



CAPACITY BUILDING FOR INDUSTRIAL POLLUTION MANAGEMENT PROJECT

MID-TERM REVIEW MISSION MAY 27 -JULY 10, 2013
AIDE-MÉMOIRE

I. INTRODUCTION AND ACKNOWLEDGEMENTS

1. The Mid-Term Review (MTR) mission of the Capacity Building for Industrial Pollution Management Project was undertaken over the period May 27 – July 10, 2013. The mission included field visits to the 4 pilot remediation sites and discussions with the Ministry of Environment and Forests (MoEF), and the Pollution Control Boards of Andhra Pradesh and West Bengal (APPCB and WBPCB respectively). Separate meetings to discuss various technical studies were held with consultant teams during the mission period. At the national level, wrap-up meetings were held with Dr. V. Rajagopalan, Secretary and Mr. Shashi Shekhar, Special Secretary MoEF and the Department of Economic Affairs (DEA). In West Bengal, wrap-up meetings were held with Mr. Trilochan Singh, Additional Chief Secretary, Environment, Government of West Bengal (GoWB) and Dr. Binoy Dutta, Chairperson, WBPCB, and in Andhra Pradesh, with Mr. M. Samuel, Special Chief Secretary, Government of Andhra Pradesh (GoAP), Mr. B.S.S. Prasad, Special Secretary - Environment, GoAP and Ms. Janaki Kondapi, Chairperson, APPCB. The list of people met during the mission is presented in Annex I.

2. The objectives of the mission were to (i) review overall status of implementation, since the last Implementation review mission in January 2013 (ii) discuss relevance of Project Development Objective and agree on changes, is needed, (iii) In light of the slow disbursement, agree on clear action plans to speed up disbursement in the project, in particular finalize detailed steps and timelines to complete the remedial plans of the pilot sites and procurement schedules for contracting of works (iii) Review financial management system, procurement management system, environmental and social impact management processes, grievance redressal mechanisms, Governance and Accountability Action Plan and the roll-out of the communication plans (iv) develop and finalize revised Results Framework and monitoring indicators, based on expected project outcomes, in line with request for restructuring received from DEA; (v) Finalize financial reallocations among budget lines and discuss utilization of savings in credit amount, if any; and (v) agree on Action plan for next 6 months.

3. The World Bank mission team¹ wishes to thank the officials from MoEF and the Governments of Andhra Pradesh and West Bengal for their commitment, cooperation and support to the mission. The *Aide Memoire* summarizes the discussions during the mission and agreed next steps.

II. KEY PROJECT DATA

Project Data		Project Performance Ratings			
Board Approval:	3 June 2010	<i>Summary Ratings:</i>	<i>Last</i>	<i>Now</i>	
Effectiveness Date:	13 October 2010				
Original Closing Date:	30 September 2015		Achievement of Project	S	MU
MTR Date:	15 June 2013		Development Objectives		

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	Original Grant Amount (US\$)	Amount Disbursed (US\$)	Implementation Progress	MU	U
			Safeguards	MU	U
IBRD	25,210,000	63,025 (0.25%)	Financial Management	S	S
IDA	38,940,000	8,506,232 (21.43%)	Procurement	MS	MS

III. SUMMARY FINDINGS AND KEY DECISIONS

4. The Mid-Term Review mission undertook a detailed review of project activities and institutional and implementation arrangements in the Project Implementation Units (PIUs) in Andhra Pradesh (AP), West Bengal (WB) and MoEF to assess likelihood of satisfactory implementation and completion within current project life. The core priority activities (constituting 80% of project cost) namely the 4 pilot remediation investments, are almost 10 months behind schedule. This has had direct impact on project disbursement, which is currently lagging by 12 months. The development of the national policy and other complementary activities are going on slowly but are expected to be completed within the project period (September 2015).

5. The mission deliberated extensively on project activities, with focus on (i) core activities which have been delayed, namely the 4 pilot remediation pilot investments (ii) complementary pollution prevention activities, namely ECAC and sector studies and training; (iii) activities with excess funds or those which cannot be completed within the remaining 27 months and (iv) new activities which have been proposed during the MTR mission.

6. The mission agreed on timelines for achieving critical milestones in each of the pilot projects (Annex II) and there is a clear understanding that non-compliance by October 2013 will result in cancellations of those activities, specifically Hooghly and the Dhapa sites in West Bengal. The current estimate of these pilots is about US \$ 17 million. Currency fluctuations have led to accrued savings which could be as high as US\$ 5.9 even if all old and proposed new activities are implemented. The activities and proposed reallocated funds are detailed in Table 2 below.

7. Based on the review, overall project development objective is downgraded to Moderately Unsatisfactory and project implementation progress is down-graded to Unsatisfactory at MTR due to continuing lag in disbursements, delay in core activities and poor project management. The findings of the mission, key issues and list of actions with timelines are detailed in the following sections.

IV. ACHIEVEMENT OF PDO

8. The Project Development Objective (PDO) is *to build tangible human and technical capacity in selected state agencies for undertaking environmentally sound remediation of polluted sites and support the development of a policy, institutional and methodological framework for establishment of a National Program for Rehabilitation of Polluted Sites (NPRPS).*

9. Extensive discussions were held with MoEF and the states on the relevance of the PDO and its alignment with project activities. MoEF and the states have indicated that the PDO remains relevant and is aligned with the project activities (i.e developing a comprehensive framework for remediation of contaminated sites while developing/enhancing capacity of the regulatory agencies in the States and at the Centre). Project implementation remains consistent with the approach defined in the Project Appraisal Document, i.e.:

- Learning-by-doing approach through pilot demonstration projects on remediation and training and learning activities.
- Integrated pollution management through integrated or area-wide approach which involves concerned stakeholder and beneficiaries at every stage and information dissemination and training.

10. The mission rates the PDO at MTR as Moderately Unsatisfactory given the delays in completing the core activities critical for achievement of Project Outcome Indicators as detailed in Table 1 and delays in completing the restructuring of the project.

Table 1: Status of achievement of project indicators:

Project Outcome Indicators	Target at MTR	Status of Achievement
1. National Program for remediation of polluted sites using risk assessment methodology for prioritizing polluted sites, supported public consultations developed	Approval of NPRPS by POC	MTR Target not met. POC approval expected by July, 2014 (refer. para 15 of the aide memoire)
2. Pilots for remediation using area based approach ready for implementation including pollution profiling and mapping, indicators, detailed engineering plan, monitoring and after-care program	25 percent of site remediation closure completed at 2 HW sites; 20 percent of closure of MSW sites completed	MTR Target not met. Remediation works of 4 pilot sites expected to start by January 2014 (refer. Paras 29 - 34)
3. Establish national clean-up standards and monitoring mechanism	Continuous monitoring of pilot sites using monitoring protocols and compliance with standards specified for pilot sites	MTR Target not met. Expected in 2014, after the development of National Program for Remediation of Polluted Sites
4. Establish Environmental Compliance Assistance Center to promote measures for voluntary industrial compliance	- Fully staffed and operational WB ECAC - Stakeholder consultation completed for dissemination of best practices in HWM shared among PCBs	<ul style="list-style-type: none"> WB ECAC established with infrastructure in place Discussions and training programs on best practices undertaken with other PCBs
5. Establish knowledge dissemination network for SPCBs	Documentation and dissemination of lessons learnt from remediation good practices shared at workshop with state PCBs	MTR Target not met. MoEF recommends dropping of this activity.

V. RESTRUCTURING

11. A DEA request for restructuring was received in November 2012 which included revision of Results Framework and of financial allocations among budget lines. The task team initiated discussions and consultations with project counterparts since mid-April 2013 on these various elements. This was followed by extensive discussion during the mission, with state PIUs and MOEF and a final communication was received from MOEF on July 12, with a revised results

framework and revised financial tables for MOEF component. These will be considered during the restructuring of the project, after Bank management's approval.

Table 2: Activities and proposed reallocated funds

S. No	Category	Activity	Initial outlay (US\$ '000)	Revised Estimate (US\$ '000)	Difference US\$ '000
1	Core activities that have been delayed	1. Remediation Pilots			
		(i) NMK	\$30,913.77	\$25,269.69	\$5,644.08
		(ii) Kadapa	\$3,801.30	\$6,842.50	-\$3,041.20
		(iii) Dhapa	\$7,984.03	\$8,457.16	-\$473.13
		(iv) Hoogly	\$10,042.31	\$8,721.47	\$1,320.84
		2. Trainings			
		(i) Trainings AP	\$462.50	\$377.68	\$84.82
		(ii) Trainings WB	\$379.04	\$379.04	\$0.00
		(ii) Trainings MoEF	\$700.00	\$709.26	-\$9.26
2	Complementary Activities	ECAC WB	\$4,800.92	\$1,890.10	\$2,910.82
		ECAC AP	\$407.42	\$450.99	-\$43.57
3	Activities with excess funds or those that cannot be completed within the project lifetime	SPCB Network	\$647.69	\$100.00	\$547.69
		Technical Consultants	\$771.11	\$300.00	\$471.11
4	New activities which were included during MTR	CPCB Lab Equipment	\$0.00	\$1,486.00	-\$1,486.00
		Difference in allocated funds			\$5,926.20

VI. IMPLEMENTATION STATUS

12. Since the last mission in January 2013, the two PIUs have taken steps to catch up with the timelines and disbursement, but some of the agreed activities remain on critical path. The MOEF, in collaboration with AP and WB PIUs submitted a MTR evaluation report prior to the mission, which details project implementation status, achievements, issues and proposed changes for improved implementation and financial reallocations. Key issues identified in last Implementation review mission and status of completion of agreed actions, compliance to legal covenants, social and environment safeguards, and accountability aspects (financial management, procurement and governance) are summarized below:

1) Component 1: Strengthening Environmental Institutions: Building Capacity for Remediation (US\$ 16.74 Million)

13. This Component is rated Moderately Satisfactory due to progress on NPRPS and business strategies of ECAC in both states and satisfactory completion of laboratory strengthening in AP.

