

1. BACKGROUND

This “short notice and swift” desk appraisal is written as a background document for RNE in their further work with establishing a new phase of IND 063 the Indo-Norwegian Development programme. Since the appraisal is meant for internal use, by well-informed officers at RNE, the report does not give much background information. The report is based on my present knowledge, and on 4 received documents:

- 1) A letter; IND 063 prosjektforslag fase2; dated 27.2, received 14.3.*
- 2) A letter; To D.K. Sharma; Indo-Norwegian Environmental Programme Phase II, from J.Bain, with some major bearings on the structure of a new proposal 4.10.01¹*
- 3) Report from Workshop 6.9.2001 New Dehli. On Phase II. By Dev. Alliance.*
- 4) Proposals for Phase 2. INEP-0633. Second Phase; from GoHP.*

In addition I have used the “Environment and Development in India- Background report (Vedeld et al 2001), especially chapter 4 and 8.

I would also like to mention webpages (<http://himachal.nic.in>) that covers various government bodies and policies in HP working with the environment, including Forestry, Town Planning, HPSPCB, Council for Science etc. Recommended!

This appraisal has three sections; 1) General overall comments 2) More detailed project component comments 3) Some crosscutting comments, conclusions and recommendations.

Despite the short time horizon on this assignment, and on my input, I hope that the observations and comments made, will be of use for the Embassy in the further work with establishing a new Phase II of the IND 063. Despite several critical comments and suggestions throughout this report, they are made in the spirit it should be possible and desirable to continue working in the environmental field in HP. If there are questions or comments, I would be more than happy to assist with additional or more in-depth comments.

¹ The given task is formulated in the letter from RNE 27.02.2002. signed by Jannicke Bain. The letter is a combination of assigned areas to look into and some preliminary viewpoints from the Embassy. In general, I share most of the observations and assessments in the letter.

2. COMMENTS ON OVERALL PROGRAMME DESIGN

HP is a small mountainous state with 6 mill. people, of which 67% work in agriculture and 90% live in rural areas. HP has an area of 55 000 sq.km. and an annual state budget of 2 bill. NOK. Main economic activities are in agriculture, animal husbandry, forestry and Hydel Power.

The main environmental challenges are found related to agriculture in terms of overgrazing problems, watershed deterioration, mining and quarrying activities, road construction and landslides; and transport and rapid industrialization is causing increased challenges in terms of air and water pollution (see proposal from GoHP p: 4).

2.1 Environmental governance in HP and the IND 063 programme

HP does not have a separate Ministry or department of environment. That means there is no overarching governmental body that overlooks and co-ordinates all aspects of environmental issues. Several line or sector Departments, have important sections of the environmental field;

- **Forestry Department** has responsibility for forest management and wildlife policies and conservation
- **Agriculture Department** has responsibility for reducing the pollution of waterways etc. through excessive use of pesticides and fertilizers and on agro biodiversity issues
- **State Council for Science, Environment and Technology** has responsibilities on education and awareness raising. They have made the State of the Environment Report. They also have a coordination function (nodal agency in HP) on the new national biodiversity strategy and action plan, where also line departments have to make specific action plans.
- **State Environmental Protection and Pollution Control Board** has important control functions on pollution control, on assessing new development projects etc. They have also gained responsibilities on environmental protection issues
- **Urban Local Bodies** is responsible for solid waste management and wastewater treatment.
- **Department of Transport** has the responsibility for landslides and road construction erosion issues and the vehicular pollution.
- **Department of Town and Country Planning** has a key function in Town Planning issues
- **Department of Planning, under Min. of finance** has a coordinating function in economic matters and is also hosting the secretariat for IND 063.

The main State environmental policy documents in HP at present are linked to the State of the Environment Report and the newly passed Environmental Action Plan, where line ministries have spelt out sectorial concerns and challenges. Another important present initiative is the follow-up of the Biodiversity Convention, where SCSTE has a nodal function in developing a strategy for this for HP (see webpage; <http://sdnp.dehli.nic.in/nsap/states/himachal.html> for details) . There is also a new plan for the Development of New Township areas in HP that will have substantial environmental implications.

There is thus a spread of environmental authority, resources, functions, decision-making process and implementation activities across a variety of sectors, with, however, a lack of co-ordinating authority and capacity. In most other States in India, the Department of Environment has been placed with the Ministry of Forestry. Even if these departments usually are young and rather weak; there is at least an organisational point of departure for building up an institutional capacity that may develop a coordinating and overarching initiation, monitoring and evaluation capacity. This lacks in HP.

It has been discussed from RNE to help develop a type of stronger co-coordinating capacity and it has been discussed many times, with the bureaucratic system through D.K. Sharma and with the previous CEO, Dr. Shad. It has also been discussed at political levels, with Chief Minister Khumar Dhumal (31.5.2000). This is of course politically speaking a matter for the GoHP, but it should be quite possible for RNE to help support the development of a mechanism resembling a Department of Environment in some form, if so requested by GoHP. A decision was made by GoHP (2001?) to establish an Environmental Planning Unit, but the suggested follow-up in terms of a set-up of manpower and powers, would hardly fill the needs of such a co-coordinating body.

Given the recipient responsibility principle, the Embassy cannot push much in terms of getting in place such a unit. One can rather state the advantages and the needs for professional co-ordination in the environmental field, both in scientific and management matters and also concerning long term institution-building efforts and the RNE's willingness to support such a venture.

