any major social and environmental issues.

### **D. Disbursements**

11. A total of \$43.42 million (100% of the original loan amount of \$43.42 million) was disbursed by Project 1's completion. Loan disbursements commenced on 7 December 2011 but were below the target at appraisal primarily because the executing agencies were implementing projects funded by external aid for the first time. Disbursement spread out (0.6% to 20.7% per year) between fourth quarter of 2011 and first quarter of 2019 and reached 70.9% of the original

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<sup>17</sup> Allocations under Project 1 are \$23.1 million to Himachal Pradesh and \$20.32 million to Punjab. At appraisal, GOHP's contribution was estimated at \$9.90 million and GOP's at \$8.68 million (both including the financing charges during implementation).

<sup>18</sup> At completion, GOHP's contribution closed at \$11.12 million and GOP's at \$7.31 million (both excluding the financing charges during implementation). Finance charges during implementation calculated for the entire loan until project close totaled \$1.82 million.

<sup>19</sup> Increase under urban infrastructure and service improvement includes Tutikandi multilevel car parking in Shimla (Himachal Pradesh) that was not part of the original procurement plan at appraisal.

loan amount by 30 June 2017 (the original loan closure date). All withdrawal applications were submitted to ADB through the Controller of Aid Accounts and Audit, Ministry of Finance, Government of India. The project used the reimbursement mechanism for disbursement through statements of expenditure and documented claims. The project benefited from the simplified statements of expenditure process, which did not require submission of supporting documents up to \$100,000 equivalent per individual payment. Appendixes 4 and 5 provide the annual and cumulative disbursements and contract awards of loan proceeds.

## **E. Project Schedule**

12. Project 1 was completed within the extended timelines (with two extensions) after due discussions and prompt remedial measures. The loan agreement between ADB and Government of India for Project 1 was signed on 20 July 2011. Tenure of the project was 71 months (from 20 July 2011 to 30 June 2017). Because both states were executing ADB-funded projects for the first time, they were not familiar with ADB procedures and so the closing date of 30 June 2017 was extended to 30 September 2018. The reasons for the first extension (30 June 2017 to 30 June 2018) to both implementing states were (i) initial delays in recruiting and mobilizing consultants, which happened in November 2011 more than 1 year after ADB approval; (ii) delay in preparing detailed project reports for large packages involving specialized conservation and heritage works in Punjab; and (iii) delay in constructing the Tutikandi car parking facility due to challenging site conditions and unpredictable heavy snowfall in late 2016 continuing until March 2017.<sup>20</sup> Contract award fell below 60% of projections from October 2012 to December 2012, resulting in a potential problem. Then contract award and disbursement achievements fell below 50% of projections from January 2013 to December 2013, resulting in an actual problem project rating.<sup>21</sup> The project rating was brought on track for the following reporting period with implementation of a corrective time-bound action plan. Timely contract award and disbursements were thereafter ensured, supported by realistic assessments of financial projections and timely submission of claims until financial closure of the loan.

13. In Himachal Pradesh, 16 of the 19 contract packages were completed within the timeline and the rest were delayed by the ongoing water crisis<sup>22</sup> and subsequent order by the High Court to the state government to stop all construction work in Shimla. The work resumed after 1 month's delay and was completed within the extended timeline by 30 September 2018. In Punjab, Project 1 had 25 civil and 9 goods packages. Of these, 16 were completed by 30 June 2017 and the balance of 9 was delayed due to slow progress by contractors and conservation-related practice and standard compliance issues (specifically in the adaptive reuse component of the subproject).<sup>23</sup> Subsequently, all were completed by the extended closing date.

## **F. Implementation Arrangements**

14. The project's implementation arrangements were as specified in the report and recommendation of the President (footnote 2) and facility administration memorandum and were appropriate to achieve the envisaged outputs. Project 1's implementation arrangements were

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<sup>20</sup> Memo dated 28 June 2017 by ADB.

<sup>21</sup> In ADB's project performance rating, potential problem rating serves as a warning that a project may slide down to an actual problem project that has performance ratings of unsatisfactory or partly satisfactory in development objectives or implementation progress (PAI 6.05/June 2018).

<sup>22</sup> Letter dated 23 June 2018 (IDIPT –HP/Works/T-1and TIII-1706) from Government of Himachal Pradesh.

<sup>23</sup> Delay in shifting of original weapons and artifacts from other government locations to museum in Gobindgarh Fort.

similar in both Himachal Pradesh and Punjab. The implementation setups in both the participating states comprised state level empowered committees chaired by a chief secretary. In Himachal Pradesh, the Department of Tourism and Civil Aviation was executing agency while Himachal Pradesh Tourism Development Board was the key implementing agency. A project management unit (PMU), headed by the mission director, represented the Department of Tourism and Civil Aviation and the Tourism Development Board and executed works. The PMU was nodal agency for overall management of all program activities. To support the project's implementation, project implementation units (PIUs), each headed by a project manager, were set up at Kangra, Kullu, and Shimla to supervise the works on behalf of the PMU. These acted as links between PMU and design and supervision consultants (DSCs), which were also set up at Kangra, Kullu, and Shimla. The PMU was further assisted by the project management consultant (PMC) based at Shimla.

15. A similar setup was created in Punjab. The setup consisted of the state's leading tourism institution, the Department of Tourism, Government of Punjab as the executing agency and Punjab Heritage and Tourism Promotion Board as the implementing agency. PIUs and DSCs were based in Amritsar and Ropar, respectively, while the PMC was based in Chandigarh.

## **G. Technical Assistance**

16. The MFF was supported by project preparatory TA of \$1 million to prepare a comprehensive investment plan.<sup>24</sup> The TA helped in preparing a tourism infrastructure development project for ensuing ADB financing and tourism road map(s) of the participating states (Punjab, Himachal Pradesh, Tamil Nadu, and Uttarakhand). Additional grant support of \$1 million for capacity development TA was provided in 2010.<sup>25</sup> This helped in enhancing project management and implementation capabilities of the relevant agencies and preparing them for project implementation. The capacity development TA had a catalytic effect and supported the executing agencies. Overall, the TA interventions and outcomes were sustainable. The expected impact of the TA was successful implementation of the MFF, particularly during the start-up period. The capacity development TA supplemented Phase 2 of ongoing TA for increasing project readiness at the executing and implementing agencies and relevant local communities in each of the four participating states.<sup>26</sup> The expected outcome was increased readiness of these agencies and communities to implement the MFF.<sup>27</sup>

## **H. Consultant Recruitment and Procurement**

17. Recruitment of consultants for Project 1 was in accordance with the ADB's Guidelines on the Use of Consultants (2007, as amended from time to time). The PMCs and DSCs were appointed through competitive selections using international and national shortlist, respectively. Both states' initial unfamiliarity with ADB procedures led to initial delay in recruiting consultants, and their mobilization occurred only 1 year after loan approval. Unforeseen delays in awarding large contract packages that required extended time for implementation led to the first extension

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<sup>24</sup> ADB. 2007. *Technical Assistance to India for Inclusive Tourism Infrastructure Development Project*. Manila (TA: 7014-IND, approved 12 December).

<sup>25</sup> ADB. 2010. *Technical Assistance to India for Capacity Development for Project Management of Infrastructure Development for Rural Livelihood Enhancement*. Manila (TA 7749-IND, approved 29 November).

<sup>26</sup> ADB. 2007. *Technical Assistance for Preparing the Inclusive Tourism Infrastructure Development Project*. Manila (TA7014-IND).

<sup>27</sup> ADB. 2013. *Technical Assistance Completion Report for Technical Assistance to India for Capacity Development for Project Management of Infrastructure Development for Rural Livelihood Enhancement*. India (TA 7749-IND, approved 29 November). <https://www.adb.org/sites/default/files/project-document/80735/40382-012-tcr.pdf>

of the loan (from 30 June 2017 to 30 June 2018).<sup>28</sup> Initially, the performance of the PMC and DSC at Kangra affected the planned progress due to staffing issues,<sup>29</sup> but eventually effective resolution and monitoring led to improved output. ADB provided TA support for procurement, thereby enhancing capacity of the executing agency. When contract awards and disbursements fell below 50% in 2013, an “actual problem” project rating occurred for that period. Proactive identification of problems and timely resolution helped in finding solutions to get the projects back on track. The performance of contractors, suppliers, and consultants is rated satisfactory.

## I. Gender Equity

18. Project 1 was categorized effective *gender mainstreaming*. Gender-relevant performance indicators and targets were incorporated into the project’s design and monitoring framework and a gender action plan (GAP) was prepared for Himachal Pradesh and Punjab. These indicators were implemented, monitored, and reported adequately in the oversight of gender focal points designated at PMUs. Social and environmental safeguards specialists at the PMUs, PMCs, and DSCs coordinated GAP implementation, monitoring, and reporting. At field level, site engineers of the PIU, supervision consultants, and contractors were responsible for oversight and data maintenance. Marketing and training officers and social and environmental safeguards specialists and the community development officers at the PIUs provided training. They also were responsible for implementing community-based activities. The implementing agencies in both states regularly updated and submitted their GAP implementation progress reports with the project quarterly progress reports. Overall, the GAP implementation was rated successful (Table A7.1 of Appendix 7). It was assessed that 2 of 2 activities (100%) were completed and 13 of 13 quantitative targets (100%) were achieved. ADB provided capacity development and necessary technical support to the executing agencies throughout the project period. The project achieved substantial strategic gender benefits for women in three core areas of human capital development, women’s economic empowerment, and the creation of forums for women. The project’s good practices were to a great extent replicated in the subsequent tranche of the facility to make the tourism infrastructure and services development a symbol of good gender equality and women’s empowerment. A detailed analysis of the strategic and practical benefits, residual impacts, lessons learned, and way forward for gender equality is presented in paras. 9–12 of Appendix 7.

## J. Safeguards

19. The project was classified as category B for environment in line with ADB’s Safeguard Policy Statement (2009). The requisite environmental clearances applicable for two subprojects (one each for Himachal Pradesh and Punjab) were obtained from the relevant state environmental impact assessment authorities,<sup>30</sup> and works in forest areas commenced only after obtaining permissions. Grievance redress mechanisms were established by both the executing agencies at PMU and PIU levels for effective and timely resolution of issues. The loan covenants pertaining to environmental safeguards were complied with, and environmental performance of the project improved over time with increased monitoring and coordination by ADB with the project staff. Both executing agencies confirmed there to be no outstanding issues related to safeguards at completion. Safeguard compliance management, under appropriate

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<sup>28</sup> Request for extension of loan closing date and minor change in implementation arrangement: Aide-mémoire 28 June 2017.

<sup>29</sup> Aide-mémoire from mid-term review by ADB, dated 27 February 2014.

<sup>30</sup> Environmental Impact Assessment Notification 2006: issued by Ministry of Environment and forests on 14 September 2006

institutional arrangements, including information disclosure, participation, consultation activities, grievance redressal, and regular submission of semiannual monitoring reports, were rated effective. Appendix 9 details the project's implementation of environmental safeguards.

20. The project was categorized C for involuntary resettlement and indigenous peoples aspects at appraisal in accordance with ADB's Safeguard Policy Statement. It continued to remain category C for both aspects during implementation and until closure. No subproject implemented in Himachal Pradesh and Punjab involved land acquisition (works were implemented on government land and/or existing rights-of-way) or caused any resettlement and/or livelihood impacts, except that a private land parcel was purchased in March 2013 from a willing seller for one subproject in Himachal Pradesh. Both executing agencies monitored and reported on the social safeguards throughout implementation. The executing agencies from both states carried out periodic consultations with the local communities and maintained a functional grievance management system during implementation. No grievances pertaining to social safeguards were reported during the execution of subprojects in either state. Overall, the implementation of social safeguards for this project in both states was in compliance with ADB policy. Appendix 10 details the project's implementation of social safeguards.

## **K. Monitoring and Reporting**

21. Of 60 loan covenants, 57 were fully complied with and the remaining 3 covenants are being complied with. Among these 3 covenants, 1 relates to admission and/or user fees for tourist facilities rehabilitated or created under this project and the other 2 relate to maintenance of plant and equipment and preventing lease or sale of any assets created under this project that could hamper efficient project operations. Project 1's performance management system covered all stages of the project cycle from preparation to implementation and completion. It was used to completely and continually track the processes for both early warnings and results achievement. It was a great tool to provide timely information about project inputs and outputs so that, if required, timely course correction was provided. A monitoring mechanism was put in place in the Tourism Department, from top right down to site engineers, to check the progress of works and activities at regular intervals through the hierarchy of officials at PMU, PIU, and DSC levels. Financial management of the borrower and executing and implementing agencies was adequate and complied with statutory requirements. ADB made provisions to review and examine records and accounts of the state or relevant implementing agency and all contractors, suppliers, consultants, and other service providers related to the project. Project 1 fell below 60% of projections resulting in a potential and actual problem project ratings which were eventually brought back on track with corrective measures (para. 12).

22. All audited project financial statements from financial years ending 2012 to 2019 were generally submitted on time, except that four reports had minor delays.<sup>31</sup> Auditors issued unqualified opinions for all years' audited project financial statements. On the final statements for Himachal Pradesh, the auditor issued a specific opinion on the use of funds and confirmed that no separate management letter was prepared. Certain audit shortcomings were observed in final audited project financial statements.<sup>32</sup> On the final statements of Punjab, the auditor did not issue the required specific opinion on use of funds. Provisions were made by ADB to review and examine the records and accounts of the state or relevant implementing agency and all

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<sup>31</sup> One set of audited project financial statements was delayed by 1.4 months in Himachal Pradesh. In Punjab, all statements were submitted on time except for three reports that were delayed by an average 0.6 months.

<sup>32</sup> Shortcomings included ineligible expenditure and statement of appropriation versus actual for Himachal Pradesh. These are currently under ratification by the office of Comptroller and Audit General, Himachal Pradesh.

contractors, suppliers, consultants, and other service providers related to the project. Measures for ratification and/or clarification were discussed with the states and updates on their compliances would be reported in completion reports of the subsequent tranches of the MFF.

### III. EVALUATION OF PERFORMANCE

#### A. Relevance

23. Project 1 was *relevant* to the government's development objectives and ADB's country and sector strategies both at appraisal and completion. At appraisal, the project remained relevant to ADB's policy focus on India in areas of inclusive growth, infrastructure, institutional strengthening, and environmental sustainability (footnote 7). It was in line with states' priorities for poverty reduction through tourism for both Himachal Pradesh and Punjab. At completion, the project is in line with (i) ADB's Strategy 2030, which states that ADB will expand its vision to achieve a prosperous, inclusive, resilient, and sustainable Asia and the Pacific while sustaining its efforts to eradicate extreme poverty; and (ii) ADB's country partnership strategy for India, 2018–2022, which aims to support the government's goal of faster, inclusive, and sustainable growth accompanied by rapid economic transformation and job creation. Use of the MFF modality along with TA support was appropriate (para. 16). The results chain was logical and the design and monitoring framework generally adequate, although it could have benefitted from having more defined targets. ADB allowed changes in scope of the subprojects (in Himachal Pradesh) based on feasibility and accommodated reappropriations due to price escalation (paras. 8 and 10). These changes did not affect Project 1's outcome, outputs, scope, benefit, procurement, or implementation arrangements.<sup>33</sup> These changes were timely and in response to prevailing project realities, optimized the use of loan funds, and enhanced the project's relevance. In Punjab, ADB guidelines were followed to establish standards in state tourism policy. Site-specific ecotourism management plans were prepared by the Project 1 proponent to introduce flexibility in approach to manage the diverse ecotourism sites and create facilities for various target groups. Coordination with other development partners ensured that the project did not overlap with their respective interventions in the sector.

#### B. Effectiveness

24. Project 1 is rated *effective* in achieving its targeted outcome and outputs (Appendix 1). All three outcome indicators and 27 out of 28 output indicators were achieved (para 9, i–v and Appendix 1). Increase in aggregate domestic and international tourism for Himachal Pradesh and Punjab states exceeded the targets, as tourist visits rose by 155% and 168%, respectively, against the target of 40%. The results vary by individual state. In Punjab, domestic tourist visits recorded a gain of 321% (from 10.6 million in 2010 to 44.6 million in 2018) and international tourist visits recorded increase of 148% (from 0.63 million in 2011 to 1.56 million in 2018), with the average stay stretching from 1–2 nights to 2–3 nights.<sup>34</sup> In Himachal Pradesh, domestic tourist visits increased from 12.8 million in 2010 to 16.09 million in 2018 (26%) but international tourist visits decreased from 0.45 million in 2011 to 0.36 million in 2018. International tourist visits trended upward until 2019 except for in 2014 and 2018.<sup>35</sup> International visits showed the

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<sup>33</sup> The reallocation of loan funds was to include budget provision for procurement of goods for both states to complement the civil works being implemented under Project 1.

<sup>34</sup> Regional Tourism Satellite Account Punjab, 2009-10 & 15-16 by National Council of Applied Economic Research, New Delhi

<sup>35</sup> In 2014, the decline in footfall is attributed to external constraints (flash floods and inclement weather). In 2018, it was due to the water crisis in Himachal Pradesh, as the government discouraged tourist inflow due to the shortage.



rising trend in 2019 to 0.38 million (6% increase from 2018). Currently, tourism is hard hit by the coronavirus disease (COVID-19) pandemic. With mass production of vaccines in the offing, it is likely that travel will soon be normalized, and tourist visits will pick up. Coupled with the completion of tourism infrastructure, it is expected that the target for domestic and international tourism will be achieved at completion of the MFF, and particularly for Himachal Pradesh.

25. Implementation of the gender action plan was effective (para. 18). Classified as effective gender mainstreaming, the project was thus executed with cross-sectional participation of women in planning, project implementation, employment, and skills development. Safeguards implementation and compliance also are assessed satisfactory (paras. 19–20).

### C. Efficiency

26. Overall, Project 1 is rated *efficient*. The economic internal rates of return (EIRRs) of the two subprojects covering the destination clusters in the two states have been recalculated against the appraisal estimate. At appraisal, the base EIRR for the Punjab subproject was 22.27% and that of Himachal Pradesh was 14.1%. At completion, EIRR for the Punjab subproject was 26.88% and that of Himachal Pradesh was 12.34%. For the consolidated project, it was 20.66%. Sensitivity analysis for the consolidated project shows that reducing project benefits by 20% trimmed the EIRR to 16.41% and higher O&M cost of 20% resulted in EIRR of 19.84%. The economic net present values for the subprojects at completion were ₹836.39 million for Punjab and ₹13.64 million for Himachal Pradesh when applying a 12% discount rate. Process and institutional efficiencies were also achieved in the PMUs that were part of the two state operating departments, except that execution delays early on reflected that these departments were managing funded projects for the first time.<sup>36</sup> This significantly augmented knowledge and administrative capacities at the PMUs. The minor delays in contracts execution at the beginning were overcome at the overall level and counterbalanced to an extent by quality construction work, supply of all necessary equipment, increasing benefits to local residents (including local farmers and traders), and economic uplifting of the local hospitality and tourism sector. The improved institutional efficiencies within both executing agencies for project management and grievance redress were leveraged in implementing subsequent projects under the MFF. Details of the economic reevaluation are in Appendix 8.

### D. Sustainability

27. Overall, the project is rated *likely sustainable*. At appraisal, the proposed subprojects were considered nonrevenue generating. At completion, the analysis followed the appraisal approach focusing on the states' fiscal positions and their capacities to support subprojects' O&M requirements. Based on the past 5-year fiscal performance of the state governments, including that of their operating departments (Department of Tourism, Government of Punjab and Department of Tourism and Civil Aviation, Government of Himachal Pradesh), the reevaluated operating ratios averaged 1.09, reflecting lack of operational surplus. However, both the Governments of Punjab and of Himachal Pradesh have entered into PPP agreements for a part of the assets created under the project, which is significant in Punjab. The financial analysis concludes that the revenues generated from PPP arrangements and from the yearly allocation to the respective departments by the participating State Governments and municipalities for all tourism assets and activities can absorb the O&M cost of the project assets

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<sup>36</sup> The project had only modest cost and time overruns (i.e., less than 3% of total project cost and 15 months delay) in delivering outputs and outcomes.

(estimated at 10% of capital costs).<sup>37</sup> The state governments annual budget allocation, plus the tourism revenues generated from Department of Tourism in Punjab, Department of Tourism and Civil Aviation in Himachal Pradesh, Shimla municipality, operating private agencies and temple trusts that are managing the assets would be sufficient to meet the O&M cost.<sup>38</sup> In addition, after introduction of Goods and Service Tax at national level, taxes share would increase for the states indirectly enhancing their financial capacity, thus ensuring sustainability of the project assets. Apart from the tax reforms, specific measures for improvement of sustainability for future project were advised to both the states as recommended in para 36. Further, tourism promotion activities are already in place in both states to secure the momentum of tourist inflow post COVID. All assets created under the project were inventoried and handed over to the respective line agencies or authorities like Nagrota Suriyan and Town Hall Shimla, and agreements were signed to ensure continued operations and maintenance of these assets. The Chintpurni Temple car park (for 303 cars) is exemplary as a successful project.<sup>39</sup> Environmental sustainability is also ensured with the continuing implementation of ecotourism management plans (Appendix 9). Capacity building of the executing agencies and implementing agencies helped to achieve service quality and timely implementation of the subprojects. The training programs for the State Governments and local communities in heritage management and hospitality-related skills provide longer term sustainability of the project. Details on financial sustainability assessment are in Appendix 8.

## **E. Development Impact**

28. The project's development impact is rated *satisfactory*. It contributed to significant gain in gross state domestic product in Himachal Pradesh and Punjab. In Himachal Pradesh, it rose from 3.94% in 2010 to 7.96% in 2016.<sup>40</sup> In Punjab's case, there was a rise from 6.34% to 8.46% in aggregate contribution of tourism to gross domestic product.<sup>41</sup> In Himachal Pradesh, 3,771 individuals (1,789, or 47%, of which were women) were provided access to job skills through training in skills like handicraft production, campsite management, first aid and rescue, boating and water-based activity. In Punjab, 757 people (459 women, or 61%) were trained in the likes of tourism communication, tour guide, heritage walk, and nature-based tourism skills. The tourism sector impact in both states contributed to higher employment. The local employment gain in Himachal Pradesh was 177%, which far exceeded the MFF target of 50%. In Punjab, the local employment gain was 27% and is more than the 50% target at Project 1 stage and therefore will be achieved at completion. The data for women's employment could not yet be verified. This will be done during MFF completion report preparation and it is expected that the target will be exceeded. The project has contributed to the following ADB operational priorities: (OP1) addressing remaining poverty and reducing inequalities; (OP2) accelerating progress in gender equality; (OP3) tackling climate change, building climate and disaster resilience, and

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<sup>37</sup> Appendix 8 discusses the budget allocation to the operating departments and the capacity to spend the allocated budgets by respective state governments.

<sup>38</sup> GOP through Punjab Heritage and Tourism Promotion Board entered into a PPP agreement for O&M of the asset and revenue sharing for (a) Gobindgarh Fort, (b) Partition Museum, and (c) Attari multilevel car parking facility, which account for significant part of the project output in Punjab.

<sup>39</sup> Letter dated 3 December 2019 from the Office of Temple Trust Chintpurni.