Sub-component 1.a: National Program for the Rehabilitation of Polluted Sites (NPRPS):

14. The three baseline studies ((i) Financial, Institutional and Legal study for development of NPRPS (ii) development of methodologies and (iii) Inventory and Mapping of polluted sites) were commissioned by MOEF in March 2012. The mission notes that this activity has been on track until May 2013, but has had a significant slow-down since then, resulting in delay in study deliverables. Unless the earlier momentum is maintained, it will be difficult to reach completion deadline of September 2013.

15. All three consultants have completed the current situational analysis and review of international approaches. MoEF has organized quarterly discussions with the consultants and CPCB since August 2012. The mission notes that the 3 consultants have now taken a coordinated approach to their respective assignments and data about inventory of contaminated sites, proposed methodologies for types of sites is being shared. This will strengthen their respective products and the overall output of the NPRPS. The MoEF proposes to complete this activity by September 2013, followed by consultations with stakeholders until July 2014, which will allow about 14 months to start processing the policy through Government of India's internal procedures and clearances.

16. As an output of assignment (iii) an inventory of 570 probably contaminated sites has been compiled, which is being revised based on a broader definition of hazardous waste sites and reconnaissance visits of sample sites. The data obtained during the site inspections will be compiled and uploaded on an electronic GeoEnviron database. The consultants have submitted a proposal for licenses for database for all SPBCs including training sessions and a web platform. The mission suggests that MOEF obtain only five licenses (three free and two paid licenses) for now and upgrade to the requisite number once it is satisfied with the initial database. The consultants are also finalizing a Site Inventory Protocol and Guidance documents on Methodologies for risk assessment to help establish priorities in clean up investments and for the process of site assessment and remediation (product of assignment ii).

17. These Guidance documents will benefit other states in their remediation activities and the MOEF should consider a system to maintain and disseminate these documents for easy long-term access. It is also recommended that MOEF involve state PCBs (project and NCEF² states) in these discussions to further strengthen the technical content of these documents.

Sub-component 1.b. Environmental Compliance Assistance Centers

18. *WB ECAC*: Based on detailed reports submitted, the mission noted that over the past 12 months, 8 sector specific workshops have been undertaken focused on cleaner production processes and technologies in the textile, foundry, dyeing and bleaching, small scale secondary lead smelting, sponge iron and tannery sectors. Two cross-state study tours were undertaken to review good processes in dyeing and bleaching and sponge iron sectors. The mission urges the WB-ECAC to reduce the number of WBPCB staff and increase the representation of industries, especially small-scale ones, at these workshops and study tours. A 12 month action plan for FY14 has been submitted and status of ongoing sector studies is provided in Table 3 below.

Table 3: Status of Sector Studies

Sector Study – Tannery	1st Interim Report reviewed by the WBPCB; revised report pending. Study progress slow
Sector Study – Sponge Iron	2nd Interim Report reviewed by the WBPCB; revised draft being reviewed. Study progress slow

19. The consultancy for the development of business strategy of the ECAC is continuing satisfactorily and the mission attended an industry consultation workshop for presentation of findings and obtaining final feedback. The assignment will provide a customized information database for different categories of industries, recommend strategies to provide business incentives for cleaner technologies and prepare a plan for establishing a technology bridge. The

² National Clean Energy Fund: The national program for remediation being implemented by the CPCB and 9 states

recommended Business Strategy and recommended operational and financial models for an autonomous ECAC was presented on July 15, and is to be followed by stakeholder consultations between July and August. The ECAC has fully established infrastructural and hardware set-up and the mission urged the WB-PIU to enhance the staffing and improve the management team, so as to enable effective implementation of the recommended business strategy.

20. *AP ECAC*: The development of business strategy is continuing satisfactorily and during the mission, the consultant team presented their findings with regard to industry needs and willingness to pay for services along with options for institutional structure, manpower and financial models. Consultation workshops will be held with key stakeholders over July-September. Discussions with senior officials at GoAP and APPCB indicates that there is an agreement for establishing an ECAC, but its institutional model –as a stand-alone institution or subsumed within an existing agency – requires final consensus. The PIU will inform the Bank of GoAP’s final decision, which will be taken when the Project Steering Committee meets before end August 2013. As of now, PIU has not defined any future activities or allocated funds for its ECAC.

Sub-component 1.c. Institutional Capacity Building of State Pollution Control Boards

21. *Laboratory Strengthening WB*: The PIU has procured some equipment, while others are still in process and expected to be completed by November 2013. The mission requested the PIU to submit a detailed report on equipment inventory and utilization by July 20.

22. *Laboratory Strengthening AP*: The PIU has completed procurement of all equipment packages, all of which have been commissioned and installed. The Bank has cleared the bid documents for lab refurbishment, which requires multi-disciplinary experts (civil and electrical engineering, air conditioning & mechanical ventilation, furnishing works, fire safety). A third party quality assurance consultancy is also to be commissioned. The PIU submitted a report detailing the utilization of new lab equipment and savings accrued. The other advantages of in-house testing include timely delivery, quality management and maintenance of confidentiality and strengthening the capacity of the lab technicians through training by suppliers and the international consultants. More details are provided in Annex IX.

23. *Laboratory Strengthening MOEF/CPCB*: During the MTR, MOEF proposed the inclusion of a new activity for procuring analytical and monitoring equipment for the CPCB, amounting to US\$ 1.5 million. The mission agreed with this proposal, as it meets the broader capacity building objective of the project. The mission further requested MOEF/CPCB to submit a detailed procurement plan considering the project closing date, details with regard to deployment of the equipment (CPCB main and /or zonal offices), procurement arrangements / process proposed and proposed result indicators for this activity. Given that equipment procurement process takes about 12-16 months, it is imperative that the procurement shall commence by August 30, 2013, so that it can be completed within the project lifetime.

24. *Training*: The mission noted that only one training activity has been completed in FY13. AP-PIU satisfactorily completed the training on “Use of modern tools to identify legacy sites and innovative remediation technologies” in April 2013. Two other training activities were proposed for FY13 but were not approved by MOEF to allow attention to be focused on the 4 pilot sites. A revised Training Plan was proposed by MOEF and the states, and the mission cautioned that funding and time allocation for each activity needs to be realistic. The revised Training Plan is provided in Annex III and should be monitored closely.

25. *SPCB Network*: There has been no deliberation or discussion of this concept and no movement on this activity over the past 2 years. The MOEF has suggested that this activity be dropped as they do not see its utility. The mission agreed with the proposal although there are obvious long-term advantages in maintaining such a nation-wide up-to-date technical information network on remediation (ref para 18).

26. *Studies AP*: GoAP in collaboration with GIZ, has completed a rapid assessment of Sources of Pollution of NMK Lake, the findings of which have been utilized for developing the remediation plan. The studies on inventorization and characterization of hazardous waste and MSW dumpsites have commenced and the draft inception reports have been submitted, which are to be presented to the PIU by July 30. The PIU has decided to drop 3 studies and include 2 new ones, based on evolving needs identified over the years since project preparation. The timeline for these studies is 12 months and the contracting process should be completed by October 2013. The mission requested PIU to maintain the timelines so that the studies can be satisfactorily completed by November 2014.

27. *Studies WB*: The study on inventorization and characterization of hazardous waste started in January 2013, and the draft report is expected to be completed by December 2013. The assessment study of 5 contaminated sites in naphthalene and mercury industrial clusters and the final plan is expected to be submitted by October 2013.

2) Component 2: Investments in Priority Remediation and Environmental Improvements in orphan hazardous waste sites and municipal dumpsites (Estimated cost including contingencies: US\$ 52.80 Million).

28. While recognizing the lengthy and complex nature of the remediation process, gradual augmentation of technical skills and also the efforts made by the state PIUs, the mission rates this component as Moderately Unsatisfactory due to slow progress on completion of remediation plans of the two WB pilot sites and delayed clearances by MOEF and their Technology Evaluation Panel (TEP) resulting in 5 month delay for the 2 AP pilot sites.