Moving from the approved policy documents and the legal and organisational framework, and over to what is being carried out, we see that the present main environmental activities in HP are in forestry; that is also where most foreign donors have been involved (see Vedeld et al 2001). According to the enclosed proposal from GoHP, of the around 120 mill. NOK annually spent in the environmental field, some 60% is in forestry, 20% in sewerage and sanitation, 10% in soil and water conservation and the remaining spread across to non-conventional energy forms, information and awareness raising, urban town development and planning and some to agriculture. This figure of 31291 lakh RS over 5 years is most likely a budget figure not covering for instance autonomous bodies such as SPCB (where the State does not give allocations directly) and other bodies where the state is not directly involved. It is claimed in the note from GoHP that this represents around 6% of total aggregate approved outlays in the Ninth Five year Development Plan.

Concerning environmental work in HP and the role of RNE; RNE/Norway contributes around 10-15% of annual spendings in the environmental field in HP. The priorities between sectors in terms of investments in HP resemble that of IND 056, whereas the proposal for a new phase II of IND 063 has a quite different focus (I return to this point in 2.5).

2.2. Goals of IND 063 programme phase II

The development goal of the IND 056 agreement was to contribute to 'improved management of natural resources in Himachal Pradesh. The purpose was two-fold:

- Increasing the capacity of the environmental institutions in the State for identifying and for accessing cleaner technology, raising environmental awareness and for implementing policies leading to improved environmental management.
- Enabling governmental agencies, non-governmental organisations/institutions, private and public enterprises in HP to take appropriate environmental actions which will contribute towards realisation of the development objective of the Programme.

Ind 063 had similar formulations, although with a little less emphasis on institution building, and more on transfer of technology and knowledge. Both stress the importance of developing good pilot and demonstration activities. RNE should consider the formulations of development goals in the new agreement in line with IND 056.

At present, in the new proposal for a phase II, there are no overarching development goals for the programme. This must be included in the proposal, maybe in line with the formulations in IND056, quoted above. The 5 objectives cited on p. 18 are all direct field activities related to the 5 projects suggested- there is no programme approach suggested in Phase II.

The reviews of IND 056 and IND 063 stress that the impacts of the programmes have been substantial in HP. The programmes started a debate on concerted actions in the environmental field in HP. A substantial number of actors and government bodies have, since 1994, been involved in various environmental programmes and projects. Especially IND 056 with its many different activities formed a common ground for actors inside GoHP to meet at regular basis to discuss environmental issues. This function should be attempted maintained through the design of IND 063 Phase II (formalised cross-sectorial meetings, secure a certain number of pilot activities in different strategic areas, identify some key activities that combine sectorial interests in joint action (Biodiversity, pollution etc. maybe relative to the follow-up of the Environmental Action Plan etc..).

Summing up: *RNE should clarify overall development goals and objectives. These should be in line with IND 056 agreement. The selection of pilot and demonstration activities and the implied departments should be seen in relation to such goals and objectives.*

2.3 Organisation, powers and authority

I want to raise three items;

- 1) The establishment and placing of an overall and overarching responsible organisation for the environmental field in HP and for institution building in that respect.
- 2) The question of where to place the IND 063 secretariat.
- 3) The placing of project-wise responsibilities, that now follows the stakeholders for each project into various departments and clarification of rights and duties between the secretariat and the stakeholders of pilots.

The first point has been raised already, but should be seen relative to the secretariat of IND063. The second point concerning the present organisational structure and performance of the secretariat and the third point concerning the different projects management systems is the main problem at present for RNE in HP.

The secretariat does not function well, as is very clearly stated in the reviews. The present CEO? (D.K Sharma) does apparently not want to change the placing of the secretariat, and it is kept under his direct control - as the only foreign donor support programme in HP.² It means that the IND 063 programme is under the wings of Dep. Of Planning under Min. of Finance. RNE has tried to get an improvement in the situation for at least 5 years, but with limited success. There is nothing mentioned in the present proposal about the secretariat at all. Different options have been discussed and proposed;

- 1) To support the establishment of a Department of Environment in HP and place the secretariat there. This has been rejected by GoHP.

² (According to loose rumours, I have heard that this department also controls all training activities/foreign travels in any foreign supported programme for GoHP staff, but I cannot confirm this from here).

2) To suggest to place the secretariat away from Dept. of Planning. I am doubtful if placing the secretariat under Forest Department or any other department is wise in light of that GoHP/Dept. of Planning opposes this at present. I still recommend that RNE discuss organisational experiences with other donors operating in HP, especially DFID. The replacing is also been rejected by GoHP.

3) To establish an Environmental Planning Unit was suggested by the review team in 1999. This has now been approved by GoHP. However, it seems more to be a Performa face-lift and with little real term impacts or change relative to present situation concerning staffing, competence, authority etc. (I had informal discussions with Virendra Sharma, previous GoHP; SCSTE, now advisor DFID, Dehli about this. He did not consider the suggested changes on EPU made by GoHP as a seriously intended revamping effort of the environmental responsibilities in HP, mainly because it was not given the appropriate or necessary powers, authority and resources and that the manpower suggested, including their ranks, would not give the organisation enough strength).

From a pragmatic point of view then, the Embassy could now maybe consider to shift strategy in these questions as previous endeavors have failed.