<sup>40</sup> Government of India, Ministry of Tourism, Regional Tourism Satellite Account, Himachal Pradesh, 2009-10 and 2015-16

<sup>41</sup> Government of India, Ministry of Tourism, Regional Tourism Satellite Account, Punjab, 2009-10 and 2015-16.

enhancing environmental sustainability; (OP4) making cities more livable, and (OP6) strengthening governance and institutional capacity.<sup>42</sup>

29. The project contributes to the impact indicators of increased growth potential and overall development of local communities in both states through better livelihood opportunities and improved infrastructure. Urban transport interventions improved quality and time of travel, as well as pedestrian safety. Both traffic congestion and vehicle operating cost were reduced. The interventions thus contributed to improving urban environmental quality and achieved the agendas of the project at appraisal. In Himachal Pradesh, the Pong Dam project involved creating an interpretation center and complete improvement of the tourism infrastructure by signage, camping tents, toilets, building a jetty, and complete landscaping. In Punjab, upgrading an access road of about 11 km to Gurudwara Chhota Ghallughara Sahib, resulted in increased tourist numbers. Keshopur community reserve project is a great example of better management of an ecological site resulting in improved natural habitat for birds and better tourist inflow.

30. The project achieved significant development impacts through improved living conditions for the poor, sustained improvement in the tourism environment, and greater access to economic opportunities. The project's initiatives gave impetus to the governments of GOHP and GOP to complement it with additional works, such as connectivity. A key factor to the project's success consisted in the state governments' strong ownership and consistent commitment to the project throughout implementation, as demonstrated by timely decisions and close monitoring. The Pong Dam development (Appendix 1) is a notable example. The substantial year-on-year revenue increase is proof of the project's targeted outcome. The revenue generated in 2016–2017 was ₹556,000/- (\$7,530) and in 2017–2018 was ₹1,457,000/- (\$19,732.9).<sup>43</sup> In Punjab, noteworthy examples are Gobindgarh Fort and the Partition Museum after successfully operating in PPP mode since 2016.<sup>44</sup> This has increased revenue to the GOP and improved employment opportunities for the local youth. Keshopur Wetlands, Punjab is another success story. The wetlands also witnessed increase from 8,000 to 25,000 per year in the arrival of bird visits from Siberia and West Asia. That subsequently boosted tourist arrivals.<sup>45</sup>

## **F. Performance of the Borrower and Executing Agencies**

31. The overall performance of the borrower and executing agencies is rated *satisfactory*. The borrower, represented by the Government of India's Department of Economic Affairs, provided timely guidance and quick decisions to GOHP and GOP. For their part, GOHP and GOP released timely counterpart payments to ensure smooth work progress. Regular tripartite meetings among the government, GOP or GOHP, and PMU helped identify bottlenecks and provide solutions to speed up execution. Human resource deployment and compliances were adequate at all participating agencies. The PMUs exhibited strong leadership with the placement of senior-level state government officers in their management. This helped in change

<sup>42</sup> The project's specific contribution the ADB's results framework included: 359,000 jobs generated (OP1.2), 2,248 women provided with relevant job trainings (OP2.1.1), 4,528 people benefitted from strengthened environmental sustainability given the trainings related to sustainable tourism (OP3.3), 5 carparking and 2 tourist reception centers (OP 4.1.2) and 50 self-help groups formed (OP6.2.4).

<sup>43</sup> Letter no OP-MISC-TDC/19 from Himachal Pradesh Tourism Development Corporation. The conversion rate used was: 1\$ = ₹73.83 (as per ADB Forex, dated 26 November 2020).

<sup>44</sup> In Punjab, Gobindgarh Fort (Amritsar) had 289,462 visitors (April 2018–March 2019) and the total ticketing revenue from 2017 to date is ₹9,268,145. Similarly, the Partition Museum (Amritsar) had 234,845 visitors (March 2019–February 2020) and the total revenue generated during December 2017–February 2020 was ₹2,022,341.

<sup>45</sup> Report on Annual Water Bird Census in Keshopur-Miani Community Reserve Shallapattan Wetland and Ranjit Sagar Conservation Reserve by World Wildlife Fund dated 11–12 January 2020.

management, critical for implementing reforms. The PMUs were effective in managing the overlapping policy, regulatory, technical, and administrative aspects of project implementation, including safeguard compliance. Interagency coordination and cooperation ensured smooth workflow.

### G. Performance of the Asian Development Bank

32. ADB's performance is rated *satisfactory*. It assisted the executing agencies closely through the work execution with regular review missions to assess progress and advise on issues related to duplication with parallel government schemes, safeguards, as well as financial and reform management. Its monitoring, capacity building, and guidance throughout the project cycle helped define processes, address issues by time-bound actions and targets, and expedite implementation. ADB's involvement brought transparency in procurement, disbursements, and safeguards, while upholding integrity and ethical standards. The PMUs found ADB's advice effective in resolving project management issues at various levels of execution.

### H. Overall Assessment

33. Overall, Project 1 is rated *successful*. It is rated relevant given the project's alignment with the government's overall development plan and ADB's policies at appraisal as well as completion. It is rated effective as envisaged outcome and most outputs were achieved. The project was rated efficient, as EIRRs for all interventions were reassessed to be higher than the 12% economic opportunity cost. It is rated likely sustainable given measures to ensure financial, institutional and environmental sustainability.

Overall Ratings	
Criteria	Rating
Relevance	Relevant
Effectiveness	Effective
Efficiency	Efficient
Sustainability	Likely sustainable
<b>Overall Assessment</b>	<b>Successful</b>
Development impact	Satisfactory
Borrower and executing agency	Satisfactory
Performance of Asian Development Bank	Satisfactory

Source: Asian Development Bank.

## IV. ISSUES, LESSONS, AND RECOMMENDATIONS

### A. Issues and Lessons

34. The following issues were tackled at site during the execution of Project 1:

- (i) Initial delays at execution level were due to lack of understanding of ADB policies for tendering and other procedures and guidelines. Initial staffing issues in both states resulted in delayed decisions and slow work progress.
- (ii) Inclement weather conditions, site accessibility issues, and water shortage specifically in the state of Himachal Pradesh were reasons for delay in execution.

35. The project yields the following lessons:

- (i) Conservation of heritage buildings and adaptive reuse, revitalization of urban public realms, improvement of pilgrim infrastructure, and improvement of

pedestrian environment are highly visible projects and should be treated as of high importance.

- (ii) Acting in advance to begin designs, package bids, obtain all statutory clearances, and recruit project consultants can help avoid delays.
- (iii) Timely delivery of projects should be incentivized by nonmonetary support.
- (iv) Implementing agencies of the participating clusters should plan for cost recovery, tariffs and end-user charges for all assets created.
- (v) Participation of women and local youth in skill-based initiatives and tourism programs should be intensified, including product design and management for improving the economic condition of rural areas at the basic level.
- (vi) External factors like weather and water shortage should be addressed in project design for better planning and timely deliverables, especially for hilly destinations.

## **B. Recommendations**

36. Following are recommendations for future projects:

- (i) ADB should monitor quarterly progress for a year after completion for projects that are not fully operational or are not yielding the envisioned project benefits.
- (ii) Capacity upgradation and/or fulfillment in the various government units working on ADB projects should be done prior to loan signing.
- (iii) To ensure sustainability, asset transfer should commence simultaneously with project appraisal so that the concerned agencies' capacities are developed before handover of assets.
- (iv) Adaptive reuse of historic heritage properties in any package needs to be firmed up at the detailed project report planning stage to avoid operationalization delays.
- (v) Penalty clauses should be used as disincentives against frequent change of experts and/or consultants in PMC and DSC teams.
- (vi) Projects with PPP feasibility and their respective revenue streams should be identified at the design stage to bring the government into financial planning.
- (vii) Future tourism projects should be designed through a more holistic and integrated approach for better effectivity and sustainability of the created assets. The subproject selections and basis of preparation of detailed project reports should be carved from a robust, long-term tourism strategy or policy level framework.
- (viii) To ensure the sustainability of the project, state needs to focus on fiscal reforms and policies through introduction of innovative taxes, fees, and charges like levy of unit area based property tax, value capture financing, destination-based charges on display of commercial and non-commercial hoardings/billboards, and nominal cess on tourists.

37. **Future monitoring.** Most of the assets created in various subprojects had already been handed over to the respective agencies in accordance with the decision taken in state level empowered committee meetings. In the future, however, respective executing and/or implementing agencies will be monitoring performance of different assets created by the project.

38. **Further action.** Executing agencies, in consultation with the Department of Economic Affairs, may identify priority sector areas for improvement in creating tourism facilities, including creation of infrastructure, safety of tourists, and management of other resources linked with tourism by taking funds from multilateral financial agencies.

39. **Timing of the project performance evaluation report.** The report should be prepared in 2022, by which time the subprojects will have been operational for more than 3 years.

## DESIGN AND MONITORING FRAMEWORK

Design Summary	Performance Indicators and Targets	Project Achievements	Data Sources and Reporting Mechanisms
<b>Impact</b>  Enhanced contribution of the tourism sector to sustainable and inclusive economic growth.	<b>By MFF completion:</b> <ul style="list-style-type: none"> <li>50% increase in local employment created by tourism at each participating state (at least 30%: women)</li> <li>30% increase in aggregate contribution of tourism to GDP of each participating state.</li> </ul>	<b>By Project 1 completion</b> <b>Exceeded</b> <b>Himachal Pradesh</b> <ul style="list-style-type: none"> <li>177% increase in local employment created by tourism by Himachal Pradesh (Baseline data of 2009 was 113,000 while in 2015-16, it was 314,000).</li> </ul> <b>Partially achieved</b> <b>Punjab:</b> <ul style="list-style-type: none"> <li>27% increase in local employment created by tourism by Punjab (Baseline data of 2009 was 584,000 while in 2015-16, it was 742,000).</li> <li>In both states, the data for women employment could not be verified and will be done during MFF completion report preparation. It envisaged that the target would be overachieved after completion of MFF.</li> </ul> <b>Exceeded</b> <b>Himachal Pradesh</b> <ul style="list-style-type: none"> <li>102% (3.94% to 7.96%, as per Regional Tourism Satellite Accounts Report, 2015-16) increase in aggregate contribution of tourism to GDP</li> </ul> <b>Punjab</b> <ul style="list-style-type: none"> <li>33.4% (6.34% to 8.46%, as per Regional Tourism Satellite Accounts Report, 2015-16) increase in aggregate contribution of tourism to GDP</li> </ul>	<input type="checkbox"/> State tourism statistics <input type="checkbox"/> State economic and employment statistics
<b>Outcome</b>  Increased volume of domestic and international tourists to destinations within each participating state"	<b>By MFF completion:</b> 40% increase in total domestic tourism in four participating states.	<b>Exceeded</b> <b>Domestic tourism increased by 155% in 2 states by completion of Project 1.</b>  <b>Himachal Pradesh</b> <ul style="list-style-type: none"> <li>26% increase in total domestic tourism in Himachal Pradesh (baseline at 2010 was 12.8 million increased to 16.09 million).</li> </ul> <b>Punjab</b> <ul style="list-style-type: none"> <li>321% increase in total domestic tourism in Punjab (Baseline in 2010 was 10.58 million increased to 44.6 million).</li> </ul>	<input type="checkbox"/> State tourism reports and statistics <input type="checkbox"/> Program performance monitoring reports <input type="checkbox"/> Independent social and market surveys <input type="checkbox"/> Project completion reports

	<p>40% increase in total international tourists in four participating states.</p> <p>30% increase in average length of stay of tourists in four participating states.</p>	<p><b>Exceeded</b>  <b>International tourist arrival increased by 167.98% at Project 1 completion in two participating states.</b>  <b>Himachal Pradesh:</b>  20% decrease in international tourist in Himachal Pradesh (Baseline year 2010 was 0.45 million which decreased to 0.36 million in 2018)  <b>Punjab:</b>  823% increase in international tourists in Punjab (baseline for year 2010 was 0.13 million and year 2018 was 1.2 million).</p> <p><b>Substantially Achieved</b> 25 % increase in average length of stay of tourists in both the participating states at Project 1 completion  <b>Himachal Pradesh</b></p> <ul style="list-style-type: none"> <li>• No increase in average duration of stay.</li> </ul> <p><b>Punjab</b></p> <ul style="list-style-type: none"> <li>• 50% increase in average length of stay of tourists in Punjab (baseline was 1-2 nights and after completion of Project 1, its 2-3 nights).</li> </ul>	
<p><b>Outputs</b></p> <p>1. Enhanced quality of natural and cultural attractions</p>	<p>By the end of Loan 1:  Himachal Pradesh. Improved quality of attractions in about three tourist clusters inclusive of management plan-based investments in improvements of natural and cultural heritage sites.</p> <p>By end of loan 1  Punjab. Improved quality of attractions in about three tourist clusters inclusive of management plan-based investments in improvements of natural and cultural heritage sites</p>	<p><b>Achieved-</b> Kangra, Chintpurni and Shimla Clusters were undertaken. and 4 sub projects completed, which improved quality of attraction inclusive of managements of natural and cultural sites. These included landscaping, signages and civil works near Pong dam, landscaping and signages at Karu and Ranser island.  In Shimla Mall road restoration and Town Hall rehabilitation was undertaken.</p> <p><b>Achieved-</b> Amritsar, Gurdaspur, Sultanpur, Lodhi and Kapurthala clusters were developed in Punjab. Total 25 packages completed (Attari, Gobindgarh fort, Keshopur wet land etc.) under these clusters. A tourism master plan for the state was prepared by UNWTO- 2008-23.<sup>1</sup></p>	<p><input type="checkbox"/> Project quarterly progress reports  <input type="checkbox"/> ADB review mission aide mémoires  <input type="checkbox"/> Independent social and market surveys  <input type="checkbox"/> Project completion reports</p>

<sup>1</sup> UNWTO – United Nations World Tourism Organization

	Throughout MFF implementation Gender-sensitive community needs incorporated in all management plan-based investments for natural and cultural heritage sites	<b>Achieved</b> Gender-sensitive community needs were incorporated in all sub-projects and plans. Stake holders including Women were consulted. Separate Toilets were constructed for Female Workers at all projects during Construction as well as in the Completed Projects, equal wages for equal work was also ensured	
<b>Output 2:</b> "Greater participation by local communities in tourism-related economic activities"	Administrative framework in place to foster community-based tourism products including bed and breakfasts and home stay arrangements, and traditional culture and crafts	<b>Himachal Pradesh:</b> <b>Achieved-</b> proper administrative framework was setup for community based tourism products. A Town Tourism Development Committee (TTDC) and 12 Panchayat Tourism Development Committees (PTDC) were formed and provided institutional training. These are engaged in execution of tourism related activities in the cluster. <b>Punjab</b> <b>Achieved-</b> total 50 community-based bread & breakfast and farm stays were registered. Administrative set up for registration and developing community-based products are in place.	Quarterly progress reports, <input type="checkbox"/> ADB review mission aide mémoires <input type="checkbox"/> Independent social and market surveys <input type="checkbox"/> Project completion reports
	Community-based societies established and functional in the management of natural and cultural heritage sites (target: 30% women).	<b>Achieved:</b> <b>Himachal Pradesh:</b> Town Tourism Development Committee and 12 Panchayat Tourism Development Committees established. Also, 35 Self Help Groups formed with 360 members (306 ~85% women) <b>Punjab:</b> Keshopur management committee formed for management of wetland. 15 Self Help Groups (SHG) formed across the state with 1720 members (1634, ~ 95% women).	
	Around 125 individuals spread over 6 communities trained on heritage management and tourism related skills (target 30% women)	<b>Exceeded:</b> <b>Himachal Pradesh:</b> 3,771 individuals (1,789 ~ 47% women) trained in skills like handicraft production, campsite management, first aid and rescue, boating and water based activity etc. <b>Punjab:</b> 757 people (459 women~ 60%) were trained in tourism communication, tour guide, heritage walk, nature based tourism etc. skills.	
<b>Output 3:</b> <b>Improved basic urban infrastructure and services at tourist destinations and</b>	"By the end of Loan 1: Himachal Pradesh. Improved basic tourist facilities in about three tourist clusters including basic services, information signage, information centers and waste management arrangements	<b>Achieved:</b> Basic urban infrastructure services were set up in Kangra, Chintpurni and Shimla. Total 9 subprojects were completed which included amenities like 5 car parking, 2 tourist reception center, 2 Jetties, 2 bird heights, 2 rest house, and 4 camp sites.	Project quarterly progress reports <input type="checkbox"/> ADB review mission aide mémoires <input type="checkbox"/> Independent social and market surveys



<b>attractions</b>	Punjab. Improved basic tourist facilities in about three tourist clusters including basic services, information signage, information centers and waste management arrangements.	<b>Achieved:</b> Tourist facilities were developed in Amritsar, Gurdaspur, Sultanpur, Lodhi and Kapurthala clusters in Punjab Attari, Amritsar and Gobindgarh Fort. Parking for visitors, signages were provided.	<input type="checkbox"/> Project completion reports
<b>Output 4: Improved connectivity</b>	Himachal Pradesh. Improved access to tourist attractions by way of 5 km of last-mile connectivity improvement inclusive of roadside infrastructure and improved signage Punjab. Improved access to tourist attractions by way of around 5 km of connectivity improvement inclusive of roadside infrastructure and improved signage	<b>Partially Achieved:</b> 1 km of Road was constructed in Naina Devi and access of 2.5 km Mall Road & Ridge in Shimla was also improved.  <b>Achieved-</b> 11 km connectivity improvement inclusive of roadside development (Chota Gallughara last mile connectivity was improved) for the pilgrims.	Project quarterly progress reports <input type="checkbox"/> ADB review mission aide-mémoires <input type="checkbox"/> Independent social and market surveys <input type="checkbox"/> Project completion reports
	Throughout MFF implementation (outputs 3 and 4): <input type="checkbox"/> Women's participation in consultative processes for selection of subprojects sites encouraged (target: 30% women), women's equal access to employment and training opportunities on core labor standard (including equal wages for work of equal value) promoted (target: 30% women) <input type="checkbox"/> Information, education and communication and awareness campaigns carried out to mitigate health, social and gender-related risks associated with infrastructure development	<b>Achieved</b> 30% women participation in all consultative processes for subproject selection were achieved. Equal wage for equal work was also ensured through clause in bid document.  <b>Achieved</b> Workshops, training programs conducted to create awareness. Also, promotional and education materials were printed and disseminated at various sites to promote women health and safety.	Project quarterly progress reports <input type="checkbox"/> ADB review mission aide-mémoires <input type="checkbox"/> Project completion reports
<b>Output 5: Strengthened capacity of concerned sector agencies and local communities for planning, development, management and marketing of tourist destinations and attractions</b>	By the end of Loan 1: Capacity development Training programs on environment, culture and tourism developed and implemented  250 staff of state tourism offices and related organizations (tour operators and guides) trained in environment, culture, tourism, planning, coordination, monitoring and marketing (target 30% women)  Adequate community-level tourism	<b>Achieved:</b> Both states have developed training programs on topics related to environment, gender, culture and tourism. The training programs were helpful for training staff of state offices related to tourism and related organizations (tour operators and guides).  <b>Achieved.</b> <b>Himachal Pradesh:</b> Total 2,512 persons (1,474 - 59 % women) and <b>Punjab:</b> 1,871 persons (606 - 31% women) were trained.	<input type="checkbox"/> Project quarterly progress reports <input type="checkbox"/> ADB review mission aide-mémoires <input type="checkbox"/> Independent social and market surveys <input type="checkbox"/> Project completion reports <input type="checkbox"/> Master plans <input type="checkbox"/> Management plans

	<p>development units set up and made functional by the State PIUs (target: 30% women); and</p> <p>At least one Public-Private Partnership transactions per participating state supported</p> <p>Establishing tourist information systems and/or centers</p>	<p><b>Achieved.</b> Total 150 community-based tourism created and details of functional units <b>Himachal Pradesh:</b> 96 community-based tourism units were established of which 66 (~70%) are owned by women. <b>Punjab</b> has 50 community groups (50% represented by women) established and functional.</p> <p><b>Achieved.</b> <b>Himachal Pradesh:</b> Parking at Bajreshwari temple, Kangra (HPTDB/8/1) is being operated by Private Contractor. <b>Punjab:</b> Public-Private Partnerships were established for Gobindgarh Fort, Partition Museum and Attari Car Parking in Punjab.</p> <p><b>Achieved.</b> <b>Himachal Pradesh:</b> Tourist information center developed at Pong Dam. <b>Punjab:</b> 14 tourist information centers established across the state and interpretation center established at Keshopur.</p>	
	<p>Planning SLBs defined for ULBs (Urban Local Body)/RLBs (Rural Local Body)/associated project entities, and data collection and monitoring carried out</p> <p>Organizational and financial management measures for state tourism organizations and associated project entities, including planning, protecting, and managing nature and culture-based tourist attractions</p> <p>Sustainable funding ensured to meet required O &amp; M expenditure of assets created by ULBs/RLBs</p>	<p><b>Achieved.</b> <b>Himachal Pradesh:</b> Tourists statistics survey carried out. <b>Punjab:</b> Elaborate tourists study/ survey carried out in 2014-15.</p> <p><b>Achieved:</b> <b>Himachal Pradesh:</b> A comprehensive long term Tourism policy for the State prepared by Department of Tourism and Civil aviation. <b>Punjab:</b> Tourism policy 2008-23 prepared by UNWTO (United Nations World Tourism Organization) and was followed/ referred to while undertaking IDIPT projects.</p> <p><b>Achieved:</b> Income generating assets developed under Project I. Most of these assets are running successfully and generating income for O&amp;M. <b>Himachal Pradesh:</b> Parking &amp; Public amenities at Chintpurni, car parking at Naina Devi, visitor amenities in Shimla, parking and tourists facilities in Kangra. <b>Punjab:</b> Gobindgarh Fort, Partition museum &amp; Attari car parking are income generating assets.</p>	

	For ULBs/RLBs, evaluation undertaken, and steps taken to ensure adequacy of budgetary provision for meeting O&M expenditure including introduction of appropriate taxes or admission/user charges.	<b>Achieved</b> Both the states have undertaken evaluation and accordingly, allocated budgetary provision for meeting O&M expenditure including introduction of user charges.	
	<p>Fostering Community Participation Gender-sensitive value chain analyses undertaken to establish stronger links between tourism and local economies</p> <p>Schemes for tourism-based, gender responsive livelihood generation involving social mobilization and micro finance services designed and implemented</p> <p>Tourism-related skills development activities in heritage management and hospitality related skills implemented in the communities.</p> <p>Partnerships between communities, private sector and public sector established for enhanced tourist destination management and viable community tourism product development</p>	<p><b>Achieved:</b> Both the states have undertaken detailed analysis to develop local economy based tourism products. The prominent examples of such efforts are Keshopur in Punjab and Dhameta &amp; Shimla clusters in HP.</p> <p><b>Achieved:</b> Schemes designed and implemented:  <b>Himachal Pradesh:</b> (i) Bed and Breakfast, (ii) Farm Stay, and (iii) Pure Dhaba scheme (vegetarian restaurant). These schemes were designed with women community members in mind and trained women members of self-help groups/CBTs benefitted from these schemes aimed at increasing women's income and exposure leading to economic and social empowerment.  <b>Punjab:</b> Water hyacinth craft products marketing scheme through interlinkage between <i>Krishi Vigyan Kendra</i>, an agricultural extension center created by the Indian Council for Agricultural Research, Ministry of Agriculture Cooperation and Welfare of Farmers, GOI.</p> <p><b>Achieved:</b> In Punjab and Himachal Pradesh, local communities were provided training on skill development activities in heritage management and hospitality related skills. About 150 training programs were conducted with help of institutes like IIHM (Shimla &amp; Hamirpur) and FCI, Dharmashala in Himachal Pradesh and UNWTO in Punjab.</p> <p><b>Achieved:</b> Local communities were provided with exposure visits to events like Apple Festival, Winter Carnival, and Himachal Pradesh Travel Mart. These also provided them with a platform to market their products in long term.</p>	
	<p>Marketing and Promotion Promotional materials on proposed tourist destinations/ attractions developed and disseminated</p> <p>Independent arrangements for marketing and promotion program in place</p>	<p><b>Achieved:</b> In Himachal &amp; Punjab, interpretative and informative materials like posters, signage, websites, slogans, manuals etc were prepared disseminated at tourists sites.</p> <p><b>Achieved:</b> Self Help Groups were formed and members trained in communication skills and marketing of their products. Most of these groups are now operating successfully and</p>	

	Linkages established with market for community-based products	generating income for their members.  <b>Achieved:</b> Linkages with various markets facilitated through carnivals and melas etc, provided with shops at few sites to operate.	
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GDP= Gross Domestic Product, MFF= Multitranchise financing facility, UNWTO= United Nations World Tourism Organisation, GOI= Government of India, O&M= operation and maintenance, RLB = rural local body, ULB= urban local body, SLB= service level benchmark,

**PROJECT COST AT APPRAISAL AND ACTUAL  
(\$ million)**

Items	Appraisal Estimate <sup>a</sup>			Actual		
	Foreign Exchange	Local Currency	Total Cost	Foreign Exchange	Local Currency	Total Cost
<b>A: Investment Cost</b>						
<b>1 Civil Work</b>						
a. Urban infrastructure and service improvement			9.67	0.00	30.82	30.82
b. Connectivity improvement			2.68	0.00	1.83	1.83
c. Quality enhancement of natural and cultural attractions			10.63	0.00	10.19	10.19
d. Community-based activities			2.65	0.00	0.80	0.80
<b>2 Survey, training and workshops</b>			4.03	0.00	0.68	0.68
<b>3 Consultants</b>			8.36	2.68	6.14	8.82
<b>4 Taxes and duties</b>			5.57	0.00	2.09	2.09
<b>Subtotal (A)</b>			<b>43.59</b>	<b>2.68</b>	<b>52.55</b>	<b>55.23</b>
<b>B: Recurrent Costs</b>						
<b>1 Incremental administration cost</b>			5.46	0.00	5.97	5.97
<b>2 Taxes and duties</b>			0.93	0.00	0.66	0.66
<b>Subtotal (B)</b>			<b>6.39</b>	<b>0.00</b>	<b>6.63</b>	<b>6.63</b>
<b>C. Contingencies<sup>b</sup></b>						
<b>1 Physical</b>			<b>3.23</b>	0.00	0.00	<b>0.00</b>
<b>2 Price</b>			<b>5.81</b>	0.00	0.00	<b>0.00</b>
<b>D. Financing Charges during Implementation<sup>c</sup></b>			<b>2.98</b>	<b>1.82</b>	0.00	<b>1.82</b>
<b>Total</b>			<b>62.03</b>	<b>4.50</b>	<b>59.18</b>	<b>63.68</b>

ADB = Asian Development Bank; GOHP = Government of Himachal Pradesh and GOP = Government of Punjab

Source: FFA-PFR of Tranche 1 (page 1) for appraisal estimates; completion information from ADB Mainframe Database (ADB share) and EAs of State Governments (for counterpart contribution) and ADB estimates.