Site A: Noor Mohammad Kunta Lake (NMK), AP

29. The remediation plan for NMK with detailed costing and operations and maintenance requirements has been finalized and was approved by the TEP in May 2013. The remedial civil works have been split into 5 main packages, as detailed in Table 4 below:

Table 4: Details of procurement packages for NMK Lake

Package	Name	Award of contract by
I	Construction of fences around the FTL of NMK lake and 3 common areas of Katedan Industrial Area	Oct 25, 2013
II	construction of a weir in the bund of NMK lake	Oct 25, 2013
III	Dredging of drains, swamps and NMK lake, se-watering, placing of geotubes and strengthening of bund (ICB)	Dec 30, 2013
IV	Assessment for Up-gradation of Effluent treatment plant	Dec 30, 2013
V.	Up-gradation of Effluent treatment plant (works)	April 2014

30. The detailed drawings are in final stages of finalization and are to be sent to the Bank, along with the bid packages and the Environment and Social Management Plan (ESMP), as per the timelines provided in Annex II. AP-PIU is in process of hiring a supervision consultant firm to provide quality assurance and certification of engineering aspects during remediation works, in

collaboration with the APPCB engineers. GoAP has also initiated the formation of a NMK Lake conservation committee with local representatives, NGOs and other stake holders. The mission is hopeful that, with the current pace of activities, AP will be ready to commence remedial works on this site by January 2014, as per agreed timelines.

Site B: Remediation of old municipal dump in Kadapa District, AP

31. The final closure and containment plan were shared with the TEP in March, and approval was received in May 2013. (Details of TEP approval in Annex VII) The draft ESMP was discussed with stakeholders in March and the final document is to be finalized, approved and disclosed by July 20. The construction of new sanitary landfill has been delayed, and the Commissioner and Director of Municipal Administration department has committed to completing this by November 2013. The mission urged the AP-PIU to regularly follow-up, to ensure that the new landfill is operational before the remediation works start in December 2013.

Site C - Remediation of old Dhapa municipal dumpsites, WB

32. The recommended closure and containment options were shared with the TEP and MoEF during the mission and it was agreed that the Dhapa site will be remediated by capping the waste with an impermeable membrane and providing the adequate leachate treatment and gas collection mechanism. MOEF provided the formal clearance of the agreed plan by July 8, and the ESMP and final detailed designs are to be submitted by July 5 for formal approval of the Bank. (Annex II). The task team will work closely with WBPCB, but if the key actions are not completed by October, there is an understanding that the pilot would be cancelled. The mission noted also that the GoWB has committed to identifying new land and constructing a new sanitary landfill within the next few years, in time for closure of the adjoining larger Dhapa dumpsite. The Bank and MOEF have requested GoWB to provide this commitment formally in writing, with broad milestones prior to start of remedial activities on the pilot site.

Site D: Remediation of 7 chemically contaminated sites in Hooghly district, WB.

33. Further to an environmental and social risk profiling of 27 identified chromium impacted sites, a qualitative risk assessment ranking was done, followed by detailed investigations and a human health risk assessment. Based on these detailed studies and consultations, 15 sites were identified to have significant risk to human receptors with respect to Chromium VI in either soil or shallow (perched) groundwater.

34. Hooghly is the most complicated site in terms of land-ownership patterns and social and stakeholder issues. 80% of the contaminated area is on private land and only 20% is public land. The TEP and MoEF were presented with a broad overview of remedial options by the consultant team but the formal process of approval will be undertaken, after the approval of the final draft report by the State Project Steering Committee. It was noted that since the project is a demonstration pilot, it may not be feasible to remediate only those portions which are on public land. It is hence important that a decision will need to be made by GoWB with regard to financing remediation on private sites in Hooghly, including setting up systems for future pollution management and completing remediation in the other identified sites. It is also recognized that most contaminated sites across India will have similar issues, and therefore the experience of the Hooghly implementation will benefit MoEF, CPCB and NCEF states.

35. This pilot has made the least progress and is at risk of cancellation if critical steps cannot be completed by October 2013. The detailed remediation plan needs to be cleared by TEP, followed by formal approval by the Bank. The ESMP also needs to be finalized, approved and disclosed. As a next step, the Bank is proposing to carry out a review mission in October 2013

and based on the progress achieved, a decision would be made on moving forward /cancellation of the pilot (s) of West Bengal.

3) Component 3: Project Management

36. This Component is rated Unsatisfactory due to slow progress on hiring of technical expertise at MoEF and insufficient and irregular involvement of Project Director and team in overall project implementation.

37. MoEF continues to have an understaffed PIU with intermittent technical support from CPCB. After the unsuccessful attempt to hire a Project Management Consultant firm in 2011-12, MoEF has not actively pursued hiring of technical consultants. The mission was informed that MoEF is seeking a waiver of the condition imposed by the Ministry of Expenditure to enable them to establish a project PIU. A proposal for hiring national and international consultants is now awaiting internal MoEF clearance. The mission urged the MOEF to complete this hiring process by September 15, so that the consultants can provide technical support for the NPRPS and the pilot remediation works.

38. The repeated change in project leadership at MoEF, with 4 project directors in 3 years, has also prevented MoEF from providing the proactive and consistent leadership that the project requires to maintain its momentum. The mission believes that sustained project management and technical support is necessary for implementing such a complex project aimed at launching a national policy and blueprint for remediation and for its long-term sustainability. The mission also urged MoEF to expedite the extension of the Procurement and Financial Management consultants, whose contracts came to an end on June 30. Timeline for these activities is detailed in Annex II, Table 3.

39. While the TEP composition has been strengthened, change in MoEF project team and restricted availability of TEP members resulted in 5 month delay in concurrence/approval of remedial plan for NMK Lake and Kadapa. During the mission, timelines were drawn up to ensure that such delays do not recur for the two WB pilots.

40. AP-PIU has a cohesive and consistent structure, resulting in smooth implementation of project activities. The WB-PIU had faced considerable staffing and coordination challenges but over the past few months, increased oversight by the Chairman and Additional Chief Secretary of GOWB has spurred momentum in project activities. However, the mission urges the PIU to enhance coordination within the project team, improve the set-up to allow expeditious clearances of reports and disbursements and also strengthen the ECAC staffing so as to complete the ongoing activities satisfactorily.

41. MoEF and the two state PIUs housed in the PCBs are technical organizations with little or no experience in dealing with large works contracts. Though this capacity constraint is not yet a bottleneck, this is a concern as the remediation pilots proceed towards bidding, contracting and implementation. AP-PIU has started the process of strengthening their unit by deputing/hiring in new qualified engineers/consultants and WB-PIU will have to start similar action. It is urged that MoEF also strengthen their capacity to review such documents and support the states in the subsequent phase of the project.

42. The Project Oversight Committee meeting, which was scheduled to be held in March 2013, has been delayed. The MoEF is urged to have the meeting before August 30, 2013 so as to

approve the annual project plan for FY14 and the final AP remediation plans. Details of Governance and Accountability Plan are provided in Annex VIII.

VII. SAFEGUARDS

Environment:

43. The mission downgrades this component to Unsatisfactory due to the ongoing delay in finalizing and disclosing the Environmental and Social Assessment (ESA) Reports.

44. The ESA reports for the closure and containment of municipal solid waste dump sites in Kadapa and Dhapa were sent to the Bank in April, 2013 and for the remediation of NMK Lake was received during and after the mission. Comments on the three ESA Reports have been provided by the team and discussions were held with the consultants on improving the quality of the reports. The final reports for the three sites were submitted in the last week of July and Bank team has provided its comments. Completion of these reports and disclosure both locally and at the Bank Infoshop, is on a critical path.

45. The mission requested both the PIUs to (i) obtain necessary clearances / no-objections (such as NOC from EKW for Dhapa, consents from relevant land owning departments for Hooghly and NMK, NOC for closure of municipal dump sites, etc.) for all the pilot sites and (ii) ensure that agreed time lines for prior actions by the stake holder agencies are complied with as per the agreed schedule. The team requested the PIUs to closely follow up on these activities, as their completion is mandatory prior to the commencement of the bid process for the respective pilots.

Social and Communications

46. The mission urged both PIUs to pay greater attention to improve the quality of the Social Assessment and Management Plans. During the mission, a detailed Action Plan was agreed with the respective PIUs to complete the documents and disclose them prior to issuance of bids as per the Bank's safeguards policies. The PIUs need to take steps to make the complaint/feedback mechanisms effective including designating grievance officers and recording and monitoring all grievances. Periodic progress reports on the social and communication aspects with respect to pilot sites must be shared with the Bank on a regular basis.

47. The state PIUs have finalized communications strategy for both project and pilot sites level communications but have still not developed and effectively begun implementing the communications action plan and activities. Most of the required communication material – short films, pamphlets, newsletter, posters, interpersonal communication tools – are still to be designed and developed. An effective Grievance Redress Mechanism, including plans on how to inform the various stakeholders, has not yet been developed. While the records of stakeholder consultations are being disclosed on the project websites, the mission suggests that their lessons and recommendations be incorporated into an action plan.

48. It is recommended that AP-PIU hires a dedicated mid to senior level communications professional at the earliest as the current team seems unable to devote adequate time and attention to the communication needs of the project. In addition, the process of hiring NGOs for communication at the pilot sites, hiring of firm(s) to design and produce communication material need to be speeded up. The WB PIU has to develop better coordination mechanism with the Consultant Firm hired to design and implement the communication component of the

project. Adequate funds too need to be allocated for production of communication material and its dissemination.

VIII. FIDUCIARY

Financial Management

49. The mission rates this component as Satisfactory as there are no constraints and delays noticed in the transfer of funds by MoEF to APPCB and WBPCB.