A more pragmatic strategy could be to accept present placing under D.K Sharma and Dep. of Planning, but demand improvements in personnel and rank of staff- see detailed suggestions from IND 056/ 063 reviews and in mandates from 1998-2000. As RNE is aware of, even this strategy has been tried before. Decisions have been made in SAM to improve and increase the staff, but this has had limited success. It has also been attempted to make the secretariat "learn from Karnataka" on project management, monitoring, and evaluation procedures, also this with little success. However, in the process of entering a new phase, one may have more leverage in negotiating this issue.

Summing up: As it is now, the poor performance of the secretariat must be substantially improved. The problem is at a level now where it may be deemed necessary to end the programme. Such a position could be considered used sternly by RNE in the negotiations for a possible new phase. Necessary backing for this is very clearly given in the reviews.

2.4 Financing of phase II of the programme

I take the amount of funds from RNE as given.

1) How much to be contributed by the two parties?

The IND 056 had a 80-20% funding scheme, where HP had 80% and RNE 20%. In the IND 063 this was shifted around for some reason, and the present distribution is around 70-30%, with most of the investments etc. are made by RNE funds. GoHP contributions are often in kind and through various services. RNE has to think through how this should be set up in the new phase. It could be that a higher Indian contribution may yield increasing political and popular pressures and interests in how to spend the available resources.

2) How to transfer funds?

In India, development assistance funds are in general given through the central government. Only technical assistance may be given directly to State governments. In addition, there is a system whereby the central government receives the funds, and then issues the funds forward as a loan/grant package to different states. Some "backward" states receive most of the

development assistance as grants, such as HP, whereas other states, basically receive the development assistance as loans from central government (as Karnataka.).

In the case for Karnataka, the programme components are defined as Technical Assistance thereby given as grants directly to Karnataka In HP, however, a share of the funds are considered to be loans from Central Government to HP and has to be repaid. One should discuss the present arrangement openly with HP and agree on how this should be done. The Karnataka solution is of course in line with wishes of GoK. It implies a reduction of Norwegian funds allocated to central government, and more to GoK, which may more in line with intentions of Norwegian Development Assistance, as the Central Government bias in India hardly has a particular poverty focus compared to State level policies. The Embassy is well aware of this, but I take the liberty to remind of that this can be an issue for negotiations in the next phase and can be used as leverage in other matters..

Sum: *RNE has to decide upon a point of departure for negotiating the relative share of cost in the new phase between the two parties; and on how to define technical and general assistance for HP.*

2.5 Main activities of programme

The activities should have been assessed relative to the development goals and the expected outputs of the new programme. As far as I can see, there are no overall development goals and perspectives in the documents from GoHP. This must be put in place.

There are a number of suggested activities that from an environmental point of view are good and of interest, but the activities lack explicit rationale and an institutional footing.

The lack of coherent and overall thinking and planning in the new proposal is striking. It is as was criticized in Phase I of Ind 063, a collection of projects, high and low, with little coherence and interlinkages and with almost no references to present policies and priorities.

The goals of the individual projects are not formulated clearly, nor the activities to reach the goals; the pilot and demonstration qualities are not presented, nor aspects of institution-building efforts, and training and capacity development. In particular, the intention behind pilot and demonstration activities are poorly understood or at least poorly displayed (see Vedeld et al, 2001: 64-65 for details).

The possible future replication of activities to other areas is not discussed.

Sum: *The main intention behind Phase II of the IND 063 programme should be institutional development, capacity and competence building. The pilot and demonstration activities, also important; should be used strategically in such undertakings and not primarily as activities in itself. For example; the present suggested extreme focus on solid waste (around 70%) would in such a perspective seem rather unfruitful if the main aim is institution and capacity building in the environmental field at large in HP.*

2.6 Overall programme coherence and links between programme components

This relates to what is stated above. One has to agree upon the main ideas before one discusses individual the pilot and demonstration activities.

The present proposal suggests more than 80% to solid waste and to transport pollution control measures, to large extent pure investment activities.

Forestry, wildlife, biodiversity, land slides/soil erosion and agricultural pollution activities are completely left out in the new phase. These are all activities stressed in State of the Environment Report and in the Environmental Action Plan (the Draft). Another area, that is not seen as part of the environmental field in India, but is included as support in Norwegian development assistance is cultural heritage. The need in HP is definitely there, and could be taken up with GoHP.

If one thinks in terms of institution-building, competence building and in terms of that the programme should function as a meeting ground for different sectorial interests, I believe that one could tune down considerably the support to solid waste; maybe down to one project. Furthermore, no more support should be given to this before the present activities have been successfully completed (including a report on the Shimla incident) and carefully reviewed and assessed relative to pilot and demonstration properties and relative to a strategy for replication along a sustainable path. Within Solid Waste, one should this in the future rather look into how the present pilots are being evaluated and replicated through Urban Local Bodies to different districts. One should also develop on the job training, or In India training for people at State and local levels inside the Urban Local Bodies organisation (according to a competence and institution-building plan).

My own, informal and (maybe unreasonable) gut-feeling is that many development programmes are being used as instruments for hidden agendas inside the government. Projects have to be given to different departments, to different regions, to different groups of people in the internal fights for power, support and control of resources. The external funds are regarded less as the key instruments for creating development and change, unfortunately. One can interpret these processes as more or less legitimate expressions of recipient policy-making, but given RNE's responsibility to secure efficient use of development allocations, one may convey viewpoints on presented priorities relative to stated and reciprocally agreed upon goals. In the final round, one may of course also reject to support the overall proposal.