<sup>a</sup> Based on mid-2010's unit prices. Breakdown into foreign exchange and local currency was not prepared at the time of appraisal.

<sup>b</sup> Contingencies was not required as covered by depreciation of rupee.

<sup>c</sup> Financing Charges during Implementation at completion until September 2018 includes commitment charge and interest (source: ADB Collections Database); Financing charges are recorded for the entire Loan 2676 as state wise segregation not available in Collections Database.

Note: Counterpart contribution converted at average exchange value at disbursement for each package

**PROJECT COST BY FINANCIER**  
**Table 3.1: Project Cost at Appraisal by Financier**  
**(\$ million)**

Items	Appraisal Estimate <sup>a</sup>					
	Total Cost	Share (%)	ADB	Share (%)	GOHP & GOP	Share (%)
<b>Base Cost</b>						
<b>Component 1</b> - Urban infrastructure and service improvement	9.65	15.6%	7.27	16.7%	2.38	12.8%
<b>Component 2</b> - Connectivity Improvement	2.68	4.3%	2.05	4.7%	0.63	3.4%
<b>Component 3</b> - Quality enhancement of natural and cultural attractions	10.65	17.2%	8.05	18.5%	2.60	14.0%
<b>Component 4</b> - Community-based activities	2.65	4.3%	1.99	4.6%	0.66	3.5%
<b>Component 5</b> - Capacity Development, Community Participation and Project Management	17.84	28.8%	16.87	38.8%	0.97	5.2%
<b>Contingencies</b>	9.13	14.7%	7.20	16.6%	1.93	10.4%
<b>Financing Charges<sup>b</sup></b>	2.87	4.6%	0.00	0.0%	2.87	15.4%
<b>Taxes and duties</b>	6.58	10.6%	0.00	0.0%	6.58	35.4%
<b>Total</b>	<b>62.03</b>	<b>100.0%</b>	<b>43.43</b>	<b>100.0%</b>	<b>18.61</b>	<b>100.0%</b>

ADB = Asian Development Bank; GOHP = Government of Himachal Pradesh and GOP = Government of Punjab

Source: FFA-PFR of Tranche 1 (page 1) for appraisal estimates; completion information from ADB Mainframe Database (ADB share) and EAs of State Governments (for counterpart contribution) and ADB estimates

<sup>a</sup> Portion of taxes and duties paid by GOHP and GOP on category 1 – civil works was not segregated and included in GOHP & GOP contribution shown under Base Costs

<sup>b</sup> Financing Charges during Implementation at completion until September 2018 includes commitment charge and interest (source: ADB Collections Database); Financing charges are recorded for the entire Loan 2676 as state wise segregation not available in Collections Database.

Note: Counterpart contribution converted at average exchange value at disbursement for each package.

**Table 3.2: Project Cost at Completion by Financier  
(\$ million)**

Items	Actual <sup>a</sup>					
	Total Cost	Share (%)	ADB	Share (%)	GOHP & GOP	Share (%)
<b>Base Cost</b>						
<b>Component 1</b> - Urban infrastructure and service improvement	30.82	48.4%	19.91	45.9%	10.90	53.8%
<b>Component 2</b> - Connectivity Improvement	1.83	2.9%	1.18	2.7%	0.65	3.2%
<b>Component 3</b> - Quality enhancement of natural and cultural attractions	10.19	16.0%	6.58	15.1%	3.62	17.8%
<b>Component 4</b> - Community-based activities	0.80	1.2%	0.52	1.2%	0.28	1.4%
<b>Component 5</b> - Capacity Development, Community Participation and Project Management	15.47	24.3%	15.24	35.1%	0.24	1.2%
<b>Contingencies</b>	0.00	0.0%	0.00	0.0%	0.00	0.0%
<b>Financing Charges<sup>b</sup></b>	1.82	2.9%	0.00	0.0%	1.82	9.0%
<b>Taxes and duties</b>	2.75	4.3%	0.00	0.0%	2.75	13.6%
<b>Total</b>	<b>63.68</b>	<b>100.0%</b>	<b>43.42</b>	<b>100.0%</b>	<b>20.26</b>	<b>100.0%</b>

ADB = Asian Development Bank; GOHP = Government of Himachal Pradesh and GOP = Government of Punjab

Source: FFA-PFR of Tranche 1 (page 1) for appraisal estimates; completion information from ADB Mainframe Database (ADB share) and EAs of State Governments (for counterpart contribution) and ADB estimates

<sup>a</sup> Portion of taxes and duties paid by GOHP and GOP on category 1 – civil works was not segregated and included in GOHP & GOP contribution shown under Base Costs

<sup>b</sup> Financing Charges during Implementation at completion until September 2018 includes commitment charge and interest (source: ADB Collections Database); Financing charges are recorded for the entire Loan 2676 as state wise segregation not available in Collections Database.

Note: Counterpart contribution converted at average exchange value at disbursement for each package.

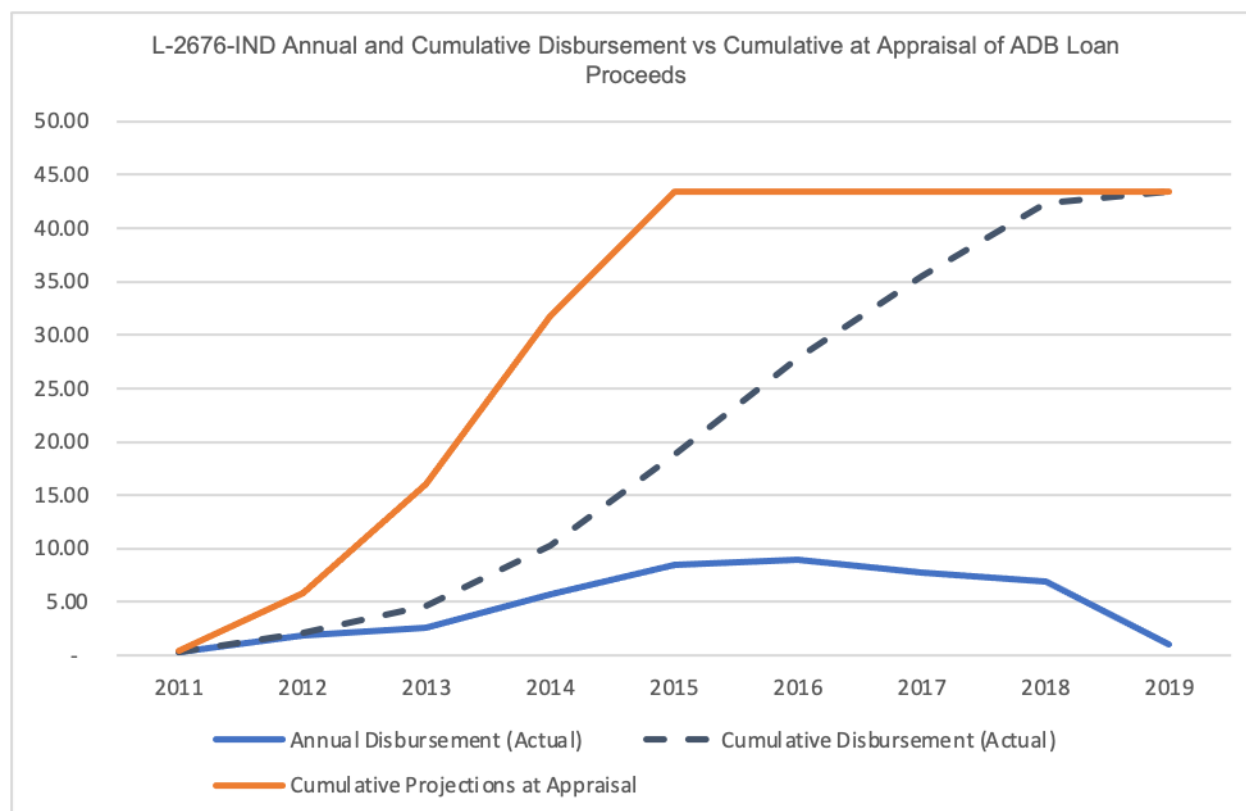
## DISBURSEMENT OF ADB LOAN PROCEEDS

**Table 4.1: Annual and Cumulative Disbursement of ADB Loan Proceeds**  
(\$ million)

Year	Annual Disbursement		Cumulative Disbursement	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
2011	0.26	0.60%	0.26	0.60%
2012	1.82	4.20%	2.09	4.80%
2013	2.54	5.86%	4.63	10.66%
2014	5.66	13.03%	10.29	23.69%
2015	8.47	19.51%	18.76	43.20%
2016	9.01	20.74%	27.77	63.94%
2017	7.75	17.84%	35.51	81.78%
2018	6.87	15.81%	42.38	97.59%
2019	1.05	2.41%	43.42	100.00%
<b>Total</b>	<b>43.42</b>	<b>100.00%</b>		

ADB = Asian Development Bank  
Source: Asian Development Bank

**Figure 4.1: Projection and Cumulative Disbursement of ADB Loan Proceeds**  
(\$ million)



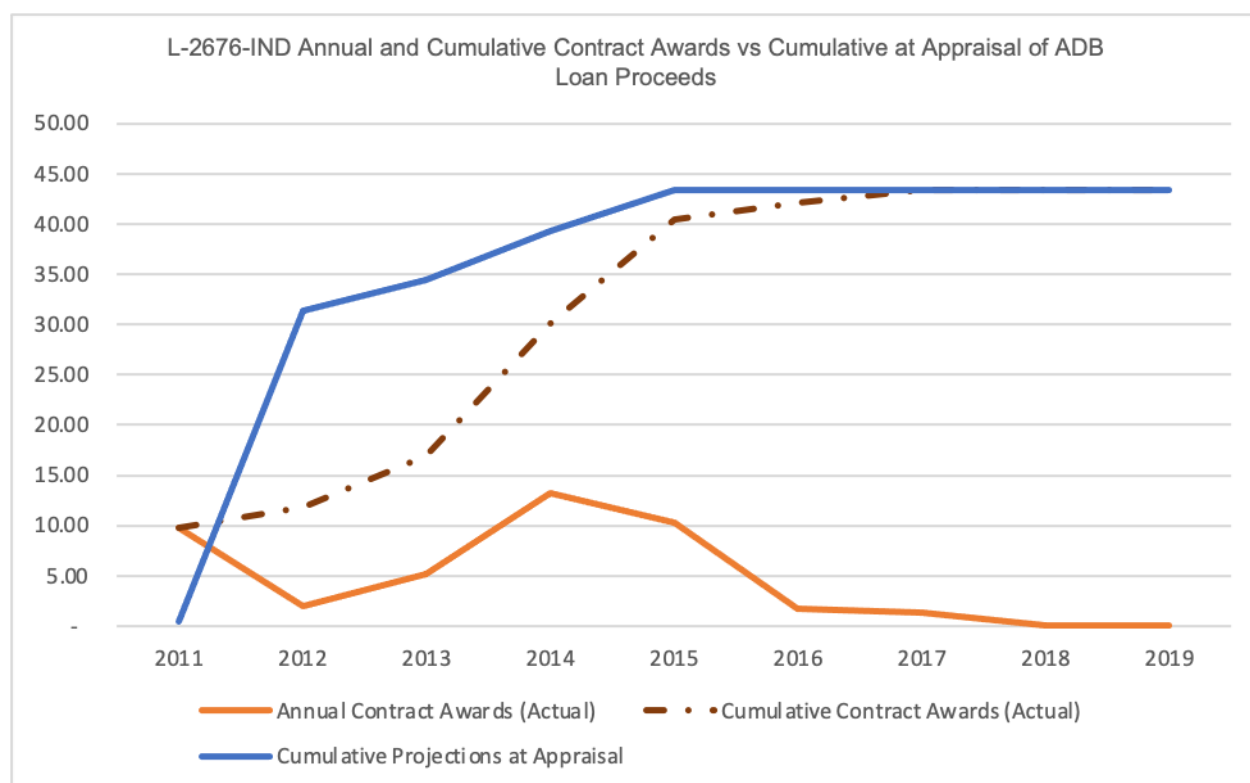


**Table 4.2: Annual and Cumulative Contract Awards of ADB Loan Proceeds**  
(\$ million)

Year	Annual Contract Awards		Cumulative Contract Awards	
	Amount (\$ million)	% of Total	Amount (\$ million)	% of Total
2011	9.76	22.49%	9.76	22.49%
2012	2.00	4.61%	11.77	27.10%
2013	5.17	11.91%	16.94	39.01%
2014	13.22	30.44%	30.15	69.44%
2015	10.25	23.62%	40.41	93.06%
2016	1.73	3.99%	42.14	97.05%
2017	1.28	2.95%	43.42	100.00%
2018	-	0.00%	43.42	100.00%
2019	-	0.00%	43.42	100.00%
<b>Total</b>	<b>43.42</b>	<b>100.00%</b>		

ADB = Asian Development Bank  
Source: Asian Development Bank

**Figure 4.2: Projection and Cumulative Contract Awards of ADB Loan Proceeds**  
(\$ million)



## SUMMARY OF CONTRACT DETAILS

PCSS No.	Contract Amount (\$)	ADB Financing (\$)	Disbursed (\$)	Contract Package	Contract Description	Contractor Name	Contract Award	Contract Completion
<b>Himachal Pradesh</b>								
0005	1,41,465	1,41,465	1,41,465	HPTDB/3/1	Construction of information centre at Pong Dam	S.S.S Constructions, Shimla (JV)	20-Oct-11	19-Oct-12
0006	85,286	85,286	85,286	HPTDB/3/2	Construction of parking and toilet facilities, Pong Dam	S.S.S Constructions, Shimla (JV)	20-Oct-11	19-Oct-12
0012	8,983	8,983	8,983	HPTDB/3/4	Construction of jetty development, Pong dam	S.S.S Constructions, Shimla (JV)	12-Dec-11	11-Jun-12
0014	36,736	6,736	36,736	HPTDB/1/2	Construction of Car Parking, Naina Devi	Kundlas Builders Pvt. Ltd. Ltd. JV	9-Jan-12	8-Jul-13
0016	2,38,296	2,38,296	2,38,296	HPTDB/1/1	Construction of circular road, Naina Devi	R R Builders	5-Jan-12	4-Jan-13
0019	20,657	20,657	20,657	HPTDB/4/2	Construction of jetty development, Ranser and Karu Islands	Ravinder Kumar Sood (JV)	11-Jun-12	10-Jun-13
0024	1,84,587	1,84,587	1,84,587	HPTDB/4/3	Construction of treks around the islands, Ranser and Karu Islands	S.S.S. Constructions (JV)	30-Jun-12	10-Jul-13
0025	75,911	75,911	75,911	HPTDB/3/3	Camping facilities with provision of 10 tents including toilets etc at Pong Dam	Ganesh Kumar	4-Jan-13	3-Jan-14
0027	28,968	28,968	28,968	HPTDB/4/1	Redevelopment of forest rest house at Ranser Island	Suresh Kumar Gupta	10-Jan-13	9-Jan-14
0028	10,215	10,215	10,215	HPTDB/4/4	Landscaping, Planting along peripheral trail and directional signages at Ranser and Karu Island	Ravinder Kumar Sood, Shimla	10-Jan-13	9-Jan-14
0029	23,419	23,419	23,419	HPTDB/4/5	Construction of watch tower at Karu Island	Ravinder Kumar Sood	10-Jan-13	9-Jan-14
0030	3,83,035	3,83,035	3,83,035	HPTDB/8/1	Parking for 100 vehicles at Bajreshwari Temple, Kangra	M/S Prashanti Surya Construction Co.Pvt.Ltd.	12-Mar-13	12-Mar-14
0031	98,662	98,662	98,662	HPTDB/5/1 (B)	Forest rest houses improvement and camping site development at Dhameta	Suresh Kumar Gupta	16-Apr-13	24-Apr-14
0037	41,535	41,535	41,535	HPTDB/3/5	Landscaping, signages and allied civil & electrical works near Pong Dam	Ashwan Kumar Chibber	17-Dec-13	15-Jan-15
0047	50,94,308	50,94,308	50,94,308	HPTDB/2/1	Integrated car parking, information centre, toilets etc at Chintpurni	A.S Enterprise - Utipl JV	26-Jun-14	22-Jul-16
0048	22,77,853	22,77,853	22,77,853	HPTDB/9/1A	Shimla Mall Road Restoration Project Shimla	PK Construction Co. Amit Singla (JV)	24-Jun-14	20-Jan-16

PCSS No.	Contract Amount (\$)	ADB Financing (\$)	Disbursed (\$)	Contract Package	Contract Description	Contractor Name	Contract Award	Contract Completion
0061	7,01,418	7,01,418	7,01,418	HPTDB/9/1-B	Rehabilitation of Town Hall, Shimla Project	Abhiram Infra Projects Pvt. Limited	11-Sep-14	10-Mar-16
0071	74,28,772	74,28,772	74,28,772	HPTDB/10	Tutikandi Multi-Story Parking Facility, Shimla	As Enterprise-Sam India Built Well Pvt. Ltd JV	6-Apr-15	25-Sep-17
0017	5,718	5,718	5,718	Various	Training Works in Himachal Pradesh	Various	1-Jan-11	30-Jun-17
0007	68,624	68,624	68,624	Various	Incremental administration cost for Himachal Pradesh - Retroactive Financing	Various	20-Jul-10	25-Oct-11
0008	1,35,044	1,35,044	1,35,044	Various	Incremental Administrative cost for Himachal Pradesh for the period of 26 October 2011 to 31 March 2012	Various	26-Oct-11	31-Mar-12
0044	4,40,355	4,40,355	4,40,355	Various	Expenditure for the period 01042014 to 31032015 Under Incremental Administration Cost for HP	Various	1-Apr-14	31-Mar-15
0062	244,846	244,846	244,846	HPTDB/1/2(R EBID)	Car Parking at Naina Devi	Om Prakash and Sons	03-Sep-14	17-Mar-16
0082	5,887	5,887	5,887	Various	Electrical & Electrical Items for Dhameta Rest House, Tourist Interpretation Centre etc At Pong	Vee Kay Distributors	19-Dec-15	18-Jan-16
0083	267	267	267	Various	Procurement Of Deep Freezer For Tourist-Interpretation Centre at Pong Dam	Broadway Agencies	19-Dec-15	18-Jan-16
0084	12,419	12,419	12,419	Various	Proc. of Furniture Items For Dhameta Rest House & camping facilities etc At Pong Dam	Ashoka Steel Furniture Industries	19-Dec-15	18-Jan-16
0085	4,091	4,091	4,091	Various	Procurement of furnishing items for Dhameta Rest House and Camping Facilities etc at Pong Dam	Jain Furnishing	19-Dec-15	18-Jan-16
0086	1,557	1,557	1,557	Various	Procurement of Kitchen Items For Dhameta Rest House and Camping Facilities etc at Pong Dam	Bhagwati Crockery Store	19-Dec-15	18-Jan-16
0092	291	291	291	Various	Water cooler for tourist Interpretation centre at Pong Dam	Broadway Agencies	5-Sep-16	5-Nov-16
0094	630	630	630	Various	Deep Freezer (Vertical Type) For Tourist Interpretation Centre at Pong Dam	Pauly Refrigeration Works	5-Sep-16	5-Nov-16
0097	2,479	2,479	2,479	HPTDB/4.1&5	Furnishing Items	Bombay Collections	5-Jan-17	4-Feb-17