50. The MoEF has made an adequate budget provision to implement the planned project activities of FY 2013-14 and the project is also regular in the submission of consolidated Interim Financial Reports to the Bank. The statutory auditors of APPCB and WBPCB are in place and it has been agreed that the audit report for FY 2012-13 will be submitted to the Bank before the due date of September 30, 2013.

51. The WBPCB has made a budget provision for the State contribution in the annual state budget of FY 2013-14. The mission requested APPCB to follow up with the state finance department and make certain that adequate budget provision for the state share is made in the annual state budget and funds are accordingly received into the project bank account. MoEF has been requested to extend the requisite support to APPCB to bring this long outstanding matter to a closure. A consolidated Interim Unaudited Financial Report (IUFR) for 1st quarter of 2013-14 (from 01-04-2013 to 31-05-2013) was received on June 6, 2013 and approved by the Bank for reimbursement.

52. Disbursement is lagging by almost 12 months. It is estimated that the disbursement for FY14 will amount to about US\$ 11 million, if all established timelines are met.

Procurement

53. The mission rates this component as Moderately Satisfactory due to delays in completing the procurements as planned, partial non-compliance to Bank's mandatory disclosures and delays in contract implementation and hiring contract management staff.

54. The mission reviewed the procurement status vis-à-vis the current procurement plan of each PIU and discussed procurement issues on specific contracts under implementation and capacity building plans for execution and management of remediation related civil works of the four pilot sites. All 3 PIUs have adequate procurement staff and have made good progress in procurement of goods as per plan. AP-PIU has completed procurement of all planned equipment while WB-PIU is in process of completion. While all major consultancy services have been awarded, the mission recommended that, to avoid delays in contract execution, the state PIUs should use the contractual provisions for getting timely outputs as per the TOR.

55. The hiring of Project Management Consultant at MoEF was cancelled with a view to hire individual consultants who would provide strategic direction to the project and to the state PIUs. However, MoEF has not made any progress in this activity. MoEF did not have any goods procurement planned under this project, but if the new activity of procurement of CPCB laboratory equipment is approved, it will have to be included in a new Procurement Plan and sent to Bank for clearance before procurement process starts.

56. The state PIUs need to begin the process of bid invitation for all planned civil works, i.e. for laboratory refurbishment and pilot site remediation. Since commencement of the civil works will

have significant improvement on disbursement, it is important for the remediation consultants to timely submit the reports and prepare the bidding documents and for the PIUs to ensure timely award of civil works contracts in next six months and implementation of the same through effective contract management. The mission expressed concerns over staff adequacy and capacity for handling remediation related and recommended that the PIUs bring on board staff, through deputation from other departments like PWD or Irrigation Department, who are authorized to approve civil works. The State PIUs should also initiate the process of hiring consultancy services for civil works quality audit and supervision of remediation works. The mission recommended that the PIUs undergo a customized training on contract management before commencement of works and also procure a contract management tool which will help them to monitor the civil works.

57. The PIUs have updated the respective websites to include the contact details of grievance handling authorities but the latest approved procurement plans and award of contract information also need to be uploaded. The mission requested the PIUs to send the status of revised procurement plan with details of number of packages for which contract has been awarded along with value with respect to the agreed procurement plan. The procurement rating shall be reviewed over next six months vis-à-vis the agreed actions and progress of procurement. The procurement risk at this stage continues to be rated as Moderate.

IX. NEXT STEPS

58. The task team proposes to undertake a mission in October 2013 to review the progress of agreed action plan and finalize restructuring, including cancellations of those activities which have not met agreed timelines.

ANNEX I

List Of Persons Met

Ministry of Environment and Forests

Dr. V. Rajagopalan, Secretary
Mr. Ajay Tyagi, Joint Secretary/Chairman of CPCB (Project Director)
Dr. Chandni, Director
Ms. Shruti Rai, Deputy Director
Mr. R.K. Gupta, Procurement Consultant
Mr. R.S. Mishra, Accounts Officer

Department of Economic Affairs

Mr. Sanjay Garg, Director (MI)

Government of Andhra Pradesh

Mr. M. Samuel, Special Chief Secretary, Environment, Forests, Science & Technology
Mr. B.S.S. Prasad, Special Secretary (Environment), Department of Environment, Forests, Science & Technology

Andhra Pradesh Pollution Control Board

Ms. Janaki R. Kondapi, Chairperson
Mr. Sanjay Kumar, Member Secretary (Project Director)
Dr. K.V. Ramani, Joint Chief Environment Scientist
Mr. S.S.S. Murali, Environment Engineer
Mr. W.G. Prasanna Kumar, Social Scientist
Mr. Y. Atchuta Ramayya, Procurement Specialist
Mr. D. Prasad, Monitoring Evaluation Specialist,
Ms. K. Sudha, AEE,
Ms. Sudha Poleni, SCA,

Government of West Bengal

Mr. Trilochan Singh, Additional Chief Secretary

West Bengal Pollution Control Board

Prof. Binay K. Dutta, Chairman
Mr. D. Chakraborty, Member Secretary (Project Director)
Mr. Ujjal.K. Mukhopadhyay, Chief Scientist
Mr. Debanjan Gupta, Scientist
Mr. S.K. Adhikari, Sr. Environment Engineer
Mr. S.K. Khamrui, Finance & Accounts Manager
Ms. Sarmishta Kundu, Environment Engineer
Mr. Subhasis Pal, Finance & Accounts Manager

Table 1: Agreed Activity Plan

Agreed Actions	Responsibility	Target Date as of Feb 2013	Status/Comments/Next Steps	Status as of June 2013 and revised steps	Target Dates
NPRPS Tasks 3 to be reviewed, commented upon, discussed and finalized	MOEF	Feb 2013	In progress	Delayed	August 30, 2013
Hire experts in HW and MSW	MoEF	April - May 2013		Delayed	August 30, 2013
Strengthen TEP membership	MOEF	Feb-March	Completed		
Organize POC meeting	MoEF		March 2013	Delayed	August 30, 2013
Complete training activities for FY13	AP and WB	March, June 2013	One training completed by AP in June 2013	Delayed; Revised training plan submitted	Training to be undertaken as per timelines
Submit audit report for FY 2012-13	AP and WB				September 30, 2013
Develop SPCB Network	MoEF	May 2013	To be initiated by MOEF with CPCB	Dropped, as decided by MOEF	
Form NMK Lake conservation committee	GoAP	15 June 2013		Process initiated by GoAP	
Finalize consultation plan and commence consultations	AP WB	March		Delayed	July to September 2013
Finalize ECAC business strategy	AP WB				August 30, 2013
Complete lab refurbishment	AP				December 2013
Submit Procurement Plan for CPCB equipment	MOEF				August 14, 2013
Complete hiring process of technical consultants	MOEF			Delayed	September 14, 2013
Seek expertise for certification for engineering aspects	WB	May 2013		Delayed	Sept 2013
Extend contract of procurement and FM consultants	MOEF				August 16, 2013
Agree on timelines with 5 industry owners on financing of remediation	WB	May 2013	Initiated		To be finalized
Complete ECAC staffing	WB	April 2013		Delayed	
Submit details of ECAC activities undertaken and 6-month action plan	WB	Feb /March 2013		Delayed	Completed
Status of awarded contracts with value for each category (Goods, Works, Consultancy) vis-à-vis the procurement plan	AP WB	By End of January, 2013		Completed	
Updated Procurement Plan shall be submitted for	MOEF AP	Mid February 2013		Completed	

Bank's review	WB				
Bring on board staff with contract management experience	AP WB	At the earliest		Pending	
Uploading of procurement disclosures including procurement plan and contract award details on respective websites	MOEF AP WB	2 nd week February 2013		Partially completed	
Updated Procurement Plan shall be submitted for Bank's review	MOEF AP WB				2 nd week June 2013
Bring on board staff with contract management experience	AP WB				At the earliest
Training of staff on contract management	AP WB				end August 2013
Timely publish all mandatory procurement information on website and award result on UNDB	MOEF AP WB				As and when the event happens in accordance with Bank's procurement guidelines

Table 2: Activity Plan And Target Dates For 4 Pilot Sites
(Activities in Bold/underline are on critical for continuation of pilots)

ANDHRA PRADESH (as agreed on June 6, 2013)	
ACTIVITY	Timelines
I. Remediation of NMK	
1. Final ESMP submitted by the consultant	17.07.2013 (Received)
2. Review by Bank and consent for public disclosure	25.07.2013 (commented & being finalized by PCB)
<u>3. Public disclosure of ESMP and Summary remedial plan (telugu also) (disclosed in websites of APPCB, CBIPMP, MoEF, Dy. Commissioner, Rajendranagar Municipality, APIIC) and Bank infoshop</u>	<u>30.07.2013 (delayed)</u>
4. Final disclosure of ESMP with the inputs of public comments, if any	10.08.2013
Package I - Construction of fences around the FTL NMK lake and 3 common areas of KIE	74 lakhs
5. Publish tender document for the above work (NCB)	30.06.2013
6. Last date for receipt of bids by	30.07.2013
7. Evaluation of bids by	07.08.2013
8. Forward evaluation report to WB	10.08.2013
9. NOC from World Bank	15.08.2013
10. Final award of contract	31.08.2013
Package II - construction of a weir in the bund of lake NMK	65 lakhs
11. Publish tender document for the above work (NCB)	30.06.2013
12. Last date for receipt of bids by	30.07.2013
13. Evaluation of bids by	07.08.2013
14. Forward evaluation report to WB	10.08.2013