Conclusion: *If the main goal is institutional development and competence building; this has bearings for the distribution of resources between sectors and within a sector, to what kind of activities to support. In line with this, the present proposal has too much emphasis on solid waste and areas like forestry, wildlife, biodiversity, land slides/soil erosion and agricultural pollution activities are completely left out, without any explicit reasoning. In my view, the programme would benefit from both the forest and agriculture department to be present with activities.*

If one should identify key institutions for such activities; the State Environmental Protection and Pollution Control Board, the Council for Science, Environment and Technology, Forestry and Wildlife Department - Agriculture Department, Urban Local Bodies and the Department of Town and Country Planning could be target institutions.

Concerning target policy processes, that one could support, could be to further develop the State of the Environment Report and make it into a regular report system, it could be to follow up the Environmental Action Plans, and the work with the Biodiversity Convention and possibly other international conventions, mentioned in Vedeld et al, 2001.

3. DETAILED COMMENTS TO SUGGESTED INDIVIDUAL PROJECTS

The presented proposals are very brief and if support is given, one needs to develop them into proper project documents that can be assessed and approved at a later stage. One should also clarify formal mechanisms for how this should be done. This has not been handled well in the past. I see little point in giving very detailed comments to each of the projects, before one agrees on the larger issues of the programme approach. I would, by the way, be surprised if there are no more documents behind these very sketchy outlines. RNE could ask for better documents on the “pilots” suggested so far.

3.1 Urban Development projects

There are four different solid waste management projects in a total of ten townships scattered over HP in 3-4 different districts. It accounts for 70% of funds to be used in the programme.

	Components	Costs (lakh)
1. Baddi-Barotiwala-Nalagarh Integrated/Industrial and Solid Waste Management Project	Sewerage Municipal Solid waste land site? Hospital waste and incinerator Industrial effluents; stabilize and landfills	631,96 <i>12.6 mill. NOK</i>
2. Integrated Solid Waste Management Project- Mandi-Sundernagar Town	Municipal Solid waste and pit-composting Hospital waste and incinerator	295,50 <i>5.9 mill. NOK</i>
3. Integrated Solid Waste Management Project- Jawalamukhi and Dehra Town	Municipal Solid waste and pit-composting	289 <i>5.8 mill. NOK</i>
4. Integrated Solid Waste Management Project- Palampur-Bajinath -Paprola Town	Municipal Solid waste and pit-composting	283,54 <i>5.6 mill. NOK</i>
5. Sum		1500 <i>30 mill. NOK</i>

The Baddi-Barotiwala-Nalagarh Integrated/Industrial and Solid Waste Management Project encompasses both sewerage, effluents from industry and hospital and solid waste components and as such has more innovative character relative to the projects RNE has supported before. It also establishes a link between the nallahs, drainage system and the solid waste handling. There are also a number of industrial activities, creating particular challenges. One could include Norwegian expertise on environmentally sound treatment of wastewater.

There is, however, a general lack of clear objectives, no description of organisation, no specification of particular novel pilot and demonstration activities, nor any discussion on the long-run sustainability of the projects. There is nothing or at least very little on social organisation, expected health effects, gender issues, problems of poor people involved etc. I see the outlines more as a rough sketches of projects than anything else. They still lack addressing of number of issues. (In the Appendix of the proposal, some more details are given

on two of the proposals through an LFA format type summary, but still much is left in terms making it possible for the reader to get a good overall picture of the projects).

I would suggest that if RNE decides to give support to one waste programme, that the first proposal is supported, on account of the more technical aspects discussed above. But it needs substantial improvements. It is also quite big, maybe too big if we take the experiences from Shimla into account. It is almost 50% larger than Shimla, as far as I recall. But especially the issues on waste- water, may hold good possibilities for novel pilot and demonstration activities. Norwegian environments and institutions have good competence in this field and a pilot here could be an exciting undertaking.

It is somewhat striking, though, that the comments I have made above are the same as RNE made for the initial Shimla, Kullu- Manali project proposals and as such this just underscores the need for institutional development and competence building inside Urban Local bodies and in the programme secretariat. What have they learned from the other previous projects? In the IND 056 completion review, special comments are made to the conspicuous lack of social and organisational competence related to SWM projects in ULB.

Sum: *The past experiences with Urban Local Bodies has been mixed. However, a project with them seems in line with ideas of having a forum of the most important actors in the environmental field in HP. One should, however, first of all complete the ongoing projects in Shimla and in Kullu/Manali and assess these. Then one could consider moving over to new projects where new and novel pilot and demonstration components are put in place. In the field of solid waste and treatment, recycling, reuse, reducing waste loads etc., the development of new approaches is exploding world-wide. One should invite or facilitate in bringing institutions from abroad – from Norway also - in assisting in the design of new experimental approaches.*

3.2 Transport/H.R.T.C.

The proposal seems to be a continuation of efforts started under IND 056. The completion review stresses that the overall function and achievements have been good.

What is suggested is an increased effort on purchasing equipment for reducing emissions and for controlling vehicles, which basically is a replication of IND056. The sum seems quite big for only buying turbo charges (5 mill. NOK). What can be seen from the documents, is not very novel in terms of in pilot and demonstration aspects. One could make a general consent to a project on reducing air pollution in HP through HRTC, but maybe involve external experts in developing more novel approaches technically speaking. One should also think about how to involve the private sector more in abating pollution. One should also include strategies to geographically spread the activities around the state and not concentrate efforts to Shimla, if this is not already done.