PCSS No.	Contract Amount (\$)	ADB Financing (\$)	Disbursed (\$)	Contract Package	Contract Description	Contractor Name	Contract Award	Contract Completion
				.1A/G&E/9				
<b>Punjab</b>								
0036	1,09,501	1,09,501	1,09,501	PB/ASR/COM 2/CBA/14	Development of community-based eco-tourism facilities at Keshopur Wetland-Lot1	Rajeshwar Singh	21-Aug-13	5-Mar-15
0038	1,69,588	1,69,588	1,69,588	PB/ASR/COM 2/CBA/14A	Development of community-based Eco-Tourism Facilities at Keshopur Wetland	Department of Forests and Wildlife Preservation	26-Mar-13	25-Mar-16
0039	2,06,574	2,06,574	2,06,574	PB/ASR/COM 1/QENCA/05	Development of the tourist accommodation (conservation only) -Gobindgarh fort, Amritsar	Sai Constructions Co.	16-Dec-13	1-Apr-15
0041	37,037	37,037	37,037	PB/ASR/COM 1/QENCA/08	Development of heritage trails around Amritsar walled city - lot 1: facade development and miscellaneous	Sanrakshan Heritage Consultants Pvt. Ltd	17-Jan-14	3-Sep-15
0042	58,905	58,905	58,905	PB/ASR/COM 1/QENCA/02 A	Adaptive reuse of historic building for interpretation and visitor facilities at Gobindgarh fort, Punjab	S.B.H.C Joint Venture, India	10-Feb-14	3-Jun-15
0043	59,232	59,232	59,232	PB/ASR/COM 1/QENCA/01 LOT 2	Conservation and structural stabilization - Gobindgargh fort, Amritsar	Sai Construction Co.	27-Jan-14	6-May-15
0045	50,708	50,708	50,708	PB//ASR/CO M1/QENCA/0 2A-LOT2	Adaptive reuse of historic buildings for interpretation and visitor facilities at Gobindgarh fort	S.B.H.C Joint Venture	16-Apr-14	15-Jul-15
0046	3,14,855	3,14,855	3,14,855	PB/ASR/COM 1/QENCA/03 B PHASE1	Landscape development in the outer and inner zones of the fort complex and monument lighting- Gobindgarah fort	Brightway Contractors & Developers - Dinesh	20-Jun-14	19-Dec-15
0060	24,61,397	24,61,397	24,61,397	PB/ASR/COM 2/UISI/07A	Provision of multi-dispersed car parking around walled city circular road & tourist destinations	Srishti Constructions	20-Aug-14	9-Mar-16
0070	2,37,978	2,37,978	2,37,978	PB/ASR/COM 2/CBA/14C	Development of community based eco-tourism facilities at Keshopur.	Sai Construction Co.	22-Jan-15	17-Aug-16
0075	5,16,348	5,16,348	5,16,348	PB/ASR/COM 1/QENCA/02 B (LOT 1)	Adaptive reuse of historic buildings for interpretation and visitor facilities at Gobindgarh fort –	Meroform India Pvt. Ltd.	24-Apr-15	23-Oct-16
0076	1,44,233	1,44,233	1,44,233	PB/ASR/COM 1/QENCA/02 B (LOT 2)	Adaptive reuse of historic Buildings for interpretation and visitor facilities at Gobindgarh Fort –	Meroform India Pvt. Ltd.	24-Apr-15	23-Oct-16
0077	1,13,326	1,13,326	1,13,326	PB/ASR/COM 1/QENCA/02 B (LOT 3)	Adaptive reuse of historic buildings for interpretation and visitor facilities at Gobindgarh Fort	Dev & Associates	27-Apr-15	26-Oct-16

PCSS No.	Contract Amount (\$)	ADB Financing (\$)	Disbursed (\$)	Contract Package	Contract Description	Contractor Name	Contract Award	Contract Completion
0087	53,972	53,972	53,972	PB/ASR/COM 1/QENCA/08 B	Development of heritage trails around Amritsar Walled City (7 Pause Points)	Gursharan Singh	11-Dec-15	29-Jun-17
0089	2,56,791	2,56,791	2,56,791	PB/ASR/COM 1/QENCA/03 C	Landscape development around the outer & inner Zones of the fort complex & monument lighting at Gobindgarh fort.	A.S. Enterprise	22-Jan-16	11-Dec-16
0090	4,87,527	4,87,527	4,87,527	PB/ASR/COM 1/QENCA/03 B-II	Landscape development in Inner & outer Zone of the fort complex & monument lighting at Gobindgarh Fort-	Construction Technique Valsons JV	11-Mar-16	13-Sep-17
0096	39,409	39,409	39,409	PB/IDIPT/SH OPPING/09	Lime Kida and Lime Wash Works in Gobindgarh Fort	Khandelwal Construction Co.	12-Oct-16	11-Dec-16
0074	13,638	13,638	13,638	Various	Training and workshops under Tranche 1	Various	20-Jul-11	30-Jun-17
0002	26,80,346	26,80,346	26,80,346	PMC - Punjab	Project Management Consultant for Punjab	Lea Associates South Asia Pvt Ltd (Lasa) in JV	31-Oct-11	30-Oct-14
0003	18,25,237	18,25,237	18,25,237	DSC - Punjab	Design and Supervision Consultant for Punjab	Shah Technical Consultants Private Ltd. In JV	1-Nov-11	31-Aug-15
0035	67,714	67,714	67,714	PB/IDIPT/CA/CS-03	Consultant for tourist statistics, Punjab	JPS Associates(P) Ltd.	2-Sep-13	14-Dec-14
0068	15,469	15,469	15,469	PB/IDIPT/CA/CS-04	Consultant for interpretive material - Part 1	Sue Hodges Productions Pt Limited, Australia	9-Feb-15	24-Dec-16
0069	40,829	40,829	40,829	PB/IDIPT/CA/CS-05	Consultant for interpretive material - Part 2	Sue Hodges Productions Pty Limited, Australia	9-Feb-15	24-Jun-17
0018	1,96,230	1,96,230	1,96,230	Various	Incremental Administration Cost for the Period Of 1 April 2012 To 31 March 2013	Various	20-Jul-11	31-Mar-13
0033	3,01,150	3,01,150	3,01,150	Various	Incremental Administration Cost for The Period Of 1 April 2013 To 31 March 2014	Various	20-Jul-11	31-Mar-14
0072	5,31,649	5,31,649	5,31,649	Various	Incremental administration Cost for Period Between 1 Apr 2015 To 30 Jun 2016 For State of	Various	1-Apr-15	31-Mar-16
0081	337	337	337	Various	Electrical & Electronic Items For Dhameta Rest House, Tourist Interpretation Centre Etc At Pong	Dee Kay Vision Pvt. Ltd.	19-Dec-15	18-Jan-16

PCSS No.	Contract Amount (\$)	ADB Financing (\$)	Disbursed (\$)	Contract Package	Contract Description	Contractor Name	Contract Award	Contract Completion
0098	4,621	4,621	4,621	HPTDB/2.1.4.1&5.1A/G&E/10	Kitchen Equipment	Bhagwati Crockery Store	6-Jan-17	28-Mar-17
0099	5,401	5,401	5,401	HPTDB/4.1&5.1A/G&E/11	Deep Freezer, Water Purifier, Water Cooler, Stabilizers And Chest Cooler	Browadway Agencies	5-Jan-17	4-Feb-17
0100	2,028	2,028	2,028	HPTDB/4.1&5.1A/G&E/12	Trolleys And Racks, Coffee Machine And Juice Dispenser	Verma International	18-Jan-17	17-Feb-17
0101	4,209	4,209	4,209	HPTDB/4.1.&5.1A/G&E/13	Electrical and Electronic Items	Vee Kay Distributors	5-Jan-17	4-Feb-17
0102	11,394	11,394	11,394	HPTDB/4.1&5.1A/G&A/14	Procurement of Furniture	Ashoka Steel Furniture Industries	6-Jan-17	5-Feb-17
0053	5,064	5,064	5,064	PB/ASR/COM 1/QENCA/08 C	Development of Heritage Trails Around Amritsar (Solid Waste Management)	Dr Motors	28-Jul-14	10-Oct-14
0054	6,087	6,087	6,087	PB/ASR/COM 1/QENCA/8C	Development of Heritage Trails around Amritsar (Solid Waste Management Goods)	Tata Motors Ltd	28-Jul-14	10-Oct-14
0055	3,945	3,945	3,945	PB/ASR/COM 1/QENCA/08 C	Development of Heritage Trails around Amritsar (Solid waste management Goods)	Mehar Intl. Mktg. (P) Ltd	28-Jul-14	10-Oct-14
0056	17,574	17,574	17,574	PB/ASR/COM 1/QENCA/08 C	Development Of Heritage Trails around Amritsar ((Solid waste management Goods)	Tata Motors Ltd	27-Jul-14	10-Oct-14
0057	1,424	1,424	1,424	PB/ASR/COM 1/QENCA/08 C	Development Of Heritage Trails around Amritsar ((Solid waste management Goods)	Ajaib Mechanical Works	27-Jul-14	10-Oct-14
0058	1,688	1,688	1,688	PB/ASR/COM 1/QENCA/08 C	Development Of Heritage Trails around Amritsar (Solid waste management Goods)	A.S. Mechanical Works	27-Jul-14	10-Oct-14
0059	1,916	1,916	1,916	PB/ASR/COM 1/QENCA/08 C	Development of heritage trails around Amritsar (Solid waste management Goods)	R.P Enterprises	27-Jul-14	10-Oct-14
0088	20,011	20,011	20,011	PB/ASR/COM 1/QENCA/02 C	Adaptive reuse of historical building for interpretation and visitor facilities at Gobindgarh Fort-Procurement	Mahindra Stiller Auto Trucks Ltd.	7-Aug-15	6-Oct-15
0095	22,271	22,271	22,271	PB/ASR/COM 3/UISI/07B	Provision of Multi-Dispersed Car Parking Areas Around Walled City Circular Road Etc In Amritsar -	Volmac Engg. Pvt. Ltd.	29-Aug-16	28-Oct-16

## STATUS OF COMPLIANCE WITH LOAN COVENANTS

Covenant	Reference in Loan Agreement	Status of compliance	
		Himachal Pradesh	Punjab
<b>Implementation Arrangements</b>	LA, Schedule 5, para 1	Complied with	Complied with
The Borrower and the States shall ensure that the Project is implemented in accordance with the detailed arrangements set forth in the FFA, and FAM. Any subsequent change to the FAM shall become effective only after approval of such change by the Borrower, the States and ADB. In the event of any discrepancy between the FFA, FAM and this Loan Agreement, the provisions of this Loan Agreement shall prevail.			
The States shall ensure that subprojects undertaken as part of the Project meet the selection criteria for subprojects set out in Schedule 4 to the FFA, as applicable.	LA, Schedule 5, para 2	Complied with	Complied with
<b>Environment</b>			
The Project is undertaken, and the Project facilities are designed, constructed, implemented, operated, and maintained, in accordance with the Borrower's applicable laws and regulations; ADB's Safeguard Policy Statement (2009) and the EARF.	LA, Schedule 5, para 3 (i)	Complied with	Complied with
The IEEs and EMPs are implemented in accordance with their terms	LA, Schedule 5, para 3 (ii)	Complied with	Complied with
In the event that any unanticipated adverse environmental impact occurs or a mitigation measure under an IEE or EMP does not have the desired effect, this is reported to ADB, and remedial actions are taken to mitigate the relevant impacts in consultation with the affected persons and ADB.	LA, Schedule 5, para 3 (iii)	Complied with	Complied with
Any changes to the location, land alignment, or environmental impacts on account of detailed designs of the Project facilities are mutually agreed between the Borrower and ADB, and are consistent with the eligibility criteria set forth in Schedule 4 to the FFA.	LA, Schedule 5, para 3 (iv)	Complied with	Complied with
The IEEs and EMPs are updated, as necessary, during the course of Project implementation, and submitted to ADB for clearance.	LA, Schedule 5, para 3 (v)	Complied with	Complied with
The Works contractors are contractually obliged to implement the IEEs and the EMPs, and report on their implementation on a regular basis, along with any deviation; and	LA, Schedule 5, para 3 (vi)	Complied with	Complied with
Reports on the implementation of the IEEs and the EMPs are submitted to ADB on a quarterly basis.	LA, Schedule 5, para 3 (vii)	Complied with	Complied with
<b>Social matters</b>			
The Borrower, the States shall ensure that the Project is undertaken, and the Project facilities are designed, constructed, implemented, operated, and maintained in accordance with applicable laws and regulations of the Borrower and the State, and with the Safeguard Policy Statement, as set out in the RF.	LA, Schedule 5, para 4	Complied with	Complied with
The States shall ensure that the Project is undertaken, and the Project facilities are designed, constructed, implemented, operated, and maintained in accordance with applicable laws and regulations of the Borrower and the State, and with the Safeguard Policy Statement as set out in the IPF.	LA, Schedule 5, para 5	Complied with	Complied with
Covenant	Reference in Loan Agreement	Status of compliance	
		Himachal Pradesh	Punjab

The State shall ensure that civil works contracts under the projects follow all applicable labor laws of the Borrower and the State and that these further include provisions to the effect that contractors;(i) carry out HIV/AIDS awareness programs for labor and disseminate information at worksites on risks of sexually transmitted diseases and HIV/AIDS as part of health and safety measures for those employed during construction; and (ii) follow and implement all statutory provisions on labor (including not employing or using children as labor, equal pay for equal work), health, safety, welfare, sanitation, and working conditions. Such contracts shall also include clauses for termination in case of any breach of the stated provisions by the contractors.	LA, Schedule 5, para 6	Complied with	Complied with
The Borrower shall cause the States to establish and maintain a grievance redress committee for addressing any grievances from affected peoples concerning resettlement, environment, and any other social issues in a timely manner.	LA, Schedule 5, para 7	Complied with	Complied with
<b>Gender and Development</b> The States shall ensure that Project considers gender issues at all appropriate stages of the Project particularly during design, and that the Project will be carried out in accordance with ADB's Policy on Gender and Development (1998) and the Gender Action Plan developed for the Investment Program.	LA, Schedule 5, para 8	Complied with	Complied with
<b>Counterpart Support</b> The States shall make an available all counterpart funds required for timely, effective and efficient implementation of the Project. The States shall make the resources thus required available on an annual basis for each fiscal year through approved budget allocations.	LA, Schedule 5, para 9	Complied with	Complied with
<b>Governance</b> The Borrower, the State and the relevant implementing agency shall ensure that all contracts financed by ADB in connection with the Project shall include provisions specifying the right of ADB to review and examine the records and accounts of the State, or relevant implementing agency and all the contractors, suppliers, consultants, and other service providers as they relates to the Project. The Borrower, the State and the relevant implementing agency shall allow and assist ADB's representatives to carry out random spot checks on the work in progress and utilization of funds for the project.	LA, Schedule 5, para 10	Complied with	Complied with
<b>Specific Actions</b> All consents and approvals required for implementation of Packages under the Project shall be obtained in accordance with applicable laws and regulations of the Borrower or the State, including, without limitation, any consents or approvals from the Archeological Survey of India (ASI) or its branches within the State where applicable, for works on or around archaeological or heritage sites; and any consents or approvals from any other agencies or third parties that have any claim or authority over the site of a subproject.	LA, Schedule 5, para 11 (a)	Complied with	Complied with
Subprojects and business opportunities associated with the subprojects shall be announced on the websites of the relevant State agencies, together with pertinent information in relation to goods and services procured for subprojects.	LA, Schedule 5, para 11 (b)	Complied with	Complied with

Covenant	Reference in Loan Agreement	Status of compliance	
		Himachal Pradesh	Punjab



The States shall ensure that adequate basic infrastructure and services such as electricity, water supply, sewage and solid waste management are provided and maintained by the relevant Urban Local Body ("ULB") or the agency concerned at each tourist destination for which investments will be financed under the project.	LA, Schedule 5, para 11(c)	Complied with	Complied with
Admission and user fees of tourist facilities rehabilitated or created under the Project shall be set at levels that are sufficient to make their operation financially sustainable. Where this is not feasible, the State shall ensure that adequate funds will be provided to meet any shortfall between the costs and revenues for the operation and maintenance of facilities rehabilitated or created under the Project.	LA, Schedule 5, para 11(d)	Being Complied	Being Complied
The State shall take appropriate measures including levy of user charges/taxes related policies and outsourcing and contracting models to ensure financial sustainability and accountability of the Facility and Investment Program as a whole.	LA, Schedule 5, para 11(e)	Complied with	Complied with
Mobility plans shall be prepared by the State for major tourist destinations as required.	LA, Schedule 5, para 11(f)	Complied with	Complied with
No later than 31 March 2012, the State shall:(a) have developed guidelines for effective and accurate data collection of tourism-related statistics relevant to monitor the performance indicators developed for the Investment Program; (b) have developed a set of benchmarks on the delivery of basic urban infrastructure and services, including benchmarks to be monitored by local communities, at a tourist destination or gateway for the development of tourism; and (c) ensure that each ULB where investment will be financed under the Project shall have commenced the collection of relevant data.	LA, Schedule 5, para 11(g)	Complied with	Complied with
The State shall develop a tourism policy to mainstream: (i) balanced distribution of economic opportunities across the state through community-based and eco-tourism development with an introduction of relevant monitoring indicators; (ii) financial sustainability of tourism destinations and their heritage assets, and connectivity infrastructure; and (iii) policy and regulatory reforms to provide for adaptive reuse of publicly-owned heritage buildings so that additional means of cost recovery is established.	LA, Schedule 5, para 11(h)	Complied with	Complied with
<b>Use of Proceeds of the Loan</b>			
The Borrower shall (i) make the proceeds of the Loan available to the States and (ii) shall cause the States to make the proceeds of the Loan available to the Tourism Boards, on terms and conditions mutually agreeable to ADB and the Borrower. The Borrower shall cause the States and the Tourism Boards to apply the proceeds of the Loan to the financing of expenditures on the Project in accordance with the provisions of this Loan Agreement and the Project Agreement.	LA, Article III, Section 3.01	Complied with	Complied with
The proceeds of the Loan shall be allocated and withdrawn in accordance with the provisions of Schedule 3 to this Loan Agreement, as such Schedule may be amended from time to time by agreement between the Borrower and ADB	LA, Article III, Section 3.02	Complied with	Complied with

Covenant	Reference in Loan Agreement	Status of compliance	
		Himachal Pradesh	Punjab

Except as ADB may otherwise agree, the Borrower shall procure or cause to be procured the items of expenditure to be financed out of the proceeds of the Loan in accordance with the provisions of Schedule 4 to this Loan Agreement. ADB may refuse to finance a contract where any such item has not been procured under procedures substantially in accordance with those agreed between the Borrower and ADB or where the terms and conditions of the contract are not satisfactory to ADB.	LA, Article III, Section 3.03	Complied with	Complied with
Except as ADB may otherwise agree, the Borrower shall cause all items of expenditure financed out of the proceeds of the Loan to be used exclusively in the carrying out of the Project	LA, Article III, Section 3.04	Complied with	Complied with
The Loan Closing Date for withdrawals from the Loan Account for the purposes of Section 9.02 of the Loan Regulations shall be 30 June 2017 or such other date as may from time to time be agreed between the Borrower and ADB.	LA, Article III, Section 3.05	Complied with	Complied with
<b>Particular Covenants in Loan Agreement</b>			
The Borrower shall cause the States and the Tourism Boards to carry out the Project with due diligence and efficiency and in conformity with sound applicable technical, financial, business, and development practices	LA, Article IV, Section 4.01, (a)	Complied with	Complied with
In the carrying out of the Project and operation of the Project facilities, the Borrower shall perform, or cause to be performed, all obligations set forth in Schedule 5 to this Loan Agreement.	LA, Article IV, Section 4.01, (b)	Complied with	Complied with
The Borrower shall make available to the States and the Tourism Boards, promptly as needed, the funds, facilities, services, and other resources, as required, in addition to the proceeds of the Loan, for the carrying out of the Project.	LA, Article IV, Section 4.02	Complied with	Complied with
The Borrower shall ensure that the activities of its departments and agencies with respect to the carrying out of the Project and operation of the Project facilities are conducted and coordinated in accordance with sound administrative policies and procedures	LA, Article IV, Section 4.03	Complied with	Complied with
The Borrower shall take all actions which shall be necessary on its part to enable the States and the Tourism Boards to perform their obligations under the Project Agreement, and shall not take or permit any action which would interfere with the performance of such obligations	LA, Article IV, Section 4.04	Complied with	Complied with
In relation to the Project, the Borrower shall exercise its rights under the financing arrangements in such a manner as to protect the interests of the Borrower and ADB and to accomplish the purposes of the Loan	LA, Article IV, Section 4.05 (a)	Complied with	Complied with
In relation to the Project, no rights or obligations under the financing arrangements shall be assigned, amended, abrogated or waived without prior notice to ADB.	LA, Article IV, Section 4.05 (b)	Complied with	Complied with

Covenant	Reference in Loan Agreement	Status of compliance	
		Himachal Pradesh	Punjab

### Particular Covenants in Project Agreement

The State shall carry out the Project with due diligence and efficiency, and in conformity with sound applicable technical, financial, business, and development practices	PA, Article II, Section 2.01 (a)	Complied with	Complied with
In the carrying out of the Project and operation of the Project facilities, the State shall perform all obligations set forth in the Loan Agreement to the extent that they are applicable to the State	PA, Article II, Section 2.01 (b)	Complied with	Complied with
The State shall make available, promptly as needed, and on terms and conditions acceptable to ADB, the funds, facilities, services land and other resources as required, in addition to the proceeds of the Loan, for the carrying out of the Project.	PA, Article II, Section 2.02	Complied with	Complied with
In the carrying out of the Project, the State shall employ competent and qualified consultants and contractors, acceptable to ADB, to an extent and upon terms and conditions satisfactory to ADB.	PA, Article II, Section 2.03 (a)	Complied with	Complied with
Except as ADB may otherwise agree, the items of expenditures to be financed out of the proceeds of the Loan shall be procured in accordance with the applicable provisions of Schedule 4 to the Loan Agreement. ADB may refuse to finance a contract where any such item has not been procured under procedures substantially in accordance with those agreed between the Borrower and ADB or where the terms and conditions of the contract are not satisfactory to ADB.	PA, Article II, Section 2.03 (b)	Complied with	Complied with
The State shall carry out the Project in accordance with plans, design standards, specifications, work schedules and construction methods acceptable to ADB. The State shall furnish, or cause to be furnished, to ADB, promptly after their preparation, such plans, design standards, specifications and work schedules, and any material modifications subsequently made therein, in such detail as ADB shall reasonably request	PA, Article II, Section 2.04	Complied with	Complied with
The State shall take out and maintain with responsible insurers, or make other arrangements satisfactory to ADB for, insurance against such risks and in such amounts as shall be consistent with sound practice.	PA, Article II, Section 2.05 (a)	Complied with	Complied with
Without limiting the generality of the foregoing, the State undertake to insure, or cause to be insured, the Goods to be imported for the Project against hazards incident to the acquisition, transportation and delivery thereof to the place of use or installation, and for such insurance any indemnity shall be payable in a currency freely usable to replace or repair such Goods.	PA, Article II, Section 2.05 (b)	Complied with	Complied with
The State shall maintain, or cause to be maintained, records and accounts adequate to identify the items of expenditure financed out of the proceeds of the Loan, to disclose the use thereof in the Project, to record the progress of the Project (including the cost thereof) and to reflect, in accordance with consistently maintained sound accounting principles, their operations and financial condition.	PA, Article II, Section 2.06	Complied with	Complied with
ADB and the State shall cooperate fully to ensure that the purposes of the Loan will be accomplished.	PA, Article II, Section 2.07 (a)	Complied with	Complied with
The State shall promptly inform ADB and the Borrower of any condition which interferes with, or threatens to interfere with, the progress of the Project, the performance of their obligations under this Project Agreement, or the accomplishment of the purposes of the Loan.	PA, Article II, Section 2.07 (b)	Complied with	Complied with

Covenant	Reference in Loan Agreement	Status of compliance	
		Himachal Pradesh	Punjab