15. NOC from World Bank	15.08.2013
16. Final award of contract	31.08.2013
Package III - Dredging (drains, swamps and NMK lake), De-watering, placing of geotubes and strengthening of bund (ICB)	
17. Formation of Technical committee	01.07.2013
18. Submission of draft drawings and scope of works by the consultant	10.07.2013
19. Approval of Technical Committee	30.07.2013
20. Preparation of bid documents with scope of works and drawings including EMP	15.08.2013
21. The drawings and bid documents prepared by the consultant are forwarded to Bank	20.08.2013
22. NOC of Bank for the above works	30.08.2013
23. Publish tender document for the above work (ICB)	07.09.2013
24. Pre-bid meeting	25.09.2013
25. Last date for receipt of bids and opening	22.10.2013
26. Evaluation of bids by Committee	07.11.2013
27. Forward evaluation report to WB	10.11.2013
28. NOC from World Bank	15.11.2013
29. Final award of contract	30.11.2013
Package IV - Upgradation of STP	
30. EoIs received	05.07.2013
31. Evaluation of EoIs	20.07.2013
32. Forward to Bank. (EoI Evaluation report and draft RFP)	25.07.2013
33. NOC from Bank	30.07.2013
34. RFP issued on	7.08.2013
35. Last date for receiving the technical proposal	08.09.2013
36. Evaluation of proposal	30.09.2013
37. Evaluation report forward to Bank	05.10.2013
38. NOC from Bank	10.10.2013
39. Opening of financial proposal	15.10.2013
40. Evaluation report and draft contract forward to Bank	20.10.2013
41. Award of contract	30.10.2013
42. Final upgradation report	Apr-14
Package V - up gradation of STP (Works) - (As per procurement plan - Water treatment Unit for irrigation & O&M for 3 years / NMK Remediation)	
43. Works to commence to up gradation of STP	Aug-14
44. Commissioning of the up gradated STP	Jun-15
Package VI - Phase II - NMK remediation	
45. Works to commence for Phase II remediation	Jul-15
46. Completion of remediation	Sep-15
Package VII - Post remediation ground water investigation, and monitoring – NMK	
47. Post monitoring starts	Oct-15
48. Completion of monitoring	Sep-16
Package VIII - Independent supervision consultant – NMK	
49. ToRs finalized	10.06.2013
50. Call for EoIs	20.06.2013
51. Last date for receipt of EOIs	30.06.2013
52. Evaluation of EoIs	05.07.2013
53. NOC from Bank on evaluation report	10.07.2013
54. RFP issued on	15.07.2013
55. Last date for RFP	15.08.2013
56. Technical evaluation and opening financial bid	20.08.2013
57. Evaluation Report Sent to Bank	25.08.2013
58. Noc from Bank on draft contract and minutes of negotiations	30.08.2013
59. Signing of contract with consultant	15.09.2013
60. services to commence	30.09.2013
59. Completion of services (coterminus with the project)	
II. Closure and containment of MSW site at Kadapa	

Package IX - Closure & containment works (Excavation & related works, stabilization & closure) - Kadapa	
1. Final revised ESMP, incorporating Bank comments	10.06.2013 (received)
2. Review by the Bank and consent for public disclosure	17.06.2013 (commented& being finalized by PCB)
<u>3. Public disclosure of ESMP and Summary remedial plan (telugu also) (disclosed in websites of APPCB, CBIPMP, MoEF, KMC) and Bank infoshop</u>	<u>20.06.2013 (delayed)</u>
4. Financial approval of CDMA for cell development at new landfill site for Kadapa (kolumulapalli)	30.06.2013
<u>5. Final disclosure of ESMP with the inputs of public comments, if any</u>	<u>20.07.2013</u>
6. Formation of Technical committee	01.07.2013
7. Submission of final drawings and scope of works by the consultant	10.07.2013
8. Financial closure for development of cell at new landfill site for Kadapa (kolumulapalli)	15.07.2013
9. Approval of Technical Committee	30.07.2013
10. Preparation of bid documents along with scope of works and drawings and EMP	15.08.2013
11. The drawings and bid documents prepared by the consultant are forwarded to the Bank incorporating EMP and with the details on progress of new landfill for Kadapa	20.08.2013
12. NOC of Bank for the above works	30.08.2013
13. Publish tender document for the above work (NCB)	07.09.2013
14. Commencement of works for development of cell at new landfill site at Kadapa	07.09.2013
15. Pre-bid meeting	22.09.2013
16. Last date for receipt of bids and opening	22.10.2013
17. Evaluation of bids by Committee	07.11.2013
18. forward evaluation report to WB	10.11.2013
19. Completion of works for development of cell at new landfill site at Kadapa	15.11.2013
20. NOC from World Bank	15.11.2013
21. Final award of contract	30.11.2013
22. Works to commence	12.2013
23. Completion of Closure and containment of MSW	10.2014
Package X - Post closure monitoring- Kadapa	
24. Works to commence	Nov-14
25. Completion of Closure and containment of MSW	Oct-15
Package XI - supervision consultant - Kadapa	
26. ToRs finalized	10.06.2013
27. Call for EoIS	20.06.2013
28. Last date for receipt of EOIs	30.06.2013
29. Evaluation of EOIs	05.07.2013
30. NOC from Bank on evaluation report	10.07.2013
31. RFP issued on	15.07.2013
32. Last date for RFP	15.08.2013
33. Technical evaluation and opening financial bid	20.08.2013
34. Evaluation Report Sent to Bank	25.08.2013
35. Noc from Bank on draft contract and minutes of negotiations	30.08.2013
36. Signing of contract with consultant	15.09.2013
37. Services to commence	30.09.2013
38. completion of services (coterminus with the project)	
Social monitoring and social audit - kadapa	
WEST BENGAL (as agreed on June 6, 2013)	
III. Containment and Closure of Dhapa Site	Actions 1-5 completed
1. Draft C&C Plan by Consultants	29-Apr-13
2. Approval of C&C Plan by PSC	28-May-13
3. Comments from Bank on Draft C&C	10-Jun-13

4. Comments from MoEF/CPCB on Draft C&C	10-Jun-13
5. Review of C&C Plan by TEP (Consultants to Present)	10-Jun-13
6. Revised Draft ESA Report by Consultants	17-Jun-13 (delayed)
7. Review Meeting by WBPCB, Bank and MoEF	20-Jun-13
8. Final C&C Plan from Consultants	24-Jun-13 (delayed)
9. Incountry Disclosure of ESA Report (Including Summary in Bengali)	24-Jun-13
10. Approval of Final C&C Plan by TEP	5-Jul-13
11. Clearance of Final ESA Report by WBPCB, MOEF and Bank	5-Jul-13 (delayed)
Prior Commitments from KMC	
13. Draft Action Plan with indicative time lines from KMC on Identification of Alternative Dumpsite for Kolkata	5-Jul-13
14. Selection of Alternative Site (Pre-requisite for commencement of Pilot Closure)	31-Dec-13
15. Site Clearance and initiation of Land Acquisition Process (if required)	31-Mar-14
16. Preparation of Landfill Site Development Process & Closure of Dhapa Site	30-Sep-15
Procurement Process	
18. Formation of Technical Committee	15-Jul-13
19. Submission of Draft Bill of Quantities and draft drawings by the consultant	31-Jul-13
20. Approval of Technical Committee	16-Aug-13
21. Preparation of bid documents along with scope of works and drawings including EMP	16-Aug-13
22. The drawings and bid documents prepared by the consultant are forwarded to the Bank	20-Aug-13
23. NOC of Bank for the above works	26-Aug-13
24. Publish tender document for the above work (NCB)	31-Aug-13
25. Pre-bid meeting	12-Sep-13
26. Last date for receipt of bids and opening	1-Oct-13
27. Evaluation of bids by Committee	25-Oct-13
28. Forward evaluation report to WB	30-Oct-13
29. NOC from World Bank	7-Nov-13
30 Final award of contract	15-Nov-13
31. Commencement of works	15-Dec-13
IV. Rehabilitation of Contaminated Sites in Hooghly	Actions 1-5 Completed
1. Draft Remediation Plan by Consultants	14-Jun-13
2. Draft ESA Report by Consultants	14-Jun-13
3. Details of Ownership for each Contaminated Sites	14-Jun-13
4. Strategy for Stakeholder Consultation on Remediation of Private Sites	20-Jun-13
5. Review Meeting on ESA and RP by TEP, WBPCB, Bank and MoEF	25-Jun-13
6. Approval of RP and ESA by PSC	1-Jul-13 (delayed)
7. Revised RP and ESA Report by Consultants	1-Jul-13 (delayed)
8. Incountry Disclosure of ESA Report (Including Summary in Bengali)	5-Jul-13
9. Approval of Final RP by TEP	19-Jul-13
10. Clearance of Final ESA Report by WBPCB, MOEF and Bank	19-Jul-13
11. Draft Framework on Remediation of Private Sites for consideration of GoWB	31-Jul-13
Procurement Process	
12. Formation of Technical Committee	15-Jul-13
12. Submission of Draft Bill of Quantities and draft drawings by the consultant	31-Jul-13