Training, institution-building and capacity enhancement is not taken up in the brief proposal.

Sum: *The past experiences with HRTC have been quite good. A project with them seems in line with ideas of having a forum of important actors in the environmental field in HP. Also here, there must be a number of pilot activities that can be included, and not only a replication of IND 056 activities. It is recommended to involve external experts on generating ideas for good novel pilot and demonstration activities that are baked into an institutional development plan for HRTC.*

3.3 State Council for Science Technology and Environment

It is a bit unclear what is actually requested. In the introduction, waste management and awareness raising issues are highlighted. Later; in the activities, this is broadened to include other activities and lastly (!), in the objectives, some points are taken up on what NGOs and local communities could do in the field of environment management, biodiversity conservation, solid waste management, monitoring of natural resources and in rural development towards NGOs and local community organisations. Before support is given, the components should be clarified better and some draft project documents could be requested conveyed.

The SCSTE does not have a strong position inside the GoHP, but still holds important environmental functions typical for a Department of Environment in other states, on information, on awareness raising and on monitoring and as an advisory body to GoHP on environmental issues.

In order to clarify better what is requested and to sharpen the profile as requested by RNE; some points could be made;

-One could discuss to support issues on the follow-up of the GoHP Environmental Action Plan and the National Biodiversity Action Plan.

- In addition to the National Biodiversity Strategy, SCSTE also have efforts on Eco-clubs, on conservation of National Wetlands, on the National Environmental Awareness Campaigns. Such efforts could be of interest in terms of support from RNE?

SUM: The past experiences with SCSTE has been mixed. However, a project with them seems in line with ideas of having a forum of important actors in the environmental field in HP. Assessing what is behind this present proposal from SCSTE is not easy and beyond the scope of this desk assignment; but one could maybe informally discuss possible topics with V.Sharma at DFID, who previously worked with SCSTE. Also here, some kind of competence building programme should be included, and cooperation with Norwegian institutions could be of interest; both management institutions, such as MD or DN, but also research institutions, such as NORAGRIC or similar institutions.

3.4 Town and Country Planning

This project, although very briefly presented, seems to be in line with important RNE policy bearings. Spatial planning is crucial for long term environmental sound development and as such, the issues raised are important.

It is difficult, however, to see tangible outputs in the given descriptions of objectives; this needs to be clarified. The previous project focus; where one developed environmentally sound master plans for smaller urban hill stations as part of a competence building effort, seems to be an idea that could be continued in some form or other.

Sum: The past experiences with Department of Town and Country Planning has been good and a project with them also seems in line with ideas of having a forum of important actors in the environmental field in HP. Here, there is a kind of competence building programme although vaguely formulated at present. There is an existing cooperation with Norwegian institutions through Department of Planning and Landscape Architecture at Ås, which has been working well according to the reports so far.

3.5 H.P. State Environment Protection and Pollution Control Board

The application seems reasonable as far as it goes, although it is also extremely brief. There is no provision for training and institutional development. The application is for 50 lakh and I would recommend if it could be possible to expand the amount. One would then have to look into additional fields for co-operation. In the IND 056 review, it is stated that the present programmes have worked well and that the Board has developed good competence. It ranks among the best SPCBs in India at large. They have, however, problems in financing their ongoing activities and a mere focus on increased monitoring capacity will not help this situation.

The suggested fields include four components; equipment for monitoring, inventorisation of hazardous waste, preparation of disaster control action plans and a preliminary assessment of pesticides in major rivers (the last item has been conveyed to the Embassy also earlier).

The GoHP, has generally not allocated much funds to SPCB as it sees SPCB as an autonomous entity that should maintain separate fundings. Here GoHP, however, still allows some small funds to be allocated. From RNE point of view, I believe that one should see the Board as a crucial element in a coherent development of the environmental public management system, and I suggest proposing more support to the Board; to institution- and capacity building activities etc. RNE had a substantial project in IND 049 and ideas from there could be discussed with GoHP and the Board directly. One could also discuss a support to increased co-operation and dialogue between the Board and ULB relative to how to handle new proposals for solid waste management schemes.

It is obvious that SFT could be involved in future cooperation here. However, that is not possible with present suggested level of fundings; they would have to come directly from the Embassy or through IND 040. One could also consider a small grant under IND 063, present budget, to prepare a joint project under Phase II?

***Sum:** The past experiences with HPSPCB have been reasonably good. A project with them seems in line with ideas of having a forum of important actors in the environmental field in HP. The scope and range of activities should be expanded. Some kind of competence building programme should be included, and cooperation with SFT/NILU/NIVA should be considered. Such initial contacts could also include discussions of novel pilot and demonstration activities prior to a final programme approved by the parties.*

3.6 Rural Development Department

The RNE cooperation with Rural Development Department is rather new, and this proposed initiative is linked to the Mahila Mandal efforts under the present IND 063. RNE has much better insight in this than the consultant.

Just two comments; in the IND 063, RNE was looking for more concrete activities to form a base for the capacity enhancement of the Mahila Mandals. The same argument seems to be valid now. What are they supposed to work with? The Mahila Mandals can be used strategically in issues of health, solid waste, domestic water pollution, forest tree planting, common property management schemes etc.