ADB and the State shall from time to time, at the request of any of them, exchange views through their representatives with regard to any matters relating to the Project, the Loan and the State.	PA, Article II, Section 2.07 (c)	Complied with	Complied with
In so far as it relates to the Project, the State shall furnish to ADB all such reports and information as ADB shall reasonably request concerning (i) the Loan and the expenditure of the proceeds thereof; (ii) the items of expenditure financed out of such proceeds; (iii) the Project; (iv) the administration, operations and financial status of the State; and (v) any other matters relating to the purposes of the Loan.	PA, Article II, Section 2.08 (a)	Complied with	Complied with
Without limiting the generality of the foregoing, the State shall furnish to ADB quarterly reports on the execution of the Project and on the operation and management of the Project facilities. Such reports shall be submitted in such form and in such detail and within such a period as ADB shall reasonably request, and shall indicate, among other things, progress made and problems encountered during the period under review, steps taken or proposed to be taken to remedy these problems, and proposed program of activities and expected progress during the following period.	PA, Article II, Section 2.08 (b)	Complied with	Complied with
Promptly after physical completion of the Project, but in any event not later than 3 months thereafter or such later date as ADB may agree for this purpose, the State shall prepare and furnish to ADB a report, in such form and in such detail as ADB shall reasonably request, on the execution and initial operation of the Project, including its cost, the performance by the State of their obligations under this Project Agreement and the accomplishment of the purposes of the Loan.	PA, Article II, Section 2.08 (c)	Complied with	Complied with
Each of the State shall (i) maintain separate accounts for the Project and for its overall operations; (ii) have such accounts and related financial statements (balance sheet, statement of income and expenses, and related statements) audited annually, in accordance with appropriate auditing standards consistently applied, by independent auditors whose qualifications, experience and terms of reference are acceptable to ADB; and (iii) furnish to ADB, promptly after their preparation but in any event not later than 6 months after the close of the fiscal year to which they relate, certified copies of such audited accounts and financial statements and the report of the auditors relating thereto (including the auditors' opinion on the use of the Loan proceeds and compliance with the financial covenants of the Loan Agreement as well as on the use of the procedures for imprest account and statement of expenditures), all in the English language. The State shall furnish to ADB such further information concerning such accounts and financial statements and the audit thereof as ADB shall from time to time reasonably request.	PA, Article II, Section 2.09	Complied with	Complied with
The State shall enable ADB's representatives to inspect the Project, the Goods and Works, all other plants, sites, properties and equipment of the State and any relevant records and documents.	PA, Article II, Section 2.10	Complied with	Complied with
In relation to the Project, the State shall, promptly as required, take all action within its powers to maintain their existence, to carry on their operations, and to acquire, maintain and renew all rights, properties, powers, privileges and franchises which are necessary in the carrying out of the Project or in the conduct of their operations	PA, Article II, Section 2.11 (a)	Complied with	Complied with

Covenant	Reference in Loan Agreement	Status of compliance	
		Himachal Pradesh	Punjab

In relation to the Project, the State shall at all times conduct their operations in accordance with sound applicable technical, financial, business, development and operational practices, and under the supervision of competent and experienced management and personnel.	PA, Article II, Section 2.11 (b)	Complied with	Complied with
In relation to the Project, the State shall at all times operate and maintain their plants, equipment and other property, and from time to time, promptly as needed, make all necessary repairs and renewals thereof, all in accordance with sound applicable technical, financial, business, development, operational and maintenance practices.	PA, Article II, Section 2.11 (c)	Being complied	Being complied
Except as ADB may otherwise agree, the State shall not sell, lease or otherwise dispose of any of their assets which shall be required for the efficient carrying on of Project operations or the disposal of which may prejudice their ability to perform satisfactorily any of their obligations under this Project Agreement	PA, Article II, Section 2.12	Being complied	Being complied
Except as ADB may otherwise agree, the State shall apply the proceeds of the Loan to the financing of expenditures on the Project in accordance with the provisions of the Loan Agreement and this Project Agreement, and shall ensure that all items of expenditures financed out of such proceeds are used exclusively in the carrying out of the Project.	PA, Article II, Section 2.13	Complied with	Complied with
Except as ADB may otherwise agree, the State shall duly perform all their obligations under the Financing Arrangements, and shall not take, or concur in, any action which would have the effect of assigning, amending, abrogating or waiving any rights or obligations of the parties under the Financing Arrangements.	PA, Article II, Section 2.14	Complied with	Complied with
The State shall promptly notify ADB of any proposal to amend, suspend or repeal any provision of the charter, bye-laws or other constitutional documents of PHTPB/HPTDB, and shall afford ADB an adequate opportunity to comment on such proposal.	PA, Article II, Section 2.15	Complied with	Complied with

## IMPLEMENTATION OF GENDER ACTION PLAN AND ACHIEVEMENTS

### A. INTRODUCTION

1. The Infrastructure Development Investment Program for Tourism aimed to develop tourism-related infrastructure in the four participating states-HP (HP), Punjab, and Uttarakhand (the three main states of the northwest Himalayan Heritage Circuit), and Tamil Nadu (the anchor state of the South Heritage Circuit). It sought to assist the government in achieving its targets by tapping the tourism sector's potential to contribute to sustainable and inclusive economic growth by expanding access to livelihoods directly through project-based activities such as construction and training for community-based tourism activities. It fostered community involvement and supported community-based tourism products with a particular focus on the lower segments. It sought to provide backward and forward linkages with destination communities. Primarily, its envisioned five-pronged results were (i) enhanced quality of natural and cultural attractions; (ii) greater participation of local communities in tourism-related economic activities; (iii) improved basic urban infrastructure and services at tourist destinations and attractions; (iv) improved connectivity and strengthened the capacity of sector agencies and local communities for planning, development, management, and marketing of tourist destinations and attractions; and (v) strengthened capacity of concerned sector agencies and local communities for planning, development, management, and marketing of tourist destinations and attractions.

2. Tranche 1 of the facility covered the states of HP and Punjab. Evidence collected during the project design phase estimated the poverty level in HP at 10%, and in Punjab, at about 8%. Although these poverty levels were below the national average (27%), the poverty and inequality levels of several social groups within these states were recorded disproportionately and significantly high.<sup>1</sup> Moreover, given the lack of employment opportunities in some areas, there was a large-scale migration of young people. It was estimated that internal migrants per 1,000 households in 2007-2008 in HP, Punjab were 305 and 68.<sup>2</sup>

3. The Project was categorized *effective gender mainstreaming* (EGM). To mainstream gender in the project, the main approaches used were the incorporation of performance indicators and targets for gender equality and women's empowerment (GEWE) in the project's design and monitoring framework (DMF) and the preparation and implementation of a gender action plan (GAP) for HP and Punjab.

### B. GENDER ISSUES

4. A sample socioeconomic survey at tourist destinations in both states indicated the following needs of beneficiaries, more specifically women: (i) small-scale tourism infrastructure to benefit community-based tourism; (ii) larger-scale connectivity and utilities to improve accessibility to and the quality of life in the tourist destinations for both tourists and host communities; and (iii) skills training and credit for tourism-based livelihood development. One-third of the surveyed householders were self-employed, and about 30% were involved in tourism-based activities. The poor and marginalized populations demanded support for both production and consumption objectives.

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<sup>1</sup> The groups included scheduled caste, scheduled tribes, other backward classes, and the communities in far-flung hilly and rural pockets disjointed from the mainstream communities and centers of commercial activities.

<sup>2</sup> Based on current weekly status approach: Data source: [http://labourbureau.nic.in/EUS\\_2012\\_13\\_Vol\\_1.pdf](http://labourbureau.nic.in/EUS_2012_13_Vol_1.pdf) tables: 13.10, 13.22 & 13.27

5. More importantly, the identified key constraint to economic development was a missing link between the community and markets. Incomes were lower in remote destination areas with high ecological value. While the access to alternative livelihoods was relatively better in Punjab, overall access to livelihood in HP was a constraint due to extreme weather conditions and the seasonal nature of tourism activities.

6. A gender analysis at the project preparation stage underscored the potential of the program to contribute to GEWE through the adoption of gender-inclusive community-based tourism development structures and the provision of tourism-related customized livelihood opportunities for women. The finding inspired the project design that the improvement of tourist infrastructure and necessary tourist facilities could result in general benefits for both men and women. If managed properly, these facilities could contribute to GEWE through improved opportunities for women in income generation, directly as part of the community-based tourism activities and indirectly through increased employment from increased tourist inflows. Environmental improvements, better awareness of hygiene and food safety, improved skills (through training), and more representation in decision-making bodies were the other recommendations of the analysis to strengthen women's role and increase their participation in the industry.

### **C. PROJECT GENDER FEATURES**

7. The GAP, which supported the achievement of the gender-related targets in the project DMF, was designed to ensure that women have equal opportunity to participate in and benefit from the project through (i) mechanisms to promote women's representation in decision-making processes; (ii) incorporation of women's needs into project components; (iii) establishment of targets for female staff in project implementation; (iv) training of communities, government officials, and other stakeholders on gender issues and risks related to tourism (including HIV, sexually transmitted infections, trafficking, and other social risks); (v) effective involvement of women in project monitoring and evaluation, including the collection of sex-disaggregated data for these purposes; and (vi) development of gender-inclusive community-based tourism (CBT) infrastructure and livelihood opportunities in the preservation and development of natural and cultural heritage and incidental services. More specifically, the key elements of the GAP were the following:

- Development and operationalization of gender-inclusive detailed project reports (master plans) for nature and culture-based tourist destinations;
- Establishment of community-based societies and tourism development units (with targeted 30% women members) for the management of natural and cultural heritage sites;
- Ensuring women's participation (target of 30%) in consultative processes on the selection of subproject sites, employment and training opportunities on core labor standards, and all decision-making processes and structures supported by the project;
- Gender-responsive value chain analyses to establish a strong link between tourism and local economies and develop gender-responsive tourism-based livelihood schemes;
- Provision of training (with targeted 30% women participants) in heritage management and tourism-related skills, environment, culture, tourism planning, coordination, monitoring, and marketing;
- Ensuring equal employment opportunities (skilled and unskilled jobs) for women and men in all project-financed subprojects;

- Training of staff of state tourism offices and organizations (tour operators and guides) in gender mainstreaming and implementation of the GAP;
- Training of contractors on the core labor standards, including the importance of encouraging women's employment, observing nondiscriminatory practices at worksites, and providing an equal wage for work of equal value. (ix) Production of gender-responsive guidebooks, brochures, and websites; and
- Awareness campaigns and dissemination of gender-sensitive information, education, and communication (IEC) materials to promote gender equality in tourism development and mitigate the gender-related risks associated with tourism infrastructure development.

#### **D. IMPLEMENTATION, MONITORING, REPORTING ARRANGEMENTS**

8. The social and environmental safeguards specialists at the project management units, project management consultants, and the design and supervision consultants coordinated the implementation, monitoring, and reporting of the GAP. At the field level, site engineers of the project implementation unit, supervision consultants, and the contractors were responsible for oversight and data maintenance. Marketing and training officer and social and environmental safeguards specialist and the community development officers at the project implementation units provided the training. They were also responsible for the implementation of community-based activities. Gender focal points were identified at the implementation units, and community development specialists assigned in the supervision and management consultants' teams. The implementing agencies (IAs) in both the states regularly updated and submitted their GAP implementation progress reports with the project quarterly progress reports. ADB, throughout the project implementation, provided technical and capacity development support on gender mainstreaming aspects to the executing agencies and IAs.

#### **E. GENDER ACTION PLAN ACHIEVEMENTS**

9. The GAP implementation achievements—rearranged to align with the outputs of the DMF—are presented in Table 1. Overall, these achievements have provided practical and strategic gender benefits to women, as listed below. The strategic gender benefits are further grouped into the critical GEWE areas: human capital development, women's economic empowerment, and the creation of spaces for women's voices to be heard.

##### **10. Practical Gender Benefits**

- The construction of separate toilets and bathing facilities for women and men in the construction sites and tourist destination sites enabled the women and men to work and stay at the construction and tourist destination sites comfortably.
- According to detailed project reports prepared in HP and Punjab, lighting; CCTV cameras; information materials on women helpline number, police helpline number, health services, fire and emergency helpline number; another measure for the safety of tourists as well as of women workers and their children at the construction sites and crèche facilities facilitated women's safe mobility and employment in the construction and tourist destination sites.

##### **11. Strategic Gender Benefits**

- **Human Capital Development.** The project provided upskilling and re-skilling opportunities to women to keep pace with rapid market transformations affecting jobs and income-generation opportunities and participation in the formal labor market. The skills training included tailoring and embroidery, washing powder making, water



hyacinth handicraft work, interior decoration, food processing, dairy farming, poultry farming, and mushroom cultivation. Other training programs were on heritage conservation, tour guide skills (nature and bird-watching and tour of cluster sites) for women, advanced-level boating and water-based activities, organic farming. The SHGs in each cluster also received specialized training such as basic communication and marketing skills in areas as diverse as traditional local cuisine. These upskilling and reskilling opportunities generated a great deal of knowledge, skills, and personal attributes (e.g., health, motivation, values), which enabled women and the communities to produce and earn

- **Women's Economic Empowerment.** SHGs in Keshopur (Punjab) used their acquired skills to develop and sell their products at local fairs. The community-based tourism activities in HP also provided opportunities for local communities to participate in the management of tourism activities through organized groups and be employed in the construction and development of tourism infrastructures. The project completion assessment indicated that women are in a position to better contribute to economic growth, development, and poverty reduction. Resources in the hands of women members have a range of positive outcomes as they tend to reinvest their profits into their families and communities—leading to income growth.

12. **Creating Spaces for Women's Voices to Be Heard.** The IDIPT gender strategy employed affirmative measures to ensure women's participation in the project activities. The GAP aimed at women's equitable participation in all consultative meetings and representation in community-based organizations. Representation in community consultation meetings and community-based tourism units. Women's involvement was mandatory in all consultation meetings at the project sites and with line agency departments in Punjab and HP. The evidence showed that the targets in the GAP had helped women community members through their sheer grit and determination to breakage-old barriers restricting their social mobility, engage in traditionally prohibitive vocations, and articulate social issues of concern to them. The success stories have not only fueled the aspirations of women and girls but have also made a significant impact on men's mind-sets regarding women's potential to succeed.

Table A7.1. GAP ACHIEVEMENTS MATRIX – IDIPT (TRANCHE 1) - HIMACHAL PRADESH AND PUNJAB<sup>1</sup>

Activities and Targets <sup>2</sup>	Achievements	Status at Project Completion
<b>Output 1. Enhanced quality of natural and cultural attractions</b>		
<p>1. Incorporate gender-sensitive community needs in all management plan-based investments for natural and cultural heritage sites and make operational.<sup>3</sup></p> <p><b>Target 1.</b> Women's needs, and constraints as identified during the consultative processes taken into account in the preparation of all IEC and awareness materials (100%)</p> <p><b>Target 2.</b> All detailed project reports (DPRs) [management plans] have sections on gender-related aspects (target: 100%) (aligned with <b>DMF Output 1c.</b> Gender-sensitive community needs incorporated in all management plan-based investment for natural and cultural heritage sites)</p>	<ul style="list-style-type: none"> <li>100% IEC materials developed under DMF Output 1 were fully informed by women's needs and constraints identified during the community consultations. The needs and constraints are (i) risks and challenges for the project influence communities and residents including women, (ii) long-term advantages vs. short term disadvantages of (e.g. excavation, diversion, blockages, traffic congestions) civil work for tourism infrastructure development, and (iii) opportunities (skill training, income prospects) underlying with redevelopment/development of new tourist destinations.</li> <li>The EAs (HP and Punjab) prepared 22 detailed project reports (DPRs) [management plans]: 20 in HP and 2 in Punjab (Gobindgarh Fort and Keshopur Wetland).</li> <li>The DPRs included the following gender-equality feature at the project sites in the construction phase: (i) separate toilets for men and women, (ii) illumination for the safety of tourists, especially women and children, (iii) CCTV cameras, (iv) equal opportunities for men and women from poor and marginalized communities in heritage management and jobs, (v) protection of women and girls from negative impacts of tourism infrastructure development, and (vi) increased participation of women in decision making.</li> </ul>	<p>Completed</p> <p>Target achieved</p> <p>Target achieved</p>
<b>Output 2. Greater participation by local communities in tourism-related economic activities</b>		
<p>2. Establish community-based societies/organizations functional in the management of natural and cultural heritage sites.<sup>4</sup></p> <p><b>Target 3 (DMF Output 2c).</b> Community-based societies established and functional in the management of natural and cultural heritage sites (30% women)</p>	<ul style="list-style-type: none"> <li>Total of 50 community-based societies/organizations formed: 35 in HP and 15 in Punjab.</li> <li>The total number of members in HP is 360, of whom 306 (85%) are women.</li> <li>The total number of members in Punjab is 1,720, of whom 1,634 (95%) are women.</li> <li>Functions. The community-based societies/organizations are involved in the management of natural and cultural heritage sites. Societies are providing inputs to prepare management plans for future interventions to make tourism sustainable and inclusive for the local economy.</li> </ul>	<p>Completed</p> <p>Target achieved</p>

<sup>1</sup> The Project covers 6 tourist clusters: HP (a) Kangra, (b) Chintpurni, and (c) Shimla. **Punjab** (a) Amritsar, (b) Gurdaspur, and (c) Sultanpur, Lodhi and Kapurthala.

<sup>2</sup> The output statements in this GAP Achievements Matrix, which are different from those in the GAP, follow those in the DMF. The flow of GAP activities and targets was changed to align with corresponding DMF output statements. All GAP activities and targets are incorporated in this matrix.

<sup>3</sup> Activity 1 in this matrix is the activity of GAP Component 3. Quality Enhancement of Natural and Cultural Attractions, and Target 1 in this matrix is the target of GAP Component 5. Capacity Development, Community Participation and Project Management, (b) Planning.

<sup>4</sup> Activity 2 is activity (a) of GAP Component 4. Community-based activities.

Activities and Targets <sup>2</sup>	Achievements	Status at Project Completion
<p>3. Train around 200 individuals on heritage management and tourism-related skills.<sup>5</sup></p> <p><b>Target 4.</b> 30% women (aligned with DMF Output 2c. Around 124 individuals spread over 6 communities trained on heritage management and tourism-related skills)</p>	<ul style="list-style-type: none"> <li>Total of 87 trainings conducted in 6 tourist clusters—3 in HP (a) Kangra, (b) Chintpurni, and (c) Shimla, and 3 in Punjab (a) Amritsar, (b) Gurdaspur, and (c) Sultanpur, Lodhi and Kapurthala for 3,771 participants, of whom 1,789 (47%) were women, in HP; and 757 participants, of whom 459 (60%) were women, in Punjab.</li> <li>Trades covered by the training: (i) marketing and communication, (ii) mobile camping, (iii) campsite management, (iv) residential, cultural group, (iv) basic skills and essentials traits to become a tour guide, (v) homestay management, (vi) basic skills for cultural interpretation and cultural group guide.</li> </ul>	<p>Completed</p> <p>Target achieved</p>
<b>Output 3. Improved basic urban infrastructure and services at tourist destinations and attractions</b>		
<p>4. Encourage women's participation in consultative processes for selection of subprojects sites and promote women's equal access to employment and training opportunities.<sup>6</sup></p> <p><b>Target 5.</b> 30% of women participation</p>	<ul style="list-style-type: none"> <li>Total of 5,517 individuals were consulted: 3,865 (1,321; 34% women) in HP and 1,652 (559; 33% women) in Punjab.</li> <li>The consultation topics: (i) ongoing project activities, (ii) positive/negative impacts of sub-project interventions, (iii) problems or grievance issues, right use of Personal Protective Equipment (PPE), (iv) provisions at sites, toilet use, and maintenance, (v) sanitation and hygiene, (vi) ongoing welfare programs, (vii) inputs to the finalization of civil works and (viii) environment protection and specific needs to protect the environment.</li> <li>Participation of 30% women of the total beneficiaries in employment and training opportunities was consistently achieved in HP and Punjab. Refer to the achievements against activities 5, 9, 10, 11, and 13.</li> </ul>	<p>Completed</p> <p>Target achieved</p>
<p>5. Mitigate the gender-related risks associated with infrastructure development through IEC and awareness campaigns.<sup>7</sup></p> <p>6. Finalize gender-responsive guidebooks, brochures, and websites on risks and impacts associated with tourism infrastructure development.</p>	<ul style="list-style-type: none"> <li>IEC material developed in HP: 16 types of signages and posters and 4 types of banners) and for CB prepared to incorporate needs and constraints as identified during the consultative processes.</li> <li>IEC material developed in Punjab: 7,000 gender-sensitive posters of 16 types.</li> <li>All IEC materials prepared in local languages of the states, Hindi, English, and Punjabi. These materials aimed to address all risks identified during community consultations. The aspects covered were (i) protective measures to be adopted to</li> </ul>	<p>Completed</p>

<sup>5</sup> Activity 3 is activity (b) of GAP Component 4.

<sup>6</sup> Activity 4 is activity (a) of GAP Component 1. Urban Infrastructure and Service Improvement.

<sup>7</sup> Activities 5 and 6 are activities (b) and (c) of GAP Component 1. Target 6 is for both activities.

Activities and Targets <sup>2</sup>	Achievements	Status at Project Completion
<p><b>Target 6.</b> Women's needs and constraints –as identified during the consultative processes– taken into account in the preparation of all IEC and awareness materials (100%).</p>	<p>accept guests for homestay, (ii) safety for women at all construction sites, information on PPE (e.g., helmet and shoes) for women and men, publicity on separate toilets and bathing facilities for women, potable water, hygienic and safe environment, equal wages for work of equal value, awareness about the risks of sexually transmitted infections (incl. HIV).</p> <ul style="list-style-type: none"> <li>• HP also developed posters to enumerate the risks and mitigating steps, while Punjab developed IEC materials that encompassed information on women helpline number, police helpline number, health services, fire, and emergency helpline number, etc.</li> <li>• Total of 442 consultations to raise awareness on risks associated with infrastructure development conducted; participants were 1,336 laborers and tourists (401; 30% women) in HP; and 2,527 individuals (981; 38% women) in Punjab.</li> <li>• The needs and constraints identified during community consultations are (i) risks and challenges for the project communities and residents including women, (ii) long-term advantages vs. short term disadvantages (e.g., excavation, diversion, blockages, traffic congestions) of civil work for tourism infrastructure development, and (iii) opportunities (skill training, income prospects) underlying the redevelopment and development of new tourist destinations.</li> </ul>	Target achieved
<b>Output 4. Improved connectivity</b>		
<p>7. Encourage women's participation in consultative processes for selection of subproject sites and promote women's equal access to employment and training opportunities on core labor standards (incl. equal wages for work of equal value).<sup>8</sup></p> <p><b>Target 7 (DMF Output 4c).</b> 30% women participation</p>	<ul style="list-style-type: none"> <li>• Total of 95 consultation meetings held in all 6 clusters with 1,050 participants (336; 32% women) in HP and 840 participants (316; 38% women) in Punjab.</li> <li>• The consultation topics: (i) ongoing project activities, (ii) positive/negative impacts of the sub-project interventions, and (iii) project benefits and income generation opportunities.</li> <li>• Participation of 30% women of the total beneficiaries in employment and training opportunities was consistently achieved in HP and Punjab. Refer to the achievements against Activity, 5, 9, 10, 11, and 13.</li> </ul>	Completed  Target achieved
<p>8. Mitigate gender-related risks associated with infrastructure development carried out through IEC and awareness campaigns.<sup>9</sup></p> <p><b>Target 8 (DMF Output 4d).</b> Women's needs and constraints –as identified during the consultative processes– taken into account in the preparation of all IEC and awareness materials (100%)</p>	IEC materials and awareness materials used in HP and Punjab for output 4 were the same materials used for output 3, activities 5 and 6 in this GAP Achievements Matrix	Completed  Target achieved
<b>Components 5. Strengthened capacity of concerned sector agencies and local communities for planning, development, management, and marketing tourist destinations and attractions</b>		

<sup>8</sup> Activity 7 is activity (a) of GAP Component 2. Connectivity Improvement.