13.Approval of Technical Committee	16-Aug-13
14.Preparation of bid documents along with scope of works and drawings including EMP	16-Aug-13
15.The drawings and bid documents prepared by the consultant are forwarded to the Bank	20-Aug-13
16.NOC of Bank for the above works	26-Aug-13
17.Publish tender document for the above work (NCB)	31-Aug-13
18.Pre-bid meeting	12-Sep-13
19.Last date for receipt of bids and opening	1-Oct-13
20.Evaluation of bids by Committee	25-Oct-13
21.Forward evaluation report to WB	30-Oct-13
22.NOC from World Bank	7-Nov-13
23.Final award of contract	15-Nov-13
24.Commencement of works	15-Dec-13

TRAINING PLAN 2013-2015

Responsible PIU	Original Activity as per the Project	Original Outlays provided in the Project by World Bank		Activity (Existing & Proposed)	Proposed Outlays		Savings/ Excess (USD'000)	Reasons of Variation
		(USD'000)	INR @ 45		(USD'000)	INR @ 50		
MoEF	Implementation of remediation processes based on cost benefit analysis (domestic)	93.60	42.12		24.82	12.41	-68.78	Completed; Actual cost incurred
MoEF	Innovative Remediation Technologies and Methodologies Focusing on International best practices - Int. Study tour	114.36	51.46		114.44	57.22	0.08	Completed
MoEF	Operation, maintenance, and closure of MSW landfills focusing on international best practices	195.82	88.12	--	0	0.00	-195.82	Activity to be undertaken by WB-PIU
MoEF	Domestic Training program on Implementation NPRPS	106.84	48.08	Development of Site assessment & sampling protocols	40.00	20.00	-66.84	<i>Planned for Feb. 2014</i>
MoEF	Training on Innovative Remediation Technologies - Int. Study Tour	91.49	41.17	Examples of policies and Site visits	200.00	100.00	108.51	<i>End-Sept. 2013. (MOEF, AP, WB, CPCB and NCEF States)</i>
MoEF	2-3 day Domestic Training program by consultants on Implementation of NPRPS (back-to back with NPRPS Meetings/ Stakeholder workshops)			Proposed	120.00	20 x 3 = 60	120.00	<i>(i) Early/Mid-Sept. 2013 (ii) Dec 2013/Jan 2014 and (iii) July 2014</i>
MoEF	International Study Tour on Implementation of NPRPS vis-à-vis other Countries (South-South) (East Asia, China)			Proposed	200.00	100.00	200.00	
MoEF	Inspection and enforcement of the hazardous waste including the material balance for the production of hazardous waste	97.89	44.05	--	0.00		-97.89	To be conducted by the States
Sub-Total MoEF		700.00	315.00		699.26	289.63	-0.74	
AP	Use of Modern Tools to identify the legacy sites and innovative remediation technologies for contaminated sites (Domestic and International)	61.18	27.53	Existing	90.00	180.00	-62.47	Domestic Training completed. <i>international training planned June 2014</i>
AP	Quantification and categorization of HW dumpsites, including transport and fate of contaminants in soil and ground water (Domestic	25.44	11.45	Existing	180.00	90 (18+62)	154.56	<i>Domestic: April 2014 Intl: April 2015.</i>

	and International)							
AP	QA/QC protocol to be followed by SPCB Labs	25.44	11.45	Existing	0.00	0.00	-25.44	
AP	Statistical Methods for Interpretation and Validation of Data	25.44	11.45	Existing	0.00	0.00	-25.44	Dropped
AP	Transport and Fate of Contaminant in Soil and Ground Water	30.59	13.77	Existing	0.00	0.00	-30.59	Dropped
AP	Inventorization, characterization and identifying waste for individual treatment and disposal	25.44	11.45	Existing	0.00	0.00	-25.44	Dropped
AP	Monitoring of Landfill Gases and Leachate Analysis Closure	58.17	26.18	Existing	0.00	0.00	-58.17	Dropped
AP	Inspection and Enforcement of the hazardous waste including the material balance	86.62	38.98	Existing	0.00	0.00	-86.62	Dropped
AP	Cost for 2 International trainers	37.68	16.96		0.00	0.00	-37.68	Dropped
AP	Application and interpretation of all equipment that will be purchased for the project (Domestic)	25.44	11.45	Existing (covered against respective equipment)	0.00	0.00	-25.44	Dropped
AP	International training for 3 equipment	61.06	27.48	Existing (covered against respective equipment)	0.00	0.00	-61.06	Dropped
Sub-Total AP		462.50	208.15		324.00	207.00	-138.50	
WB	Domestic Training and Int. Study Tour on Operation, maintenance and closure of MSW landfills	189.52	85.28	Existing	170.56	85.28	-18.96	<i>Domestic: Dec. 2013; Intl: Sept. 2014.</i>
WB	ECAC Business models and knowledge sharing	189.52	85.28	Existing	170.56	85.28	-18.96	
Sub-Total WB		379.04	170.56		341.12	170.56	-37.92	
TOTAL		2704.04	1216.86		2387.64	1163.82	-316.40	

Financial Management

Budgeting & Funds Flow: The MOEF has made an annual budget provision of Rs 320.00 million to implement the project activities for financial year 2013-14 which represents 85% of the project cost to be financed by the Bank. The budget provision made by MOEF for the financial year 2013-14 is adequate to meet the fund requirements for implementing the project activities to be carried out jointly by MOEF, APPCB and WBPCB. There have been no delays noticed in the transfer of funds by MOEF to the respective state pollution control boards.

State Government contribution: Andhra Pradesh has not made the budget provision for the state contribution in the State budget of FY 2013-14. The state share of 15% (from the project inception till FY 2012-13) is being contributed by APPCB from the Board's existing reserves. This issue was addressed to the state finance department and the Bank team was informed that the necessary provision will be made in FY 2013-14 state budget and funds will be transferred into the project Bank account. The Bank team has requested APPCB to follow-up and if necessary, may obtain requisite assistance from MoEF to bring this matter to a closure. For the State of West Bengal, the provision has been made in the state budget of FY 2013-14.

Disbursement: The project has disbursed an amount of USD 8.261 million (including Designated Account Advance of USD 4.722 million) representing 12.96% of the fund allocation. The below table depicts the details of the funds approved and disbursed under the IDA and IBRD components:

Financing source	Allocation	Disbursement	Allocation	Disbursement
	SDR Million	SDR Million	USD Million	USD Million
IDA 4755	25.700	2.359	38.558	3.539
IBRD 7924*	16.764	0.000	25.147	0.000
DA Advance	-	3.147	-	4.722
Total	42.464	5.506	63.706	8.261
% Disbursed including DA		12.96%		12.96%
% Disbursed excluding DA		5.55%		5.55%

*Excluding front end fees of US\$0.063 million

Exchange Rate as of Jun 03, 2013: 1 XDR = 1.500 USD

Accounting and Financial Reporting: The APPCB and WBPCB are maintaining adequate records to support the expenditures incurred under the project. The financial records are regularly updated, supported with payment vouchers/invoices and bank reconciliation is being carried out on a monthly basis. They are regular in the submission of financial reports to MOEF. The MOEF has submitted the interim financial report of quarter ended March 2013 to the Bank. The financial report was reviewed during the mission and was endorsed for reimbursement. The Andhra Pradesh and West Bengal pollution control boards have placed the annual accounts of FY 2011-12 in the Project Steering Committee meeting held during the year and these were approved by the committee.

Internal Audit: The internal audit of APPCB and WBPCB for FY 2012-13 have commenced and it has been agreed that the internal audit report will be shared with the Bank on receipt.

External Audit: The APPCB and WBPCB have the statutory auditors in place to conduct the audit of FY 2012-13. It has been agreed that the audit report will be submitted to the Bank before the due date of September 30, 2013. Similarly, MoEF has also agreed to submit the audit report of FY 2012-13 to the Bank before the due date of September 30, 2013.