Could there be other ideas from the Rural Development Department?

3.7 Project Secretariat

This has been raised already. GoHP's present proposal is for 60 lakh. There is no description of plans for the use of these funds at all. This is a major challenge in the continued cooperation with HP. Going back to the mid-term review of Ind 063; the main comments are linked to the less than optimal functioning of the secretariat;

Professional role: The Secretariat should play a more dynamic professional role in initiating, planning and appraising projects. It should be able to assist project applicants in preparing good project documents. The Secretariat should develop its capacity to play these roles. It should draw on the lessons of IND 056 and regard INEP 063 as a part of the learning process that started with the former.

CEO's power/authority: The Chief Executive Officer should have the power and authority to deal directly with departmental heads of projects, secretaries and Municipal Commissioners.

Staffing: The remaining unfilled positions should be filled with persons with appropriate qualifications. The Secretariat may recruit a senior environmental engineer with experience in environmental planning and project monitoring and evaluation.

Project monitoring and evaluation: The Secretariat should, in collaboration with the implementing agencies, develop monitoring and evaluation systems for the projects with a view to assess their impact, sustainability, pilot properties and replicability.

Environment Planning Unit: The GOHP may consider the Team's recommendation for establishing an EPU made in the PCR of IND 056..

Link with IND 063 Karnataka: The Secretariat may consider engaging in exchange of experiences with its counterpart in Himachal Pradesh with a view to cooperate in capacity building.

(IND 063 Midterm review p. 60)

Unfortunately, most of these aspects are still very relevant. In a negotiation around whether or not to continue support, written clarifications should be given on these items, and with both bureaucratic and political clearances.

4.CROSSCUTTING COMMENTS AND RECOMMENDATIONS

4.1 General recommendations

Better governance in programme and projects is essential; This relates to the comments made by the review team and from my own experiences; one needs to improve first of all the detailed project components and their coherence with the overall ideas of the programme. It is furthermore necessary that the secretariat develops good monitoring systems to be used by the different project holders, so that one secures good resource use and effective project execution.

Less bureaucratic bias from RNE towards HP: For some reason, RNE has had contact basically with the bureaucratic system, and very little dialogue at political levels. There may be positive and negative sides to this; but a general recommendation is that RNE should develop some more formalised contact points and meetings with political leaders in conjunction with the SAMs and the AMs. RNE could also consider the involvement of the Ambassador in such meetings.

Keep completion of IND063 phase I activities as leverage before new funds allocated to the same environmental field: In general, one should not start in new activities in solid waste and in the Mahila Mandals before the present IND 063 activities are completed, assessed and plans for replications etc. clarified.

Clarify relationship between state level and Central Ministry level and relate to transfer of experiences etc.: The present suggestions do not cater for any bridging activities between state level pilot and demonstration activities and a national level exchange of experiences in this respect. This could be discussed with GoHP and with GoI?

One could also set aside funds for regular (annual) exchange of experiences between the two states in the programme.

Completion review for IND 0063 Phase I; Before new activities are started? Also consider possible additional financial needs for completion of the projects.

4.2 RNE policy issues

Poverty and gender focus: Most of the projects do not have particular focus on poverty or gender, except the Mahila Mandal that target vulnerable women's groups. The urban Solid Waste Programmes, pollution control, town and country planning etc. has to be more detailed before one can assess if poverty and gender considerations are made.

Good governance; Issues of corruption, misuse of funds, accountability and transparency are highly relevant in HP. In the mid-term review for IND 063; some ideas are mentioned for good financial management inside the project at large (p.59) and they should be followed up by RNE. Concerning transparency, one could discuss the possibility that all projects and funding budgets are placed on the Internet, and advertised in local newspapers, so that civil society may know what funds have been allocated for various purposes.

Sustainability: It is a general challenge, also in these projects, that the aspect of sustainability and possibility for activities to continue upon donor withdrawal are in place. This should be

part of the project designs and it should be at focus in institution-building efforts of various kinds.

Donor co-ordination: As documented in Vedeld et al 2001, there are few environmental development supports in HP. Although the list is not complete, there could still be possibilities for at least meetings with some donors, in particular on general experiences of running cooperation programmes with GoHP; especially DFIDs experiences would be relevant.

Another topic to be raised could be issues the follow-up on the Environmental Action Plan and the National Biodiversity Action Plan.

Donor support to environmental programmes in Himachal Pradesh

Donor	Activity	Total sum
WB	Watershed Development Project for Himalayan Hills. World bank. First stage ended in 1999 (Departments of forests, agriculture, horticulture and animal husbandry)	Old stage; 120 mill.NOK. Under planning
DFID	Himachal Pradesh Forest project New phase; JFM 2002-2006	10 mill.USD new phase 16 mill. USD.
GEF	Small Hydel project in Hilly Areas, incl. HP	7.1 mill. USD
AUSAID	India/Australia Capacity Building project human resource dev. in several environment related fields Planned Urban and rural water and sanitation in Shimla Hamirpur	8 mill. USD under planning
UNDP	Medicine plant sub-programme	0.5 mill. USD
GTZ	Indo-German Eco-development project (Departments of forests, agriculture, horticulture and animal husbandry)	100 mill.NOK.
GoI Centrally Sponsored Schemes	1. Intrgrated wastelands development projects; Kangra, Chamba, Solan, Sirmour, Mandi (DRDA, Watershed committees) 2. Desert development programmes lahaul, Spiti, Kinnaur Districts (DRDA, Watershed committees) 3. Drought Prone Areas Programme; spread all over the state (DRDA, Watershed committees)	100% GoI 100% GoI 50-50% GoI, GoHP