<sup>9</sup> Activity 8 is activity (b) of GAP Component 2.

Activities and Targets <sup>2</sup>	Achievements	Status at Project Completion
<p><b>Capacity development:</b></p> <p>9. Train 1000 staff of state offices related to tourism and related organizations (tour operators and guides) in the environment, culture tourism planning, coordination, monitoring, and marketing.<sup>10</sup></p> <p><b>Target 9.</b> 30% women (aligned with <b>DMF Output 5b</b>, which targets to train 250 staff tourism-related state offices and organization on same topics)</p>	<ul style="list-style-type: none"> <li>Total of 4,384 staff and stakeholders from tourism-related state offices and organization trained: 2,512 (1,474; 59% women) in HP; and 1,871 (606; 31% women) in Punjab</li> <li>Topics of the training: (i) environment preservation and eco-tourism, (ii) people and the environment, economic, and social benefits of tourism for poor communities and vulnerable members, especially women, (iii) tourism planning, coordination, and marketing, and (iv) community-based tourism.</li> </ul>	<p>Completed</p> <p>Target achieved</p>
<p>10. Community-Based Tourism (CBT) units in the tourism organizations created and functional.<sup>11</sup></p> <p><b>Target 10 (DMF Output 5c).</b> 50 units, 30% women representation in established units</p>	<ul style="list-style-type: none"> <li>Total 150 CBTs created and functional: 96 (women represented in 66 or 68%) in HP and 50 (women represented in 25 or 50%) in Punjab.</li> <li>The CBT units trained and supported under IDIPT are involved in income generation in homestays, production, and marketing of local handicrafts (through retail outlets, fairs, local and national carnivals), soft toys, knitting items, souvenirs, ethnic cuisine, pickles, savories, sweets, showpieces, gift items, and small-time restaurants.</li> </ul>	<p>Completed</p> <p>Target achieved</p>
<p><b>Fostering Community Participation:</b></p> <p><b>Activity 1</b></p> <p>Undertake value chain analyses to establish stronger links between tourism and local economies.<sup>12</sup></p> <p>(This is aligned with <b>DMF Output 5 Fostering Community Participation Target (a)</b>, which is a qualitative target.)</p>	<ul style="list-style-type: none"> <li>HP and Punjab. Value Chain Analyses were undertaken in all the 6 clusters covered under the project. The purpose was to include gender dimensions in mapping, analysis, and subsequent interventions. A flow chart was prepared in Punjab to incorporate gender-related aspects in community livelihoods generation activities.</li> <li>The analyses identified livelihood activities primarily for women micro-entrepreneurs such as (i) water hyacinth, (ii) handicrafts craft, (iii) knitting, (iv) crochet, (v) processed food, and (vi) small restaurants, homestay. The analyses resulted in 5,445 individuals trained in tourism-related skills, of whom 2,984 (54.8%) women entered the tourism sector.</li> </ul>	<p>Completed</p>
<p><b>Activity 2</b></p> <p>Design and implement schemes for tourism-based livelihoods generation involving social mobilization and micro-finance services</p> <p>(This is aligned with <b>DMF Output 5 Fostering Community Participation Target (b)</b>, which is a qualitative target.)</p>	<ul style="list-style-type: none"> <li>Schemes designed and implemented in HP: (i) Bed and Breakfast, (ii) Farm Stay, and (iii) Pure Dhaba scheme (vegetarian restaurant). These schemes were designed with women community members in mind and trained women members of self-help groups/CBTs benefitted from these schemes aimed at increasing women's income and exposure leading to economic and social empowerment.</li> <li>Schemes designed and implemented in Punjab: Water hyacinth craft products marketing scheme through interlinkage between <i>Krishi Vigyan Kendra</i>, an agricultural extension center created by the Indian Council for Agricultural Research, Ministry of Agriculture Cooperation and Welfare of Farmers, GOI.</li> </ul>	<p>Completed</p>
<p>13. Ensure equal employment opportunities for women in all project financed subprojects (i.e. skilled and unskilled job).<sup>13</sup></p>	<ul style="list-style-type: none"> <li>Overall, % of women's representation in subproject activities in HP was 22% (a. constructions sites: 23.06%, total laborers: 1597/ 350 women laborers. b.</li> </ul>	<p>Completed</p>

<sup>10</sup> Activity 9 is first activity (a) of Capacity Development under GAP Component 5. Capacity Development, Community Participation, and Project Management.

<sup>11</sup> Activity 10 is second activity (a) of Capacity Development under GAP Component 5.

<sup>12</sup> Activity 11 is first activity (a) of Fostering Community Participation under GAP Component 5.

Activities and Targets <sup>2</sup>	Achievements	Status at Project Completion
<b>Target 11.</b> 20% of women's representation in most subproject activities	<p>implementing agency: 21.01% total number of staff: 267/ 58 women. c. CBT units: 68% total CBT 96, CBT units represented by women 66. d. Consultants' team 12.5% total strength 24/ 3 women.)</p> <ul style="list-style-type: none"> <li>Overall % of women's representation in subproject activities in Punjab was 27% (out of total 149, 38 women were [26%] employed in the skilled/unskilled category in subproject financed by the project. Total staff at various level project structures 625, of which 171 [27%] were women.</li> </ul>	Target achieved
<p>14. Ensure that all bidding documents include a clause requiring contractors to adopt gender targets for employment of laborers, the provision of core labor standards (incl. equal wages for work of equal value).<sup>14</sup></p> <p><b>Target 12.</b> Bidding documents (100%)</p>	<p>Total of 13 (100%) bidding documents prepared: 19 in HP and 14 in Punjab</p> <p>Women's right to equal wages and nondiscrimination consistently ensured and closely monitored by EAs. All (100%) bidding documents included adequate provisions on national core labor standards (incl. equal wages for work of equal value).<sup>15</sup></p>	<p>Completed</p> <p>Target achieved</p>
<p>15. Orient contractors at the time of issuing work orders on the implementation of the clause elaborating actions related to gender and core labor standards.<sup>16</sup></p> <p><b>Target 13.</b> Training sessions for Implementing Agencies on contractual arrangements and modalities to enforce government of India (GOI) commitment to gender and core labor standards provided (Once/year, in each of the participating states).</p>	<ul style="list-style-type: none"> <li>Five training sessions one/year organized for implementing agency in HP with 180 staff participants, of whom 58 (32%) were women.</li> <li>Fourteen (14) training sessions twice/year organized for implementing agency in Punjab with a total of 140 staff participants, of whom 40 (28%) were women.</li> <li>Content of the training program: (i) contractual arrangements, modalities, and GOI's commitment to gender and core labor standards, (ii) safety issues, hygiene habits, awareness of STIs, the safety of women and children at the workplace, crèche facilities, disaster management.</li> <li>Besides the training for HP and Punjab IAs, consultation meetings were organized on national CLSs for contractors and laborers to educate the laborers on the environment and social safeguards policies, the importance of hygienic/safe environment, equal wages, and toilet/bathing facilities.</li> </ul>	<p>Completed</p> <p>Target achieved</p>
Overall GAP assessment: Successful. <sup>17</sup>		

<sup>13</sup> Activity 13 is activity (b) of GAP Overall Project-related Tourism Activities.

<sup>14</sup> Activity 14 is activity (c) of GAP Overall Project-related Tourism Activities.

<sup>15</sup> As an example: (a) Clause 64.5 says: The Contractor shall not make employment decisions based upon personal characteristics unrelated to job requirements. The Contractor shall base the employment relationship upon the equal opportunity and fair treatment and shall not discriminate with respect to aspects of the employment relationship, including recruitment and hiring, compensation (including wages and benefits), working conditions and terms of employment or retirement, and discipline. The Contractor shall (a) provide equal wages and benefits to women; (b) Clause 67.1 says: The Contractor shall conduct, health and safety programs for workers employed under the project and shall include information on the trafficking of women and the risk of sexually transmitted diseases, including HIV/AIDS in such programs; and (c) Particular Conditions of Contracts (PCC) for works in both States kept clause 6.25 whereby the contractor will ensure that at 30% of women laborers are employed at the project site.

<sup>16</sup> Activity 15 is activity (c) of GAP Overall Project-related Tourism Activities.

<sup>17</sup> 2 activities (100%) completed and 13 targets (100%) achieved.

## F. EVIDENCE OF PROJECT OUTCOMES ON WOMEN

7. To substantiate or provide evidence to the practical and strategic gender benefits that women derived from the implementation of the GAP, the PCR mission team collected testimonials from select women beneficiaries (Boxes 1-3). These testimonials are classified into the GEWE areas mentioned in para. 6: Human capital development, women's economic empowerment, and the creation of spaces for women's voices to be heard.

### Box 1: Skilling for Economic Independence

After the death of her husband, Rani Devi and her daughter Savita were dependent entirely on the remittances sent by her two sons who worked in Pune. When the Infrastructure Development Investment Program for Tourism (IDIPT) formed the self-help group (SHG), Shrichand Magarmodian, in Gurdaspur district, Punjab, to which Rani became the president, she and Savita participated in the trainings in stitching, embroidering, and making washing powder. Savita shared that she has started stitching suits for neighbors since then. The demand soars around festive times, and she feels excited about her newfound livelihood, which boosts her self-worth. She hopes to be able to start her boutique later with her savings.

### Box 2: Women Learn to Work and Earn Together

The SHG group in the Naina Devi cluster in HP deserves being recognized as the most active SHG group in the locality. Naina Devi town is famous for its religious shrines and the majority of its members belong to the priest community that follows age-old traditions and beliefs. The community members through their sheer grit and determination have not only broken age-old barriers restricting their social mobility but have also successfully engaged in a traditionally prohibitive vocation. Their training in pickle making under IDIPT and the consistent advocacy support by the implementing agency have helped them overcome these barriers and become role models for the new generation of women within their community by transforming prevailing stereotypes on the roles and capabilities of women.

### Box 3: A Woman Is a Hero

Kamala Devi joined the SHG in HP in July 2016. She was elected as ward member and vice president of Panchayat Tourism Development Committee (PTDC). Since she has trodden a long path from skilling in handicrafts (mainly products with pine needles) to managing her SHG and now as president of PTDC, she remarked that the project has facilitated her journey from "zero" to a hero. She feels insignificant when she is not involved in the SHG and PTDC activities and is engaged full time in household chores. All members of her SHG belong to the scheduled caste community known as Harijans. She shared, *"now we take out time to work for making craft products instead of wasting time in gossiping. I feel so happy when all of us work together. We have now realized the value of pine needles. We used to look at it as useless waste. Now, we use it as raw material for our craft products."*

**G. WAY FORWARD**

8. The success stories of SHGs have inspired women's participation in the economic sphere that was formerly limited due to the scarcity of options as well as restrictive social mobility norms. This success can be replicated to make the development of tourism infrastructure and services promotive of GEWE. The project succeeded in building confidence and creating a thirst for entrepreneurial aspirations. Nevertheless, for upscaling and sustainability of income-generating activities beyond the MFF, SHGs need mentoring in the packaging, labeling, and marketing of products. Credit and institutional linkages must also be strengthened. The Tourism departments in Himachal Pradesh and Punjab should leverage other government schemes and programs and plan effective convergence to support these SHGs in packaging, pricing, and marketing of finished products. Women members of SHGs in both states were optimistic about having regular sources of income with their learned skills.



## ECONOMIC AND FINANCIAL ANALYSIS

### A. Re-evaluation Scope and Methodology

1. The economic internal rates of return (EIRR) was carried out to ascertain efficiency of the investments in the subprojects at two states of Punjab and Himachal Pradesh under the Project 1 of the IDIPT. The MFF was designed to implement subprojects under four projects in the states of Punjab, Himachal Pradesh, Uttarakhand, and Tamil Nadu spread over the MFF and financed under four separate loans.<sup>1</sup> The economic evaluation for investments in the destination clusters of the two states of Punjab and Himachal Pradesh were carried out at the appraisal of the MFF and base economic internal rate of return (EIRR) of the subprojects were above the economic opportunity cost of capital (EOCC) of 12% and thus all were therefore assessed economically viable. Economic re-evaluation at close of Project 1 included EIRR of the two subprojects and sensitivity analysis at (i) 20% reduction of future benefits, and (ii) 20% increase in operation and maintenance (O&M) expenditure.

2. Financial analysis assessed the ability of the two State Governments of Punjab and Himachal Pradesh and the line agencies responsible to operate the created tourism assets sustainably to meet its operation and maintenance (O&M) costs out of its revenue streams and the allocated budget provisions. The line agencies include Department of Tourism (DOT) of Government of Punjab and Department of Tourism and Civil Aviation (DOTCA) of Government of Himachal Pradesh.<sup>2</sup> As the Project 1 was not designed for cost recovery and were considered as “non-revenue generating” or “non-commercial” subprojects, operating ratios were calculated for the State Governments, and a review of the overall finances of the line agencies to assess their institutional capacities to meet allocated O&M costs were undertaken.<sup>3</sup> The adopted approach for the financial analysis were similar at both appraisal and at completion of Project 1.

3. The economic and financial analysis was based on ADB's Guidelines.<sup>4</sup> Detailed assumptions for the analyses narrated separately. Data from the respective State Governments, and the executing agencies of each State, the RRP, the PFR of Project 1, the supplementary appendixes prepared during the Project 1 appraisal, the project completion report prepared by the executing agencies were used for the reevaluation. Information about tourist flows were obtained from the respective executing agencies. Tourists expenditure obtained from the reports prepared by the Consultant for Tourist Statistics in the two States under the Project 1. Project 1 costs were derived from the actual disbursement summary for each contract package maintained by ADB, and the two State Governments. Project completion review missions were not fielded due to the operational constraints arising out of the ongoing COVID-19 pandemic. The project completion report preparation team used data and feedback provided by executing agencies.

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<sup>1</sup> Project 1 (Loan-2676-IND) was designed for development of tourism infrastructure in identified destination clusters of Punjab and Himachal Pradesh. Investment in Punjab and Himachal Pradesh were also considered under Project 3 (Loan-3223-IND) of the MFF. Project 2 (Loan-2833-IND) and Project 4 (Loan-3717-IND) under the MFF were for investments in states of Uttarakhand and Tamil Nadu.

<sup>2</sup> All these agencies are considered a general government sector unit (GGSU) in line with the explanation in paragraph 2.4, page 4 of the Financial Analysis and Evaluation Technical Guidance Note (2019).

<sup>3</sup> ADB, 2009, Financial Due Diligence, A Methodology Note, , paragraph 31 and paragraph 4.1; and ADB, 2019, *Financial Analysis and Evaluation Technical Guidance Note*.

<sup>4</sup> ADB. 2017, *Economic Analysis of Projects; Guidelines Tourism for Pro-Poor and Sustainable Growth*; ADB. 2007, *Economic Analysis of Tourism Projects*; ADB. 2019, *Guidance Note for Financial Analysis and Evaluation Technical*; ADB. 2005 *Financial Management and Analysis of Projects, and Financial Due Diligence*; ADB. 2009, A Methodology Note.

## B. Data input for Valuation of Economic Costs and Benefits

4. The subprojects in the destination clusters of the two States of the Project 1 under the MFF were designed for inclusive economic growth and provision of livelihood opportunities for local communities in the tourism sector through tourism infrastructure development. The subprojects focused on preservation and development of natural and cultural heritage, and incidental services including municipal services. At the end of the Project 1, project costs were for (i) urban infrastructure and service improvement (48.39%), connectivity improvement (2.88%), (iii) quality enhancement of natural and cultural attractions (16.01%), (iv) community-based activities (1.25%), (v) capacity development, community participation and project management (24.30%), (vi) financing charges (2.86%), and (vii) taxes and duties (4.31%).

5. The financial value of subproject costs (in ₹ millions) include the disbursements made by ADB and the local costs incurred by the State Governments until 27 Mar 2019.<sup>5</sup> At completion of Project 1, the financial costs for subprojects (including all physical work under the five components, consulting charges, incremental administration cost, taxes, and duties) concluded for (i) Punjab at ₹1,747.57 million, and (ii) Himachal Pradesh at ₹2,247.47 million.<sup>6</sup>

6. Financial costs without taxes and duties are converted to economic costs as shown in tables A8.1 below. The conversion factors include (a) shadow wage rate factor (SWRF) used to value the economic price of local labour in different cities were calculated as the five cities are geographically apart and labour laws, availability of labour, and minimum wage rate differs for each state,<sup>7</sup> (b) the shadow exchange rate factor (SERF) taken for traded goods and services and standard conversion factor (SCF) were also applied to convert the financial cost to economic cost.<sup>8</sup> Parameters assumed are drawn from the supplementary appendixes of the RRP prepared during the MFF appraisal document, the periodic financing request (PFR) 1 for the loan as part of the appraisal, and the project completion report prepared by the respective EA at completion of Project 1.<sup>9</sup> Information was also drawn from EAs and PMC, which were requested as part of the project completion report preparation exercise.<sup>10</sup> The economic viability assumed replacement costs to be at 15% and O&M costs at 10% of the total cost of project assets. . The income multiplier for direct net value added of tourism to the local economy through additional spending of the two states assumed to be 0.39 to maintain parity and for comparison with appraisal estimates.

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<sup>5</sup> The loan closing was on 30 September 2018 and the loan was financially closed on 27 March 2019.

<sup>6</sup> Excluding the interest cost during implementation as the amount could not be segregated between the two States as all financing charges are recorded for the entire Loan 2676 in Collections Database and State wise segregation was not available.

<sup>7</sup> Different shadow wage rate factors (SWRF) were applied to reflect the surplus of unskilled labor in the two different subproject areas as they are geographically separate and wage rates are guided by different legislation of the State. (Source: [https://nrega.nic.in/netnrega/writereaddata/Circulars/2386Wagerate\\_Gazette1920.pdf](https://nrega.nic.in/netnrega/writereaddata/Circulars/2386Wagerate_Gazette1920.pdf), <https://pblabour.gov.in/Content/documents/english.pdf>, [https://himachal.nic.in/showfile.php?lang=1&dpt\\_id=14&level=2&lid=20396&sublinkid=19960](https://himachal.nic.in/showfile.php?lang=1&dpt_id=14&level=2&lid=20396&sublinkid=19960))

<sup>8</sup> ADB. 2004. Shadow Exchange Rate for Project Economic Analysis. *ERD Technical Note Series No. 11*. Manila. Average from 2016-2019 was 1.03. (Source: Handbook of Statistics on Indian Economy, 2018-19 (RBI)).

<sup>9</sup> RRP Supplementary Appendix on Economic and Financial Analysis for Project 1 RRP IND 40648.

<sup>10</sup> No site visits and discussions with beneficiaries were possible due to travel restrictions for the COVID-19 pandemic. Reliance was placed on information shared by the EAs through documents and discussions using virtual platforms.

**Table A8.1 Determination of Economic Costs for Sub-projects at Completion**

Parameters	Himachal Pradesh	Punjab
Financial capital costs for works and goods derived without taxes and duties (₹ million)	1,374.05	866.70
SWRF– Unskilled local labour assumed 80%	0.84	0.74
SERF- traded goods and services assumed 10%	1.03	1.03
SCF	1.00	1.00
Economic capital costs derived (₹ million)	1,220.84	708.09
Economic O&M costs derived (10% of capital costs and adjusted for allowances (15%) SWRF, SERF, and SCF) (₹ million)	1,544.38	895.76
Economic replacement costs derived (15% of capital costs and adjusted for allowances (15%), SWRF, SERF, and SCF) (₹ million)	210.60	122.15

Source: ADB estimates; Average conversion rate used for calculation \$1 = ₹70, where applicable; adjustment for allowances assumed to include probable cost for design and quality assurance, benefit monitoring, and incremental administration during O&M and replacement.

7. The valuation of economic benefits for the two subprojects at completion is provided in Table A8.2.

**Table A8.2 Determination of Economic Benefits for Sub-projects at Completion**

Particulars	Himachal Pradesh	Punjab
<b>Incremental Income from Tourist Days Spent (₹ Million)</b>	<b>2,000.66</b>	<b>2,076.70</b>
Assumption: Incremental domestic and foreign tourists	Per capita domestic tourist spending ₹8230/day and foreign tourists ₹17564/day <sup>a</sup>	Per capita domestic tourist spending ₹3823/day and foreign tourists ₹8448/day <sup>b</sup>
<b>Incremental Income from Tourist Spent (₹ Million)</b>	<b>3,750.87</b>	<b>3,827.96</b>
Assumption: Incremental domestic and foreign tourists	Per capita average of spending ₹8510 per day <sup>c</sup>	Per capita average of spending ₹3961.75 per day <sup>d</sup>
<b>Revenue from sales tax on additional spending by foreign tourists (₹ Million)</b>	<b>35.45</b>	<b>83.17</b>
Assumption: 20% sales tax on the additional annual foreign tourist spending.	20% <sup>e</sup>	20% <sup>f</sup>

<sup>a</sup> Nielsen India Pvt. Ltd. Survey for Government of India, (page 18, table 34).

<sup>b</sup> CTS Report, (table 63 at page 48 for FOREIGN and table 62 at page 47 for DOMESTIC).

<sup>c</sup> Nielsen India Pvt. Ltd. Survey for Government of India, (page 18, table 34) and estimates at completion.

<sup>d</sup> CTS Report, (table 63 at page 48 for FOREIGN and table 62 at page 47 for DOMESTIC) and estimates at completion.

<sup>e, f</sup> Asian Development Bank, IDIPT, Project 1, Periodic Financing Report, Economic Analysis, Appendix 7.

## C. Economic Evaluation

### I. At Appraisal

8. The selection criteria for the subprojects require an EIRR exceeding economic opportunity cost of capital (EOCC) of 12% for investments under Project 1 for the two subprojects at Punjab (base EIRR 22.27%) and Himachal Pradesh (base EIRR 14.1%). The economic net present value (ENPV) for the subproject, assessed during loan appraisal in 2010, were positive for both Punjab (\$10.8 million) and Himachal Pradesh (\$2.0 million) applying discount rates of 12%. Sensitivity analysis indicated that EIRR was most sensitive to a decrease in project benefits due to lower tourist arrivals or lower spending than projected by 20%, though EIRR remained above 12% in all sensitivity analyses except for a single analysis concerning reduction in benefits of the Himachal Pradesh subproject. Cost of works adjusted for the import duties and taxes (shadow exchange rate factor at 1.10), and unskilled labor cost (shadow wage

rate at 0.75). Operation and maintenance cost were also a part of economic costs. Economic benefits were assumed as, (i) additional spending by tourists as a result of increases in the number of tourists, (ii) additional spending as a result of extended length of stay per visit, and (iii) revenues from sales tax generated from the additional spending of international tourists (20% of additional spending).<sup>11</sup> The income multiplier for direct net value added of tourism to the local economy through additional spending of the two states assumed to be 0.39.<sup>12</sup>

## II. At Completion

9. The approach used during appraisal was applied for the recalculation of the EIRR of interventions at completion of Project 1 and compared with EOCC of 12%. For calculating the growth of tourist arrivals (domestic and foreign), the compounded annual growth rate of the tourist arrivals was used for projecting the tourist growth based on the historical data shared by the two EAs. The economic viability of the subprojects was evaluated over a period of 20 years from the base year (2011). All additional spending has been adjusted for direct net value added to the region by the assumed income multiplier.