RESULTS FRAMEWORK
CBIPM - RESULTS FRAMEWORK FOR MONITORING – PROJECT LEVEL

Project Development Objectives	Project Outcome Indicators	Use of Project Outcome Information
<p>1. To build tangible human and technical capacity in selected state agencies for undertaking environmentally sound remediation of polluted sites</p>	<p>I1: To strengthen the laboratory capacity to analyze 67 parameters, and establish non-destructive metal-testing capacity.</p> <p>I2: To establish a database that includes an inventory of HW generating units in the two pilot states</p> <p>I3: To remediate 30,000 cum of contaminated sediment from NMK lake, swamps and drains in order to meet irrigation standards.</p> <p>I4: To close and contain scientifically 200,000 cum of accumulated waste in Kadapa.</p> <p>I5: To remediate 15,000 cum of chrome contamination in the priority polluted Hooghly sites.</p> <p>I6: To close and contain scientifically 2 million cum of accumulated waste in Dhapa.</p>	<p>Yr 4: Improving procurement process and reducing delays</p> <p>Yr 4/5: Providing further support to consultants to obtain from industry</p> <p>Yr 4/5: Improving procurement processes and coordination with contractor, consultant and NGOs</p> <p>Yr 4/5: Improving procurement processes and coordination with contractor, consultant and NGOs</p> <p>Yr 4/5: Improving procurement processes & contract management and coordination with contractor, consultant and NGOs</p> <p>Yr 4/5: Improving procurement processes & contract management and coordination with contractor, consultant and NGOs</p>
<p>2. To support the development of a policy, institutional and methodological framework for the establishment of a National Program for Rehabilitation of Polluted Sites (NPRPS).</p>	<p>I7: To develop the NPRPS program framework comprising policy, institutional and methodological aspects to address remediation of polluted sites in the country.</p> <p>I8. CPCB: Enhance the institutional capability of the CPCB, as the central institution in the GOI, by strengthening the capacity of its laboratories to address remediation of polluted sites to OSHA and other international standards and relevant regulations.</p> <p>I9. Capacity building of MOEF, CPCB and SPCB personnel through training and key SPCBs for remediation of polluted sites.</p>	<p>Yr 4/5: Improve project management with the consultants</p>

Intermediate Outcomes	Intermediate Outcome Indicators	Use of Intermediate Outcome Information
Outcome 1: To strengthen of laboratories in the two SPCBs	AP1: 100% laboratory compliance to OSHA and other international standards WB1: 100% quality standard compliance such as NABL accreditation and OSHA standards	Yr 4: Improving procurement processes and reducing delays Yr 4: Improving procurement processes and reducing delays
Outcome 1 (a) To strengthen the institutional capability of CPCB laboratories	CPCB: 100% quality standard compliance such as NABL accreditation and OSHA standards	Yr 4: Improving procurement processes and reducing delays Yr.5: Completion of procurement, training imparted.
Outcome 1 (b) Capacity building of MOEF, CPCB and SPCB personnel through training and key SPCBs for remediation of polluted sites.	100% capacity building of key/selected personnel from MOEF, CPCB and the selected SPCBs.	Continuing training in Yrs 4 & 5

Intermediate Outcomes	Intermediate Outcome Indicators	Use of Intermediate Outcome Information
Outcome 2: To establish / strengthening the functioning of ECAC in the two states	AP2: 100% functional ECAC in AP. WB2: 100% implementation of 1 st year Plan of “Business Strategy” of ECAC in WB.	Yr 4: Strengthen APSPCB internal decision-making and operationalization Yr 4: Preparing guidelines for stage wise implementation of Business Strategy for ECAC and initiating implementation of 1 st year Plan
*Outcome 3: To strengthen capacity on hazardous waste, MSW management and remediation	AP3: 100% capacity-building for selected APSCB staff WB3: 100% of planned capacity-building for selected WBSCB staff	Yr 4 / 5: Improving coordination with MoEF on organizing the training. Yr 4 / 5: Improving coordination with MoEF on organizing the training.
Outcome 4: To strengthen information management on hazardous waste and MSW	AP4: 100% inventorization and characterization of HW generating industries and establishing database AP5: 100% of proposed completion of study for closure and containment of MSW sites in 4 municipalities WB4: 100% inventorization and characterization of HW generating industries and establishing database WB5: 100% completion of preparing plans for remediating 5 identified probably contaminated sites	Yr 4/5: Provide further support to consultants to obtain information from industry. Yr 4/5: Provide further support to consultants to obtain information from municipalities. Yr 4/5: Provide further support to consultants to obtain information from industry. Yr 4/5: Provide further support to consultants to obtain information from industry.
Outcome 5: To build capacity on using an	AP6: 100% of intended remediation of the NMK-KIE areas	Yr 4/5: Improve procurement process and coordination with

Intermediate Outcomes	Intermediate Outcome Indicators	Use of Intermediate Outcome Information
area-based approach to remediate contaminated sites	WB6: 100% of intended remediation of the Hooghly sites	contractor, consultant and NGOs. Yr 4/5: Improve procurement process & contract management, better coordination with stakeholders, and better coordination with contractor, consultant and NGOs.
Outcome 6: To close and contain MSW sites	AP7: 100% closure and containment of MSW site at Kadapa WB7: 100% of intended containment of MSW site at Dhapa	Yr 4/5: Improve procurement process and coordination with contractor, consultant and NGOs. Yr 4/5: Improve procurement process & contract management, better coordination with stakeholders, and better coordination with contractor, consultant and NGOs.

ARRANGEMENTS FOR RESULTS MONITORING

Project Outcome Indicators	Baseline	Target Values ¹					Data Collection and Reporting		
		YR1 10-11	YR2 11-12	YR3 12-13	YR4 13-14	YR5 14-15	Frequency and Reports	Data Collection Instruments	Resp. for Data Collection
I1: To strengthen the laboratory's capacity to analyze 67 parameters, and establish non-destructive metal-testing capacity.	Limited Capacity	10%	20%	30%	50%	100%	Half-yearly progress reports from the state PCBs;	Nil	MOEF AP-PIU, APPCB WB PCB
I2: To establish a database that includes an inventory of HW generating units in the two pilot states	Limited	Nil	Nil	20%	75%	100%	Half-yearly progress reports from the state PCBs;	Study reports;	MOEF AP-PIU, APPCB WB PCB
I3: To remediate 30,000 cum of contaminated sediment from NMK lake, swamps and drains in order to meet irrigation standards.	Contaminated site	10%	20%	50%	75%	100%	Half-yearly progress reports;	Consultant reports; Internal supervision;	MOEF AP-PIU, APPCB
I4: To close and contain scientifically 200,000 cum of accumulated waste in Kadapa.	Uncontrolled, unscientific disposal of MSW	5%	10%	25%	50%	100%	Half-yearly progress reports;	Consultant reports; Internal supervision;	MOEF AP-PIU, APPCB
I5: To remediate 15,000 cum of chrome contamination in the priority polluted Hooghly sites.	Contaminated site	10%	20%	40%	60%	100%	Half-yearly progress reports;	Assessment reports, third-party consultant reports; Monitoring results, Internal supervision;	MOEF WBPCB
I6: To close and contain scientifically 2 million cum of accumulated waste in Dhapa.	Uncontrolled, unscientific disposal of MSW	20%	40%	50%	75%	100%	Half-yearly progress reports;	Assessment reports, third-party consultant reports; Monitoring results, Internal supervision;	MOEF WBPCB

Project Outcome Indicators	Baseline	Target Values ¹					Data Collection and Reporting		
		YR1 10-11	YR2 11-12	YR3 12-13	YR4 13-14	YR5 14-15	Frequency and Reports	Data Collection Instruments	Resp. for Data Collection
I7: To develop the NPRPS program framework comprising policy, institutional and methodological aspects	Nil	10%	25%	75%	100%	100%	Half-yearly progress reports;	Consultant reports;	MOEF
Component 1: Strengthening of Environmental Institutions: Building Capacity for addressing pollution remediation									
Andhra Pradesh									
AP1: 100% laboratory compliance to OSHA and other international standards	NABL standard (national)	10%	30%	55%	80%	100%	Half-yearly progress reports, Laboratory records and log-books	Laboratory equipment	PIU APSPCB Central Laboratory
AP2: 100 % functional ECAC in AP.	No ECAC	-	10%	50%	100%	100%	Half-yearly progress reports,	Consultant reports;	PIU APSPCB
AP3: 100% capacity-building for selected APSCB staff	Limited	-	25%	50%	75%	100%	Half-yearly progress reports;	Training reports;	PIU
AP4: 100% inventorization and characterization of HW generating industries and establishing database	Limited, unvalidated data	-	-	20%	75%	100%	Half-yearly progress reports;	Study reports;	PIU
AP5: 100% of proposed completion of study for closure and containment of MSW sites in 4 municipalities	Nil	-	-	50%	75%	100%	Half-yearly progress reports;	Study reports;	PIU
West Bengal									
WB1: 100% quality standard compliance such as NABL accreditation and OSHA standards for addressing remediation of contaminated sites	Limited capacity	10%	25%	60%	80%	100%	Half-yearly progress reports, Laboratory reports and log-books	Laboratory equipment	PIU WBSPCB Central Laboratory

Project Outcome Indicators	Baseline	Target Values ¹					Data Collection and Reporting		
		YR1 10-11	YR2 11-12	YR3 12-13	YR4 13-14	YR5 14-15	Frequency and Reports	Data Collection Instruments	Resp. for Data Collection
WB2: 100% implementation of 1st year Plan of “Business Strategy” of ECAC in WB	Partial functioning	10%	20%	40%	80%	100%	Detailed Status Report Annual Progress Report	Consultant reports; Outreach activities	PIU ECAC WBSPCB
WB3: 100% of planned capacity-building for selected WBSCB staff on MSW, hazardous waste, assessment and remediation of contaminated sites	Limited Capacity	0%	10%	40%	75%	100%	Half-yearly progress reports;	Training reports;	PIU
WB4: 100% inventorization and characterization of HW generating industries and establishing database	Incomplete inventory with limited and unvalidated HW data	5%	25%	60%	100%	100%	Half-yearly progress reports;	Study reports; Functional Database; Internal reports using the database information.	PIU
WB5: 100% completion of preparing plans for remediating 5 identified probably contaminated sites	Only identified	0%	10%	75%	100%	100%	Half-yearly progress reports;	Study reports; Remediation Plans;	PIU
MOEF 1 (a) Enhance the institutional capability of the CPCB, as the central institution in the GOI, by strengthening the capacity of its laboratories to address remediation of polluted sites to OSHA and other international standards and relevant regulations.	Nil	10%	25%	75%	100%	100%	Half-yearly progress reports;	Internal supervision; Training on use of instrumentation.	
MOEF 1(b) Capacity building of MOEF, CPCB and SPCB personnel through training and key SPCBs for remediation of	Nil	10%	25%	75%	100%	100%	Half-yearly progress reports;	Consultant reports	