Source; CII 2000 pv35, and GoI,200

4.3 Conclusion

Summing up, this has become a rather critical desk appraisal, maybe more critical than necessary. The bottom line is still that one should continue the support. Looking at the reviews, there is no doubt that the Norwegian contribution to the environmental field in HP, has firmly set the environment on the agenda, and that much has been achieved, both in central government and also among stakeholders in sector departments. The particular effects of having many actors involved and the “meeting ground institution” should be consciously pursued in the further negotiations. In that respect, it would seem important to work for the involvement of especially departments of agriculture, forestry and mining that at present are out. Cultural heritage has also been mentioned.

The Phase II document is unfortunately not a good proposal in line with the programme approach outlined by the Embassy in several letters. It was also very clearly presented by the Dev. Counselor in the Workshop in September 2001. I would still recommend that another attempt be made to secure some elements of this thinking in a second phase, even if a strict recipient principle would preclude applying strong pressures in this direction. These elements should include the improvement of the secretariat status and function, the inclusion of particular departments and actors, and improved processes for project planning and appraisals

prior to starting them up; where core thinking around institution-building and competence building is included.

If little or nothing of this is achieved through negotiations prior to the AM, one capital alternative for the Embassy is obviously to decide not to support the overall programme.

But given that environment has a high priority India, there are several sub-projects of interest and the programme will have institution- building elements in itself- even through the pilot activities alone. And there is little doubt in the reviews that the environment has been put on the political and bureaucratic agenda in HP, partly because of the Norwegian support.

A last note on the future process; The AM is not a well-suited forum for discussions and negotiations. Some of the items may also be quite sensitive from a political point of view. Informal discussions, prior to the meeting with subsequent substantial revisions of the initial proposal may be a sensible approach in the present situation.

APPENDIX 1 TOR DESK APPRAISAL

APPENDIX 2 EXECUTIVE SUMMARY IND 056 Completion Review

Executive Summary and Recommendations

A Team of five consultants carried out the Programme Completion Review in April 2000. The Team spent nine days in Himachal Pradesh visiting project sites and holding meetings with governmental officials, local communities and other stakeholders. The present report is based on reviews of project documents and on data gathered during the field visits and discussions.

The Programme IND 056 represented the first systematic attempt in the State to provide a common platform for different agencies concerned with environmental management to interact and exchange experiences. It is remarkable that the GOHP took the initiative to address some of the major environmental problems of the State from a multi-sectoral and a more integrated perspective. By taking this step the government showed its willingness to move away from the rather narrow conventional sectoral approach to environmental management. With IND 056, it moved towards developing a broader framework to foster institutional linkages and cooperation to deal with environmental problems. Furthermore, the government demonstrated its commitment to the Programme by footing almost 80% of the bill. Seven major governmental agencies became directly involved as implementers of the Programme. The projects and the sub-projects focused on a large number of issues in various parts of the State and they inevitably opened up opportunities for interactions between the state and local communities. This was unprecedented. Thus it would be fair to say that IND 056 marked the beginnings of a new phase of institutional linkages and cooperation for environmental management in HP.

As the nodal agency, the Ministry of Planning (Programme Secretariat), has been playing a central role in facilitating an inter-sectoral communication which is a necessary condition for sound environmental policy making and planning. In this regard, the Programme has set in motion a learning process for the concerned institutions while promoting awareness among high level government officials and politicians about the need for concerted and sustained action to manage the natural resources and environment of HP. This learning process is in itself a notable achievement. However, it is still in its early stages and it needs to be sustained and strengthened for the State to capitalise on it. It is important to point out that the benefits of the learning process would have been greater had the Programme Secretariat been more fully staffed and a more comprehensive monitoring and evaluation system been adopted. The Secretariat would have done better if it had the services of an experienced environmental planner/engineer. The Steering Committee and the Semi-Annual and Annual Meetings played constructive roles in giving direction to the Programme and ensuring progress in implementation. IND 056 has made evident the need for a multidisciplinary and interdisciplinary environmental planning unit at the State level in an institution that has strong linkages with all line agencies, private sector and civil society.

Regarding performance of individual projects, our general conclusion is that they produced good results as pilot interventions. Some of the projects and sub-projects have produced very impressive results. The SPCB and HRTC/Transport Department showed remarkable results in terms of output and pilot properties. The Department of Industries and Mining accomplished its task quite well in physical terms, but it should have paid more attention to cost-effectiveness in order to strengthen the pilot quality of the achievement. The Forest Department showed good physical achievements but had neglected training and community participation. This neglect has had adverse effects on the otherwise impressive pilot

properties. The SCSTE took too long to produce the State of the Environment Report, which was supposed to be its most important activity. We are unable to comment on the quality of the Report as it was not made available to us. We found the short ESR informative and useful as a preliminary step towards a State environmental policy and environmental action plans. The Council has shown good progress in its other activities and demonstrated its ability to work with NGOs and its potential to play a valuable and much needed extension role regarding environmental management. The ULBs' Project has significantly contributed to the expansion of the mechanical capacities of the participating Municipalities to handle solid waste disposal. It has also helped raise environmental awareness in the urban areas. The door-to-door garbage collection experiment has demonstrated a way to increase garbage collection from middle class residential areas.