10. Incremental tourist growth for the Project 1 interventions at the destination clusters assumed at 0.25 percentage points.<sup>13</sup> Tourist growth in the two States were calculated and prorated to estimate the total tourist flow at destination clusters of the respective States on a usual scenario.<sup>14</sup>

11. The analysis did not quantify other benefits that are difficult to measure due to lack of data. Such non-quantified benefits include (i) savings in operating costs of vehicles using the improved stretches of roads considered under connectivity improvement; (ii) time savings for villagers and locals using improved connectivity; (iii) increased public health due to supply of basic services like improved sanitation and better parking facilities; and (iv) improved access by locals in the surrounding communities for improved economic livelihood. These indirect and direct benefits could not be quantified though qualitative assessments during the PCR preparation demonstrate their contribution in improving livelihood, environment and quality of life within the subproject areas.

## III. Analysis and re-evaluation of Findings

12. EIRR is rated as *efficient* for the subprojects in the two States. The summary of EIRR for the subprojects and for the consolidated project at appraisal and compared at completion is

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<sup>11</sup> Improvements in sanitation, solid waste management, and roads that also benefitted the local communities was excluded from the analysis at appraisal *and during re-evaluation at the Project 1 close* as it is difficult to segregate benefits to the local communities and tourists.

<sup>12</sup> ERD Technical Note No. 20, Tourism for Pro-Poor and Sustainable Growth: Economic Analysis of Tourism Projects (ADB, Jan 2007 explains the use of "income multiplier" for valuation of tourism benefits. Income multiplier is used to determine the direct net value added to the region because of the changes in economic activities (gross domestic product, jobs etc.) within a geographic region. In the absence of more accurate regional multipliers for Punjab and Himachal Pradesh at appraisal, the national multiplier for direct net value added is applied to estimate tourism impacts on the states. At appraisal, for direct effect, the national multiplier for direct net value added was 0.3854. (source: Dr. Raveendran, G. 1993. Tourism Planning and Measurement Methods, PH.D. Thesis, Srinagar Garhwal: HNB Garhwal University, All appraisal information sourced from Supplementary Appendix on Economic Analysis to Infrastructure Development Investment Program for Tourism (RRP IND 40648). At completion, the same income multiplier used to keep parity in comparison between appraisal and completion.

<sup>13</sup> Appendix on Economic Analysis for Project 1 RRP IND 40648.

<sup>14</sup> Assumed 40% of total tourists would visit the destination clusters in Punjab and 75% would visit at Himachal Pradesh.

in Table A8.3.

**Table A8.3. Summary of EIRR at completion**

<b>Subproject</b>	<b>EIRR at Appraisal</b>	<b>ENPV at Completion (₹ million)</b>	<b>EIRR at Completion (Base)</b>	<b>EIRR at Completion (20% Reduction of Benefits)</b>	<b>EIRR at Completion 20% increase in (O&amp;M) expenditure</b>
Subcomponent - Investment in Destination Cluster in Himachal Pradesh	14.1%	13.64	12.34%	7.06%	10.80%
Subcomponent - Investment in Destination Cluster in Punjab	22.27%	836.39	26.88%	23.16%	26.42%
Consolidated Project 1	Not Assessed	850.02	20.66%	16.41%	19.84%

EIRR = economic internal rate of return, ENPV = economic net present value

13. The discounted cash flow statement for the two subcomponents under Project 1 and for the consolidated project is shown in tables A8.3.1, A8.3.2. and A8.3.3

**Table A8.3.1: Discounted Cashflow Statement of Himachal Pradesh Sub-project at completion (₹ million)**

[illegible]

**Table 8.3.2 Discounted Cashflow Statement of Punjab Sub-projects at Completion (₹ million)**

[illegible]

**Table A8.3.3 Discounted Cashflow Statement of Consolidated Project 1 at Completion (₹ million)**

[illegible]



14. Considering the expected tourist arrivals and spending by the domestic and foreign tourists at the destination clusters, the economic re-evaluation showed favorable results. The recalculated EIRR for the subprojects are above the 12% threshold considered for economic viability at appraisal and above the base EIRR computed at appraisal for Punjab and lower for Himachal Pradesh.<sup>1</sup> The economic net present value (ENPV) for the subprojects at completion are positive applying 12% discount rate. The completion of the subprojects identified under the Project 3 (Loan-3223-IND) of the MFF in the same States of Punjab and Himachal Pradesh would improve the tourist arrivals in the two States further, which would make the Project 1 under the MFF further efficient.

## A. Financial Evaluation

### I. At Appraisal

15. At appraisal, it was considered that the tourism policy does not present an explicit view on cost recovery. At appraisal the proposed subprojects under the investment program were considered not to earn high financial returns (simply because the private sector would have invested had the financial returns been high) or they do not earn revenues. Most proposed subprojects in Punjab and Himachal Pradesh under Project 1 are not revenue earning and will be financed from local taxes as public goods. Some proposed subprojects contain development of small lodging and camping facilities, and small car parking facilities attached to public facilities, which will be managed by the respective state governments, levying nominal charges where appropriate.<sup>2</sup> Hence, as part of the financial evaluation, a performance analysis and sustainability analysis for the two State Governments were conducted. Considering 10% of the capital costs would be required for O&M, the analysis concluded that such additional budgetary requirements can be absorbed by the tourism budget of the two States.

### II. At Completion

16. At completion, the Project 1 interventions are *likely sustainable* for both States of Punjab and Himachal Pradesh. The destination improvement subprojects at Punjab and Himachal Pradesh considered to be non-revenue generating or non-commercial as the revenues expected cannot recover all costs, hence, State Governments would allocate budgets for the O&M of the physical assets created. The State Governments are additionally earning revenues like GOP is earning from the public private partnership (PPP) arrangements in (i) Gobindgarh Fort in Punjab;<sup>3</sup> (ii) Town Hall of Amritsar (Punjab) converted into a Partition Museum;<sup>4</sup> (iii) Attari Border multilevel car parking.<sup>5</sup> Apart from that, agreements were signed

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<sup>1</sup> The decline in EIRR for Himachal Pradesh was due to less than anticipated increase in the flow of foreign tourist into the State during 2018 due to drinking water crisis and weather conditions.

<sup>2</sup> Supplementary Appendix on Financial Analysis for Infrastructure Development Investment Program for Tourism (RRP IND 40648)

<sup>3</sup> GOP through Punjab Heritage and Tourism Promotion Board entered into a PPP agreement with M/s Mayanagri World One Pvt. Ltd for operation and maintenance of the asset and sharing revenue with GOP, wherefrom GOP collected revenues of ₹9.26 million between February 2017 and August 2020 (as reported another ₹9.59 million is pending collections).

<sup>4</sup> GOP through Punjab Heritage and Tourism Promotion Board entered into a PPP agreement with Cultural Heritage Trust for operation and maintenance of the asset and sharing revenue with GOP, wherefrom GOP collected revenues of ₹2.02 million between December 2017 and February 2020.

<sup>5</sup> Government of Punjab through the PPP arrangement for operation and maintenance of the asset and sharing revenue collected revenues of ₹0.25 million between April 2019 and January 2020. Punjab Heritage and Tourism promotion Board is the owner of the property and it is managing the asset. The property has been leased out for

with concerned departments/corporations to ensure that the assets taken over are fully operationalized and maintained for which adequate budgetary provisions would be ensured (details are in section D).<sup>6</sup> The heritage trail is in the ownership of Municipal Corporation of Amritsar and the machinery purchased has already been handed over for use; and the wetland, after development under the project has been handed over to the Department of Forest and Wildlife Preservation for its operation and maintenance. Assets in Himachal Pradesh are also earning revenues like; (i) user charges by temple trust of Shri Brajeshwari and Chintpurni temple from parking spaces created near to destinations, and (ii) user charges from toilets constructed by Municipal Corporation of Shimla from M/s Sulabh, the agency entrusted with maintenance of the toilet, and (iii) other entry fees as decided by the operating line agencies including the Forest Department for camping assets and forest rest houses created under the project. GOHP is operating the car parking facility at Naina Devi Temple and Chintpurni temple on car parking on a PPP arrangement with the temple trusts. Based on the above considerations, the financial performance of the two State Governments was analyzed and shown in Table A8.4 to Table A8.5. The result shows that during the last five years on an average the GOP maintained an operating ratio (operating expense / operating receipts) at 1.19 and GOHP maintained the ratio at 0.99. A ratio below 1.0 means that the entity earns adequate cash flows through operating revenues enough to meet administrative expenses and O&M expenses of all infrastructure of the entity. A ratio above 1.0 means there is lack of operational surplus. Nevertheless, Government of Punjab and Government of Himachal Pradesh would earn additional revenues beyond the departmental budget allocation as they were able to operationalize PPP agreements for O&M of the assets created under the project. These would contribute to alleviating stress on the state budget. Both states continue to explore collaboration possibilities with the private sector and additional means of revenue generation with respect to tourism-related facilities to improve sustainability. The anticipated O&M cost (assumed 10%) for the physical assets created under Project 1 would be about ₹111.18 million for Punjab and ₹184.02 million for Himachal Pradesh. With the additional allocation from the State Governments, and the expected revenue that the assets would generate, the gap in O&M requirements can be absorbed.<sup>7</sup> Pertinent to mention that GOI increased mandatory and guaranteed compensation (financial devolution) to State Governments during the last two years due to introduction of country-wide fiscal reforms as the newly legislated Goods and Service Tax subsumed and consolidated local taxes like entry tax, octroi, and advertisement taxes. This will improve the financial devolution to States for departmental expenditure.

**Table A8.4: Financial Performance of Government of Punjab (in ₹ million)**

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Operating Receipts - Total (1) = A + B + C	<b>390,228.46</b>	<b>415,233.76</b>	<b>479,854.18</b>	<b>530,095.81</b>	<b>622,690.84</b>
A. Tax Revenue	302,731.67	346,993.85	373,463.91	410,401.87	435,794.18
B. Non-Tax Revenue	28,797.34	26,502.70	58,632.03	43,183.86	75,822.94
C. Grants-in-aid / Union Grant	58,699.45	41,737.21	47,758.24	76,510.09	111,073.72
Capital Receipts - Total (2) = E + F + G	<b>313,612.10</b>	<b>386,467.51</b>	<b>838,084.64</b>	<b>460,726.19</b>	<b>529,470.65</b>

operation and maintenance to M/s Charmachan Hospitality LLP at the annual concession fee of Rs. 2.797 million or 20% of revenue earned, whichever is higher

<sup>6</sup> Details on assets management by state and corresponding operating department will be made available on request.

<sup>7</sup> Cost of physical assets include cost of civil works, equipment procured under shopping, and cost of training and survey. At completion of Project 1, the financial cost of physical works (including taxes and duties) evaluated at ₹1,111.79 million for Punjab and ₹1,840.16 million for Himachal Pradesh.

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
E. Recovery of Loans	1,371.45	2,184.53	1,809.33	730.77	8,486.62
F. Borrowings	312,235.44	384,280.36	836,271.23	459,994.18	520,983.85
G. Miscellaneous Capital Receipts	5.21	2.62	4.08	1.25	0.19
<b>Total Receipts (3) = (1) + (2)</b>	<b>703,840.56</b>	<b>801,701.27</b>	<b>1,317,938.82</b>	<b>990,822.00</b>	<b>1,152,161.50</b>
Non-plan Expenditure or Consolidated <sup>a</sup> (4) = H+ I + J+ K	<b>652,245.59</b>	<b>811,526.32</b>	<b>1,334,497.60</b>	<b>1,005,465.60</b>	<b>1,169,479.28</b>
H. On Revenue Account - Interest Payment	89,604.80	97,817.70	116,417.62	153,339.62	163,058.94
I. On Revenue Account - Others	327,400.04	402,917.17	436,542.88	471,308.93	590,978.13
J. On Capital Account - Repayment of Public Debt	230,747.16	220,511.34	324,432.88	349,695.80	377,709.31
K. On Capital Account - Others	4,493.59	90,280.11	457,104.22	31,121.26	37,732.90
Plan Expenditure <sup>a</sup> (5) = L + M	<b>78,523.53</b>	-	-	-	-
L. On Revenue Account	49,130.04	-	-	-	-
M. On Capital Account	29,393.48	-	-	-	-
<b>Total Expenditure (6) = (4) + (5)</b>	<b>730,769.12</b>	<b>811,526.32</b>	<b>1,334,497.60</b>	<b>1,005,465.60</b>	<b>1,169,479.28</b>
N. Operating Expenditure = H + I + L	466,134.88	500,734.87	552,960.50	624,648.54	754,037.07
O. Capital Expenditure = J + K + M	264,634.24	310,791.45	781,537.10	380,817.05	415,442.21
Operating (Deficit) / Surplus = (1) - N	(75,906.42)	(85,501.11)	(73,106.32)	(94,552.73)	(131,346.22)
Operating Ratio [Operating Expenditure or N / Operating Receipts or (1)]	<b>1.19</b>	<b>1.21</b>	<b>1.15</b>	<b>1.18</b>	<b>1.21</b>
<b>Average Operating Ratio - Last 5-years</b>	<b>1.19</b>				

<sup>a</sup> State Government discontinued presentation of annual financial statements and budget documents showing "plan" and "non-plan" items and instead adopted presentation of "revenue" and "capital" expenditure, effective Fiscal Year 2015-16

Source: Audited annual financial statements of GOP and ADB Estimates

**Table A8.5: Financial Performance of Government of Himachal Pradesh (in ₹ million)**

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Operating Receipts - Total (1) = A + B + C	<b>178,434.51</b>	<b>234,404.77</b>	<b>262,643.37</b>	<b>273,670.63</b>	<b>309,503.19</b>
A. State's Tax Revenue	85,843.30	103,069.77	113,827.46	119,089.83	130,025.84
B. Non-Tax Revenue	20,814.52	18,371.49	17,172.38	23,638.45	28,300.72
C. Grants-in-aid / Union Grant	71,776.69	112,963.51	131,643.53	130,942.34	151,176.63
Capital Receipts - Total (2) = E + F + G	<b>115,674.34</b>	<b>61,551.09</b>	<b>86,328.07</b>	<b>56,747.15</b>	<b>64,580.52</b>
E. Recovery of Loans / Advances	405.58	259.02	294.96	396.12	218.32
F. Borrowings / Public Debt	108,768.75	61,292.08	86,033.11	56,002.87	64,273.99
G. Miscellaneous Capital Receipts	6,500.00	-	-	348.16	88.22
<b>Total Receipts (3) = (1) + (2)</b>	<b>294,108.85</b>	<b>295,955.86</b>	<b>348,971.44</b>	<b>330,417.78</b>	<b>374,083.71</b>
Non-plan Expenditure or Consolidated (4) = H+ I + J+ K	<b>310,505.74</b>	<b>296,382.62</b>	<b>361,287.69</b>	<b>348,597.59</b>	<b>392,114.87</b>
H. On Revenue Account - Interest Payment	28,491.41	31,549.98	33,589.12	37,882.21	40,215.20
I. On Revenue Account - Others	169,379.13	191,478.16	219,853.09	232,649.38	254,071.01
J. On Capital Account - Repayment of Public Debt	82,598.13	39,477.33	39,428.40	34,998.46	46,733.45
K. On Capital Account - Others	30,037.07	33,877.15	68,417.09	43,067.54	51,095.21
Plan Expenditure (5)	<b>NIL-</b>	<b>NIL -</b>	<b>NIL -</b>	<b>NIL -</b>	<b>NIL -</b>
<b>Total Expenditure (6) = (4) + (5)</b>	<b>310,505.74</b>	<b>296,382.62</b>	<b>361,287.69</b>	<b>348,597.59</b>	<b>392,114.87</b>
N. Operating Expenditure = H + I	197,870.54	223,028.14	253,442.21	270,531.59	294,286.21
O. Capital Expenditure = J + K	112,635.20	73,354.47	107,845.48	78,066.00	97,828.66
Operating (Deficit) / Surplus = (1) - N	(19,436.03)	11,376.63	9,201.16	3,139.04	15,216.98
Operating Ratio [Operating Expenditure or N / Operating Receipts or (1)]	<b>1.11</b>	<b>0.95</b>	<b>0.96</b>	<b>0.99</b>	<b>0.95</b>

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Average Operating Ratio - Last 5-years</b>	<b>0.99</b>				

Source: Audited annual financial statements of Government of Himachal Pradesh and ADB estimates

17. The financial performance of the DOT (Punjab) and DOTCA (Himachal Pradesh) were considered for the tourism activities (refer Table A8.6 to Table A8.7) to assess the expenditure capacity and the capacity of the respective Department to support O&M of the tourism assets created with ADB funds and other funds out of the respective State's budget allocation. Respective departments depend on the user/service charges and the budget allocation out of the Consolidated Fund of the State to meet departmental expenditure.<sup>8</sup>

**Table A8.6: Financial Performance of DOT (Tourism), GOP<sup>a</sup> (in ₹ million)**

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Revenue &amp; Receipts</b>					
1. Operating Receipts (1452)	0.01	0.00	47.30	-	0.00
<b>Total Receipts (1)</b>	<b>0.01</b>	<b>0.00</b>	<b>47.30</b>	<b>-</b>	<b>0.00</b>
<b>Expenditure</b>					
2. Operating Expenditure (3452)	<b>18.28</b>	<b>475.74</b>	<b>1,008.86</b>	<b>38.39</b>	<b>50.07</b>
Plan and Non-Plan Expenditure	18.28	475.74	1,008.86	38.39	50.07
3. Capital Expenditure (5452)	<b>301.83</b>	<b>500.85</b>	<b>478.51</b>	<b>501.44</b>	<b>620.39</b>
Plan and Non-Plan Expenditure	301.83	500.85	478.51	501.44	620.39
<b>Total Expenditure (2) + (3)</b>	<b>320.11</b>	<b>976.59</b>	<b>1,487.37</b>	<b>539.83</b>	<b>670.46</b>

Source: Audited annual financial statements of GOP and ADB Estimates

<sup>a</sup> Codes 452, 3452, 5452

**Table 8.7: Financial Performance of DOTCA (Tourism), GOHP<sup>b</sup> (in ₹ million)**

Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
<b>Revenue &amp; Receipts</b>					
1. Operating Receipts (1452)	6.00	9.00	7.64	32.72	13.27
<b>Total Receipts (1)</b>	<b>6.00</b>	<b>9.00</b>	<b>7.64</b>	<b>32.72</b>	<b>13.27</b>
<b>Expenditure</b>					
2. Operating Expenditure (3452)	<b>342.74</b>	<b>447.68</b>	<b>1,149.98</b>	<b>1,401.36</b>	<b>1,164.50</b>
Plan and Non-Plan Expenditure	342.74	447.68	1,149.98	1,401.36	1,164.50
3. Capital Expenditure (5452)	<b>22.20</b>	<b>50.48</b>	<b>37.60</b>	<b>26.40</b>	<b>538.60</b>
Plan and Non-Plan Expenditure	22.20	50.48	37.60	26.40	538.60
<b>Total Expenditure (2) + (3)</b>	<b>364.94</b>	<b>498.16</b>	<b>1,187.58</b>	<b>1,427.76</b>	<b>1,703.10</b>

Source: Audited annual financial statements of GOHP and ADB Estimates

<sup>b</sup>: [Codes 1452, 3452, 5452]

### III. Analysis and Re-evaluation Findings

<sup>8</sup> While using the operating ratio approach, the analysis considered the State's Annual Financial Statements of the two different States. The line Departments of the State Government (DOTCA and DOT) meet all operating expenses including cost of establishment, operations and maintenance of all assets created using own funds and by funds from external sources like ADB. Subprojects under the Project 1 created assets, which were transferred by EAs to the respective line Departments. Upon transfer of assets the responsibility of operation and maintenance is with the line Department. All expenditure for O&M of these assets are accounted for in the annual financial statements. Hence, the operating expenditure considered in the respective financial statement analysis include all related O&M expenses of the assets transferred. It is pertinent to mention that the State Governments in India follow the Government Accounting Standards as prescribed by Government of India. Departmental accounting as exhibited in the analysis for DOTCA and DOT are following the same accounting basis and are ring-fenced and records all departmental receipts and departmental expenditure (including O&M) related to all assets that it owns and operate.

18. The financial analysis concludes that the yearly allocation to the department for all tourism assets and activities can absorb the assumed 10% O&M cost of the project assets. To minimize the stress on budgetary allocations the state governments continue to explore collaboration with the private sector for revenue earning arrangements that would provide a direct basis for revenue flow for the assets. This includes levying user charges in respect to tourism-related facilities to help maintain the assets sustainably. Ongoing tourism promotion activities in the states also ensure increase in the flow of tourists.

#### **D. Utilization of Some Completed Subprojects under Project 1**

##### **1. Chintpurni, Himachal Pradesh**

OFFICE THE TEMPLE MATA SHRI CHINTPURNI DISTT - UNA H.P.  
No. TTC - 07/ Dev - 14 2116-17/19 /Dated 28/11/2019

To

✓ Project Director ,  
IDIPT - H.P. PMU Office,  
U.S. Club Shimla .

2215  
03/12/2019

**Subject :- Status of Utilization of completed projects at Chintpurni under Tranche-I of Asian Development Bank funded project.**

Sir,

Please refer to your letter No. IDIPT-HP/2676-IND/Closure Report/2019-2606 dated 16-09-2019 on the subject cited above. It is submitted that after taking over the building on 28-10-2017 it is open to public for use for parking and public amenities by deputing 3 Persons from existing strength of Temple.

Where as for purpose of operation and maintenance of this building as per direction of the Chief Commissioner temple -Cum-Secretary (LAC) to the Govt. of H.P. and a committee constituted under the Chairmanship of Deputy Commissioner Una. It was decided by the said Temple Committee and management to hand over the building for Operation, Maintenance, Management and Transfer mode through Public, Private Partnership 'PPP' on (OMMT). After long process of open tendering wide circulation in leading national papers to hand over the building to eligible party . At 2<sup>nd</sup> time of tender two parties participated in tenders and one party was shortlisted and negotiated to hand over the building which was ready to do the work of "OMMT" on PPP mode. The said party was ready to Pay Rs. 10,01,141/- Plus GST to temple per annum

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after all expenditure to manage, maintain and operate the building for public use i/c electricity bills. The said agreement was sent to Govt. for approval in October 2018. But now the Chief – Commissioner temple – Cum- secretary LAC has intimated this office that after careful consideration at Govt. level it has been decided that the said building/ parking may be managed and maintained by the Temple Trust by itself vide this office letter No. LCD-F(1)-3/2013 dated 22-08-2019. The income generated from parking of this building from 28-10-2018 to 30-09-2019 is Rs. 5,16,400/- only. ✓

So for the further course of action regarding management and maintenance of the building the services required has been identified and further actions has been initiated.

Yours faithfully,



Temple Officer  
Temple Mata Shri Chintpurni Ji  
Teh – Amb Distt – Una (HP)

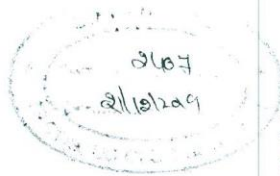
Endst.No. As Above.