Project Outcome Indicators	Baseline	Target Values ¹					Data Collection and Reporting		
		YR1 10-11	YR2 11-12	YR3 12-13	YR4 13-14	YR5 14-15	Frequency and Reports	Data Collection Instruments	Resp. for Data Collection
polluted sites.									
Component 2: Investments in rehabilitation of orphan hazardous waste sites and municipal dumpsites									
Andhra Pradesh									
AP6: 100% of intended remediation of the NMK-KIE areas	Contaminated site	10%	20%	50%	75%	100%	Half-yearly progress reports;	Consultant reports; Internal supervision;	PIU
AP7: 100% closure and containment of MSW site at Kadapa	Uncontrolled, unscientific disposal of MSW	5%	10%	25%	50%	100%	Half-yearly progress reports;	Consultant reports; Internal supervision;	PIU
West Bengal									
WB6: 100% of intended remediation of the Hooghly sites	Contaminated site	10%	20%	40%	60%	100%	Half-yearly progress reports;	Assessment reports, third-party consultant reports; Monitoring results, Internal supervision;	PIU
WB7: 100% of intended containment of MSW site at Dhapa	Uncontrolled, unscientific disposal of MSW	20%	40%	50%	75%	100%	Half-yearly progress reports;	Assessment reports, third-party consultant reports; Monitoring results, Internal supervision;	PIU

STATUS OF GOVERNANCE AND ACCOUNTABILITY ACTION PLAN

Item	Issues/Risk/Rating	Mitigating Actions	Responsibility	Timeline	Early warning indicators	Status
Implementation of remediation pilots	Demonstration effect diminished due to lengthy implementation (M)	-Agree on roles of project oversight structure and progress reporting	MOEF and State PCB	Agreement during appraisal / negotiations	-Delayed progress reports -Delayed contracting of independent supervision -Delays in detailed engineering design	Observed despite mitigating measures in place, due to complex nature of remediation
	Poor performance by implementing agencies (M)	-Use project resources to strengthen and rationalize the technical capacity of State PCB -Nominate staff of PIU according to agreed TORs -Prepare timelines for implementation	MOEF and State PCBs	Y1	-Failure to nominate technical staff for training - Substantial deficiency in staffing of PIU - Failure to submit progress reports	Observed for MOEF and WBPCB
	Failure to sustain remediation results (M)	-Expand community outreach to change behaviors and prevent secondary pollution -Agree on a plan for regular monitoring of industries in the area by PCB	State PCB	Y1 and onwards	-PCB fails to inventorize and monitor units generating HW in the project area	Not yet observed
	Lack of appropriate communication to public and communities on remediation results (M)	- Expand community outreach activities using project resources	State PCBs	Public consultations during preparation of E&SA Y1 and onwards	-Complaints from communities continue - Social and Environmental issues inadequately addressed in progress reports	Partially complied with mitigating actions
	SEMF and site specific mitigation measures not properly integrated in the pilots (L)	- Technical documentation and Bidding documents for site remediation includes safeguards provisions	State PCBs	Y1 and onwards	- Social and Environmental issues inadequately addressed as witnessed during site visits	Compliance in process
Project execution and contract management	Poor quality of technical documents causing delays (M)	-Early involvement of independent supervision in review of technical specs - Periodic review of bidding process and post review of contract awards just below the prior review threshold	State PIU	Y1and Y2	-Poor quality of bidding documents	Partially observed
	Inaccurate invoicing of works (M)	- Strengthen technical supervision and introduce mandatory field checks - Ensure adequate capacity of PIU FM - Establish a register of late	State PIU	Y2 and onwards	-Costs either too low or too high and/or do not match with progress of contract milestones -No compliance of	Not yet observed

		payments			completed and certified works	
	Payments made without prior verification of quantities and quality of site works (M)	- Mandatory site visits and reporting by independent supervision consultant - Combined Procurement and FM audits - Intensify site visits of completed works suspend payments if at fault	State PIU	Y2 and onwards	- Slow progress of site works	Not yet observed
	Non-compliance of contractors with site specific safeguards and site mitigation measures (L)	- Contractors workshops periodic review of quality of contractors documents	State PIU	Y2 and onwards	- Poor quality of bidding documents - Obvious omissions of safeguards requirements in contractors documents	Not yet observed
Procurement	Incomplete technical specifications (M)	- Pre-bid briefings and quality written clarifications to bidders in timely manner	MOEF and State PIU	Prior to effectiveness Y1 and onwards	- Procurement delays - Lack of response from bidders	Not yet observed
	Procurement delays and higher cost (L)	- Mandatory uploading on bidding documents at PCB website - Avoid 'slice and packaging' to attract bidders - Review quality of bidding documents	MOEF and State PIU	Y1 and onwards	- Winning bids too high compared to similar works - Delays in commencement of work after contract	Not yet observed
	Poor supervision of contracts (M)	- Maintain procurement staff of adequate quality	State PIUs	Y1 onwards	- Lack of proper reporting - Frequent changes in the procurement timeline	Not yet observed
	Collusion among contractors (M)	- Records of public openings of bids kept on the public domain and disseminated within 15 days of contract award	State PIU	Y1 onwards	- Bidders use same bank for security deposit and bank guarantees - Bids far too low	Not yet observed
	Delays in bid evaluation (M)	- Create procurement database for each pilot site with procurement plan - Keep accurate records of all documents with data of EIO, and bids - Undertake internal audits	State PIU MOEF	Y1 and onwards	- Lengthy time between bid submission and award - Number of extensions of bid validity exceeds the acceptable standards	Not yet observed
	Submission of forged documents to win contracts (M)	- Random verification of references of firms	POI and State PIUs	Y1 and onwards	- Incomplete of missing bank guarantee documents	
	Financial Management System and Internal controls	Inadequate and unreliable FM information and incomplete FMR (M)	- Ensure FM training before effectiveness - Obtain TA to improve the quality of record keeping (electronic and manually)	- PCB PIUs	Prior to effectiveness and Y1 onwards	- Inordinate delays in submission of quarterly FM reports - Pending receipts unaudited reports
Lack of compliance with established internal financial controls (M)		- Strengthen financial management oversight through line ministry and State Governments	MOEF and States	Y1 onwards	- Significant variation of expenditure and budgets	Not yet observed
Delays in hiring		- Hire auditor for three years	MOEF	Y1 By	No evidence of hiring	Not yet

	auditors and overdue audits (H)	with an agreed schedule	and state PCB	December 2010	audit firm during supervision	observed
	Inability of auditors to provide quality and independent opinion (M)	-Same as above -Prepare clear TOR and agree with the Bank	PCB	After negotiations	-Inability of the auditors to pick up information on FM issues noted during supervision	Not yet observed
Monitoring and evaluation	Achievement of PDO adversely affected by the lack of project information (M)	-Disclosure policy agreed with pilot states -Abide to the provisions of RTI	MOEF State PCB	After effectiveness onwards	-Large number of request for information -Lack of evidence on timely responses	Not yet observed
	Achievement of PDO affected by inability to implement mid-term corrections (M)	- Carry out beneficiaries survey at midterm review to assess public perception	PCB PIUs	Y1 onwards	-Continuous delays -Absence of information from monitoring and evaluation of progress /results	
	Achievement of PDO affected by the lack of engagement of citizens in oversight of project pilots (M)	-Agree on the design and implementation arrangements of social accountability mechanism and public engagement	MOEF and PCBs	Y1 Mechanism to be in place by end of Y1	-Non- compliance with procedures and arrangements related to community involvement and beneficiaries surveys	Not yet observed
After-care and monitoring	Resources for after-care not planned adequately (H)	-Include first year after care in the remediation contract - Assign responsibility to PCB for regular monitoring of environmental parameter of the site and plan budget resources	PCB State Government	Y3-4 onwards Prior to Project completion	Complains for violation or improper management of the site reported(media or elsewhere) Site/Beneficiary survey during Y5 reports concerns from citizens	Not yet observed
	Transfer of responsibility for aftercare monitoring to other agency (M)	-Agree and ensure implementation of after care plans prior to completion of site remediation and transfer of site for management to municipality -Provide evidence for change of land use as necessary	States and MOEF	Y4-5 depending on completion of sites	Delays in agreeing on site management and monitoring arrangements	Not yet observed
	Environment improvements in the area affected by neglect (L)	-Engage citizen's groups /Ag University AP/ Chrom Producers Association in WB monitoring of the site	PCB and Municipalities	Y4-5	-Number of complains, media reports	Not yet observed
Overall risk.	M					

Note: N =High; M= Moderate, L= Low