Copy to :-

1. Project Manager, IDIPT - HP PIU Office Dhaliara - Khad Distt Kangra H.P for Information and necessary action.

Temple Officer  
Temple Mata Shri Chintpurni Ji  
Teh – Amb Distt – Una (HP)

## 2. Assets Created under Naina Devi



संख्या:टीटीएनडी-2019 5250  
कार्यालय मन्दिर अधिकारी,  
मन्दिर न्यास श्री नयना देवी जी,  
जिला बिलासपुर हि0प्र0।  
श्री नयना देवी जी, दिनांक:- 18/12/19

सेवा में,

✓ Project Director,  
IDIPT-HP PMU Office U.S Club Shimla-1

विषय:-

Status of completed projects at Naina Devi under Tranche-I of Asian Development Bank funded project.

महोदय,

उपरोक्त विषय पर कृपया आपके कार्यालय पत्र संख्या Infrastructure Development Investemt Program for Tourism-HP/2676- IND/Closure Report/2019-2609 Dated:- 17-09-2019 के सन्दर्भ में सूचित किया जाता है कि आपके विभाग के माध्यम से श्री नयना देवी जी में निर्मित कार पार्किंग तथा सरकूलर रोड का उपयोग श्रद्धालुओं की सुविधा हेतु किया जा रहा है कार पार्किंग से मन्दिर न्यास को प्राप्त हो रही राजस्व राशि का विवरण निम्न प्रकार से है।

क्रमांक	विवरण	समय अवधि	कार पार्किंग एवं मातृ सदन भवन से प्राप्त आय
1 ✓	मातृ सदन भवन	दिनांक 18.04.2018 से 18.12.2019 तक	137600
2 ✓	कार पार्किंग	दिनांक 21.02.2019 से 20.02.2020	12 लाख 70 हजार रु0

(on auction basis)

भवदीय,

मन्दिर अधिकारी,  
मन्दिर न्यास श्री नयना देवी जी,  
जिला बिलासपुर हि0प्र0।  
दिनांक:-

पृ0स0-यथोपरि-  
प्रतिलिपि,

1. अधीक्षक-1, अधीक्षक 2 मन्दिर न्यास श्री नयना देवी जी, जिला बिलासपुर हि0प्र0 जी की सेवा में सूचनार्थ प्रेषित है।

मन्दिर अधिकारी,  
मन्दिर न्यास श्री नयना देवी जी,  
जिला बिलासपुर हि0प्र0।



3. **Brajeshwari Temple Car Parking**

कार्यालय मन्दिर अधिकारी माता श्री ब्रजेश्वरी देवी मन्दिर काँगड़ा

क्रमांक: १४५ बी.डी.टी. दिनांक १२ जुलाई 2019

सेवा में,

निदेशक,  
पर्यटन विकास विभाग हि. प्र.  
शिमला।

विषय: मन्दिर न्यास माता श्री ब्रजेश्वरी देवी मन्दिर काँगड़ा की भूमि पर बनाई गई पार्किंग से आय - व्यय की जानकारी सम्बन्धी।

महोदय,

उपरोक्त विषय के सम्बन्ध में आपके कार्यालय द्वारा दूरभाष पर मांगी गई वांछित सूचना निम्न प्रकार से है:-

क्रमांक	वर्ष	पार्किंग से आय	कर्मचारी वेतन पर व्यय
1.	2017	2,28,740-00	3,89,872-00
2.	2018	4,57,212-00	पार्किंग को लीज पर ठेकेदार को दिया गया था

भवदीया  
[Signature]  
मन्दिर अधिकारी,  
माता श्री ब्रजेश्वरी देवी मन्दिर,  
काँगड़ा

## 4. Shimla Mall Road

## Municipal Corporation Shimla

No. MCS/COMM/CHO/19- 2904

Dated: 19/10/19

From

The Commissioner,  
Municipal Corporation Shimla.

To

Project Director,  
✓ IDIPT H.P.  
US Club Shimla.1866  
20/10/2019**Subject: Status of utilization of completed project at Shimla Mall Road under Tranche-1 of Asian Development Bank funded project**

Sir,

Please refer your office letter No IDIPT-HP/2676-IND/Closure Report/2019-2622 dated 17/09/2019 on subject cited above. In this regard, it is informed that the Operation and Maintenance (O&M) of the said toilets was previously outsourced to agency named Lok Priya Sewa Sansthan. As per information received from the agency the details of particulars desired in respect of the Public Toilets are as follows:

ADP  
End  
May be  
Send to  
Conduct  
Gandhi  
The de  
Refer to  
MC Board  
11

Sr. No	Sub Project Name	Average daily Foot Fall	Average amount collected daily	Remarks
	Toilets near High Court parking	Approx. 300	Approx. Rs. 250/-	Rs.5 - is charged form each user for of toilet whereas urinals is free of charge
2	Toilets at Rani Jhansi park	Approx. 150-200	Approx. Rs. 100-125/-	

3. As regard Tutikandi Car parking, the charges for the same are being collected by MC Shimla. As per information received 20-25 vehicles on and average are being parked there daily and an amount of approximately Rs. 800-1000/per day is being collected as parking charges.

This is for your information and further necessary action please.

Corporation Health Officer,  
Municipal Corporation Shimla

## 5. Pong Dam and Shimla Lift

closure report  
TI

**HIMACHAL PRADESH TOURISM DEVELOPMENT CORPORATION LTD.**  
RITZ ANNEXE, SHIMLA-171001  
Tel. No: (0177) 2652704-06 Email: [hptdc@hptdc.in](mailto:hptdc@hptdc.in)  
Website: [www.hptdc.in](http://www.hptdc.in)

No. OP-/MISC.-TDC/19 Date:- 16 NOV 2019

To  
The Project Director,  
IDIPT-HP,  
Deptt. of Tourism & CA,  
PMU Office, U.S. Club, Shimla.

Sub.: Status of utilization of completed projects at Pong Dam and Lift, Shimla under Tranche-I of Asian Development Bank funded project.

Sir,

Please refer to your letter No. IDIPT-HP/2676-IND/Closure Report/2019-2612 dated 17.09.2019 followed by reminder dated 14.11.2019 on the subject cited above. In this regard, it is to say that the desired information has already been sent to you vide this office letter of even number dated 11.10.2019 (copy enclosed for kind perusal).

Yours faithfully,

*P. B. Khera*  
GENERAL MANAGER

Encl: As above.

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**HIMACHAL PRADESH TOURISM DEVELOPMENT CORPORATION LTD.**  
**RITZ ANNEXE, SHIMLA-171001**  
 Tel. No: (0177) 2652704-06 Email: [hptdc@hptdc.in](mailto:hptdc@hptdc.in)  
 Website: [www.hptdc.in](http://www.hptdc.in)

No. OP-/MISC.-TDC/19      Date:-

To

The Project Director,  
 IDIPT-HP,  
 Deptt. of Tourism & CA,  
 PMU Office, U.S. Club, Shimla.

Sub.: Status of utilization of completed projects at Pong Dam and Lift, Shimla under Tranche-I of Asian Development Bank funded project.

Sir,

Please refer to your letter No. IDIPT-HP/2676-IND/Closure Report/2019-2612 dated 17.09.2019 on the subject cited above. In this regard, it is informed that the properties as detailed in your said letter are being utilized by HPTDC to facilitate the visitors. The detail of year-wise income generated from them upto 31.08.2019 is given below:-

Sr. No.	Name of the property	2016-17	2017-18	2018-19	2019-20 upto 31.08.2019
1.	Information Centre at Pong Dam	-	-	-	-
2.	Parking & Toilet Facilities at Pong Dam	-	-	-	-
3.	Camping facilities with provisions for 10 Tents including toilets	Rs.5.56 lakh	Rs.14.57 lakh	Rs.11.26 lakh	Rs.2.79 lakh ✓
4.	Landscaping, signages and Allied Civil & Electrical Works near Pong Dam	-	-	-	-
2.	HPTDC, Lifts, Horseshoe Bend, The Mall, Shimla (including new Lift which has been put into operation during the year 2018-19)	-	-	Rs.91.48 lakh	Rs.156.15 lakh

Note:-  
 The income of Lift is inclusive of both old & new Lift as there is only one Ticket Counter & hence, it is not possible to segregate the income of new Lift.

Note:-  
 The income of Lift is inclusive of both old & new Lift as there is only one Ticket Counter & hence, it is not possible to segregate the income of new Lift.

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Further, it is informed that 5 out of 10 Tents at Pong Dam are being converted into Huts to attract more tourists for which the construction work is going on since July, 2019 & likely to be completed by December, 2019.


Yours faithfully,

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*P. S. S. S.*  
GENERAL MANAGER



## 6. Dhameta and Rancer &amp; Karu Island

  
 OFFICE OF DEPUTY CONSERVATOR OF FORESTS  
 HAMIRPUR WILDLIFE DIVISION  
 HIMACHAL PRADESH FOREST DEPARTMENT  
 E-MAIL: [dhohamirpurwildlife@gmail.com](mailto:dhohamirpurwildlife@gmail.com) PH: FAX: 01972-222319

No. 4829

Dated: 27/11/19

From:

Deputy Conservator of Forests  
Wildlife Division hamirpur

To:

Project Director,  
IDIPT - Shimla-1,  
Himachal Pradesh

Subject:

Status of Utilization of completed projects at Dhameta and Rancer &amp; Karu Island under Tranche-I of Asian Development Bank Funded project.

Memo:

Kindly refer to your office letter No. IDIPT-HP/2676-IND/Closure Report/2019-3801 dated 14-11-2019 on subject cited above.

In this regard it is submitted that following projects/assets werer handed over to this Department in Wildlife Range Nagrota Surian and Dhameta. The detail of income generated from these project is given as under.

S.No.	Sub Project	Income Generated	Remarks
1.	Forest Rest House improvement and development of camping sites at Dhameta. ✓	Rs-42920/- w.e.f. July 2018 to Oct. 2019.	This rest house was opened for touriste wef. Jan, 2019.
2.	Re-development of Forest Rest house Rancer Island. ✓	Nil/- Since Tourists are not allowed to stay in this Forest Rest House being at very interior & far of place. Therefore no income generated in this Forest rest House.	Tourists are not allowed for night stay in this FRH but 1796 tourists visited in Rancer Inland w.e.f. July 2018 to 31th Oct. 2019 and this Rest House offers good facility for the Tourists for short stay in the day time.
3.	Jetty Development in Rancer Island and Karu Island.	Boating for Rancer Island up to 31th Oct. 2019 is Approx Rs. 200000/-	Due to development of permanent jetty in Rancer Island, it has become very easy for anchoring of Boats & hence

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			facilitated the Eco-Tourism activity specially Boating to Rancer Island.
4.	Treks around Rancer Island.	Separate figures of income generation from these project are not available, as no special ticket are booked for usage of these track or walking trails or photography etc. from watch tower by the Tourists. But overall income generated wrt all these activities related to entry ticket fee collected in the checkpost at Sukhnada which is Rs. 272060.00 w.e.f. Jul. 2018 to Oct. 2019.	Whereas after the completion/Development of these project inflow of tourists to Sugnara Rancer Island etc. have increased and total combined income w.r.t entry of tourists in the ckeck post id Rs. 2,72060/- up to 31th October.
5.	Landscaping, planting along the peripheral trail and directional signages.		
6.	Watch for Watching Karu Island.	Tower Bird in	

This is for favour of information and necessary action, please.

*Rahul M. Rohnae*  
Rahul M. Rohnae, IFS  
Deputy Conservator of Forests  
Wildlife Division Hamirpur

Endst. No. dated Hamirpur the

Copy is forwarded to CCF WL (N) Dharamshala for information and necessary action, please.

*Rahul M. Rohnae*  
Rahul M. Rohnae, IFS  
Deputy Conservator of Forests  
Wildlife Division Hamirpur

## ENVIRONMENTAL SAFEGUARDS

### A. Implementation of Environmental Safeguards:

1. The ADB-approved environment category of the Project was “B” in line with ADB’s *Safeguard Policy Statement (SPS), 2009*. During Project preparation, two initial environmental examination (IEE) reports including environmental management and monitoring plans (EMMP) (one each for Punjab and Himachal Pradesh sub-projects) were developed. These IEE reports identified environmental impacts associated with and proposed detailed mitigation measures and monitoring plans. An environmental assessment and review framework was also prepared to guide selection and evaluation of additional sub-projects identified during implementation. A total of 36 IEE reports (13 for Punjab and 23 for Himachal Pradesh sub-projects) covering 44 sub-projects (25 in Punjab and 19 in Himachal Pradesh) during the implementation were prepared and disclosed on ADB website. Further, six IEE reports were updated for six sub-projects at Himachal Pradesh to reflect the additional scope of works and though these did not result in any environment impacts. The various aspects associated with implementation of environmental safeguards have been detailed below.

### B. Statutory Environmental Compliance:

2. The requisite environmental clearances (EC) under the environmental impact assessment notification, 2006 applicable for two sub-projects (one each for Punjab<sup>1</sup> and Himachal Pradesh<sup>2</sup>) were obtained from concerned State Environmental Impact Assessment Authorities. Also, the forest clearance, permissions to cut trees, no objection certificates, consent to establish and consent to operate were obtained from the respective regulatory agencies. The works in forest areas commenced only after obtaining the requisite permissions.

### C. Institutional Arrangements:

3. Punjab: An environment and social management cell (EMSC) was established within the Project Management Unit (PMU). A full time Forest Conservation Specialist of the rank of Indian Forest Service on contractual<sup>3</sup> basis was designated as project officer (environment and social) within PMU. It was supported by a dedicated and full-time<sup>4</sup> Environment Safeguards Specialist having dual responsibility for environment and social aspects of the Project. Further, the EMSC was assisted by one Project Implementing Unit (PIU, based at Amritsar), one project implementing cell [PIC-(Forest)]<sup>5</sup>, one Project Management Consultant (PMC), and one Design and Supervision Consultant (DSC, for PIU Amritsar). The PIC-(Forest) consists of the Chief Wildlife Warden, Range Officer, and Research Assistant were working under the PMU. There were total two environment experts (one for the DSC, and other for PMC)<sup>6</sup> having intermittent inputs responsible for EMMPs implementation under the Project. Although intermittent inputs of environment experts were envisaged throughout during implementation. There were additional

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<sup>1</sup> Development of Tourist reception facilities and Car Parking near Wagha border, Attar, Amritsar, Punjab (Package 07)

<sup>2</sup> Multi Parking at Tutikandi Multistorey Parking, Himachal Pradesh (Package 10)

<sup>3</sup> From March 2011 to September 2014 and December 2014 till closure of the Project.

<sup>4</sup> On contractual basis was available from (a) October 2013 to March 2015; (b) April 2016 to May 2016; and (c) July 2016 till closure of the Project

<sup>5</sup> Based at Amritsar since commencement to closure of the Project.

<sup>6</sup> Environment expert consumed input was 3.83 man-months, out of total 10 man-months provided in the contract for DSC. For PMC, environment expert consumed input was 4.97 man-months, out of total 9.5 man-months provided in the contract.



experts such as the (i) Cultural Heritage Conservation Specialist (International and National), Cultural Heritage Conservation Specialist–Archaeology (International), and two Eco-Tourism Specialists in PMC; and (b) Cultural Heritage Conservation Specialist in DSC having intermittent inputs mobilized for the Project.

4. Himachal Pradesh: An EMSC was established within the PMU. A dedicated and full-time,<sup>7</sup> Environment Safeguards Specialist having dual responsibility for environment and social aspects was available for the Project. Further, the EMSC was assisted by three PIUs (based at Kangra, Shimla & Kullu), one PIC-(Forest)<sup>8</sup>, one PMC, and three DSCs (established at Shimla, Kangra, and Kullu). The PIC-(Forest) consists of one Divisional Forest Officer (Wildlife) and two Range Officers were working under the PMU. There were total four environment experts (three for DSCs and one for PMC)<sup>9</sup> having intermittent inputs responsible for EMMPs implementation under the Project. There were additional experts such as the (i) Conservation & Heritage Specialist in PMC; and (b) Forest Conservation Specialist & Eco-Tourism Planner, within two DSCs (at Kangra, and Kullu) having intermittent inputs mobilized for the Project. The designated Managers (as additional responsibility) from the PIUs were also responsible for environment and social safeguards related aspects of the Project. The civil works contractors had designated their existing site staff as environment and safety officers (ESO). These designated ESOs were trained by the environment experts of DSCs and PMCs.

5. Overall, the institutional arrangements for the Project were generally adequate, whereas the required inputs from environment experts of DSCs and PMCs for the Project were limited.

#### **D. Implementation of Environmental Management, Monitoring and Reporting:**

6. The contract documents included the EMMPs. During implementation, the civil works contractors generally implemented all measures required in the contracts. The contractors' staff were provided training to understand the requirements elaborated in the EMMPs. In the early stage of implementation, deficiencies were noted in the monitoring reports and in maintaining the complaints register. The overall implementation of EMMPs could have been better through systematic execution of corrective actions identified during the review missions, and EMRs. Some of the concern areas such as safety measures at sites, provision of basic amenities to laborers, housekeeping practices, testing of environmental parameters such as ambient air quality, ambient noise levels, and water quality as per ADB-approved monitoring plans, etc. were identified during the Project implementation. The Project staff increased the frequency of informal consultations with the locals, whereas the records on public consultations undertaken during implementation were limited. The submission of EMRs were irregular. The environmental performance of the project improved over the period with increased monitoring and coordination by ADB with the Project staff.

7. As per loan covenants, the agreed frequency for EMRs submission by the EAs (Himachal Pradesh and Punjab) was on quarterly basis, which had been revised to semi-annual for Himachal Pradesh by ADB during the review mission fielded in September 2014. A total of 26 EMRs (16 numbers on quarterly basis from January 2014 to September 2018 for Punjab and 10 numbers on semi-annual basis from January 2013 to December 2018 for Himachal Pradesh

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<sup>7</sup> On contractual basis was available from April 2014 till closure of the Project

<sup>8</sup> Based at Amritsar since commencement to closure of the Project

<sup>9</sup> Environment expert consumed input was 5.73 man-months for DSC, out of total 30 man-months provided in the contract and environment expert consumed input was 22.48 man-months for PMC, out of total 28.50 projected man-months (Originally as per contract, it was 14 man-months inputs, which increased to 28.50 man-months).

components) were submitted by respective EAs. The EMRs captured the status of regulatory compliances, implementation of EMMPs, etc. adequately and were disclosed on ADB website.<sup>10</sup>

#### **E. Grievance Management System:**

8. The grievance redress committees were established at PMU and PIUs levels and continued to be functional till closure of the Project. Some of the grievances related to works were removal of debris and backfilling of open pits, etc. The Project staff responded to these grievances in reasonable time and obtained feedback from the complainants about resolution prior to closing the grievance log. The complaints related to environmental safeguards had not been received by the EAs.

#### **F. Overall Improvement in Environmental Conditions:**

9. The Project is assessed to be environmentally sustainable as it contributes to eco-tourism development in both the states (Punjab and Himachal Pradesh). Site specific eco-tourism management plans were prepared and implemented by the project proponents with customize facilities for various target groups. Pollution from tourists has impacts on the global level that disturbs the local population of the caused community. Solid waste and littering in the nature despoil the natural environment. Key environmental benefits included improved on-site and off-site sanitary conditions at tourist destinations. The basic urban infrastructure (such as roads, last mile connectivity, and multi-level parking) and incidental services (such as public toilets, street signage, and lighting) at existing and emerging tourist destinations and gateways were provided under the Project. In tourism projects the conservation of the natural, cultural and built environment is an important motivation for the initiation of the project. Therefore, tourism contributes positively to environmental preservation. Some of the examples are (a) Keshopur Wetlands, Punjab where miscellaneous investments were made to develop the facilities for visitors, bird watching, signage and eco-camping; and (b) camping tents at Pong Dam and Naina Devi temple car parking, Himachal Pradesh.

#### **G. Lessons Learnt:**

10. Timely mobilization of designated environmental experts from PMU, continuation of environment experts by the consultants and civil works contractors to ensure the systematic supervision, monitoring, data mapping on implementation of EMMPs till closure were required for the Project.

11. **Status of Compliance with Environmental Loan Covenants:** Both the EAs complied with all environmental loan covenants for the Project.

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<sup>10</sup> <https://www.adb.org/projects/40648-023/main#project-documents>

## **ASSESSMENT OF SOCIAL SAFEGUARDS IMPLEMENTATION**

### **A. Social safeguards implementation arrangements**

1. An environment and social management cell (EMSC) responsible for implementing safeguards requirements was established within the Project Management Unit (PMU) at Punjab and Himachal Pradesh. The EMSC at Punjab was headed by the Forest Conservation Specialist and supported by (a) Environment-cum-Social Safeguard Specialist at PMU, and (b) Community Development Specialists at Project Implementation Units (PIU), while EMSC at Himachal Pradesh comprised of a Safeguard Specialist (Social and Environment) at PMU and the five Community Organizers at the PIUs. The ESMCs were further supported by the resettlement specialists of the Design and Supervision Consultants (DSC) and Project Management Consultants (PMC) on an intermittent basis. The overall institutional arrangements for the management of social safeguards are assessed as adequate.

### **B. Social safeguards**

2. The Project was categorized "C" for the involuntary resettlement (IR) and Indigenous Peoples (IP) at appraisal in accordance with ADB's Safeguard Policy Statement (SPS), 2009. It continued to remain "C" for both IR and IP during implementation until the closure of the Project. The subprojects did not cause any land acquisition or temporary/permanent physical and economic displacement, and works were carried within the available government land and/or existing right-of-way except for one subproject in Himachal Pradesh wherein a private land parcel was purchased in March 2013 through negotiated settlement from a willing-seller and validated by the third party. The detailed consultation was held by the Mission in June 2013 with the seller to ascertain that the land was purchased through a process of negotiated settlement without any coercion for the subproject, development of tourist reception facilities and car parking near Wagah border, Attari, Amritsar.<sup>1</sup> A resettlement plan was developed to reflect the land purchase activities (on a willing buyer - willing seller basis) and was disclosed upon its clearance on the ADB website besides 17 social due diligence reports (seven for Punjab and 10 for Himachal Pradesh) confirming no social safeguards impacts were also prepared during the implementation of the Project.

### **C. Information disclosure, Grievance redress, and Monitoring**

3. Information disclosure, participation, and periodic consultation activities for the implementation of social safeguards were carried out by the executing agencies from both states. Such activities included: (i) distribution and dissemination of Project information among people in the local language (Punjabi and Hindi in Punjab and Himachal Pradesh, respectively); (ii) regular consultative meetings with people and other stakeholders during project implementation; and (iii) disclosure of social safeguards documents on their project websites.

4. The grievance redress mechanism was established in both executing agencies in accordance with the agreed resettlement framework to address any project-related grievances pertaining to social safeguards. The project authorities confirmed that no grievances related to social safeguards were received during the project implementation in both states. Both executing agencies monitored and reported on the social safeguards throughout the

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<sup>1</sup> The amount of ₹0.30 million was paid through negotiation settlement to one household.

implementation of the Project. Overall, the implementation of social safeguards for this Project in both states is assessed to be in compliance with SPS 2009.

#### **D. Conclusion and lessons learned**

5. During the implementation, the possibility of minor resettlement impacts envisaged was avoided through technical modifications to comply with the ADB's key principle of avoiding and minimizing the resettlement impacts. Extensive consultations with people and support by the local governments enabled the successful implementation and completion of the Project. The suggestions and guidance provided by the Missions from time to time were implemented by the project authorities, which supported in the proper implementation and documentation of social safeguard requirements.