Community participation was not a strong feature of the Programme although some project activities have shown the potential for it. In general, project designing was not sensitive enough to community participation.

The sustainability of the achievements varies from project to project and activity to activity. The SPCB should be able to sustain the expanded monitoring activities at the current level but will need further support to extend its monitoring and other activities to cover more regions of the State and to develop its capacity to handle problems such as hazardous waste management and environmental effects of dams and chemically intensive agriculture. The HRTC and Transport Department appear to be able to sustain the achievements. The Department of Industries and Mining has yet to workout an arrangement to ensure the future maintenance of the asset created. The SCSTE's extension role is sustainable at low cost. The assets created by the Forest Department need to be transferred to local authorities for maintenance. This transfer has to take place early so that any possible neglect of the assets can be avoided. There is need for funds and management training of the local agencies taking over the assets.

Our final conclusion is that IND 056 has made a significant contribution to environmental management in HP and the achievements and the issues that remain to be addressed justify a second phase of the Programme.

Recommendations: The Case for Phase II of IND 056

The Team believes that there is a strong case for a second phase of IND 056 due to the following reasons:

- There is need to consolidate, institutionalise and develop the learning process and inter-institutional cooperation achieved by the Programme in order to strengthen the State's capacity for integrated environmental policy making, planning and action.
- There is need to demonstrate the replicability of the pilot achievements of the Programme.
- Some of the implementing institutions need further support to sustain the achievements.
- By drawing on the experiences of the Programme, there is a great opportunity to develop and demonstrate a better planned, better focused and more integrated environmental programme for HP.
- The activities of IND 056 were originally planned and later modified with the idea that there would be a second phase. Now it has become more evident that without a Phase II, much of the gains of the past six years or so might be gradually lost.

These reasons should be given serious consideration in framing Phase II of IND 056. The Team further recommends that priority be given to the following:

- Establishment of a strong environmental planning unit (EPU) at the State level in a department which has formal links and established channels of communication with all line agencies concerned with natural resources and the environment and development, and which can relate well to the private sector and civil society organisations. The EPU should have a core staff of competent and experienced professionals who are capable of seeing environmental problems in a holistic perspective and of working as a multidisciplinary and interdisciplinary team. The EPU should have a clear mandate to coordinate and develop environmental plans and programmes. It should draw on professional expertise from other sources to develop environmental plans and project/programme monitoring and evaluation systems. It should develop good working relations with relevant governmental and non-governmental organisations and individuals.
- Entrusting the EPU with future coordination of the State of the Environment Report, Environmental Action Plans, Environmental education/ awareness creation activities, monitoring and internal evaluation of IND 063 and the proposed IND 056 Phase II.
- Assistance to institutions to demonstrate the replicability of achievements of IND 056 Phase I.
- Assistance to institutions responsible for maintenance of assets created in Phase I
- Further strengthening of the State's capacity to deal with air, water and soil pollution.
- Capacity building for SWM at local levels in urban areas.
- Planned development of hill towns
- Measures to counter land degradation.
- Environmental consequences of hydro-electricity and
- Community participation in environmental project planning, implementation and post-project maintenance.
- Competence building of middle and field level personnel and NGOs in environmental management.
- Phase II of 056 should be formulated and implemented in conjunction with the ongoing 063 so as to promote synergy between the two through cooperation.

APPENDIX 3 IND 063 MIDTEM REVIEW

The three projects of INEP IND 063 HP are in very early stages of implementation. They are highly relevant to the environmental and development priorities of the GOHP and to the priorities of Norwegian development cooperation. They address problems that are of great significance to the State as a whole and to other hilly regions of India as well. The first two projects deal with a major urban environmental problem. The areas chosen for the projects, viz. Shimla - the State's capital and Kullu-Manali valley - a major tourist attraction, have been grappling with problems of SWM for some time. They have some past experience and the present projects may be seen as a logical continuation of an engagement initiated under the now completed IND 056. The third project focuses on capacity building for urban environmental planning in HP. The GOHP has recognised that this area has remained rather neglected for a long time and the State has considerable catching-up to do in terms of professional capacities to deal with the challenges managing the urban environment and planning future urban development.

Implementation of the INEP 063 HP projects was unduly delayed due to various reasons. The Shimla Integrated SWMP suffered from a protracted delay due to problems concerning tendering procedure and complaints of possible irregularities. The whole episode revealed the Secretariat's weaknesses in planning and monitoring. Implementation of this Project began in February and that of the Kullu-Manali project by the end of March. Both projects have high potential to demonstrate participatory SWM, the commercial viability of converting biodegradable waste into manure and the replicability of the composting technology chosen. However, some basic constraints have to be overcome for the projects to steadily move on this course. Stakeholder participation needs to be institutionalised. The Projects tend to regard all urban residents as a homogeneous mass whereas in reality they are socially and economically differentiated. Awareness creation and participatory approaches have to take this reality into consideration. This implies that a more differentiated and sophisticated approach may be needed to mobilise and organise households and other stakeholders. Training and capacity building is another area that calls for a systematic approach. Both Projects have to pay more attention to monitoring and evaluation although the Kullu-Manali Project has taken a step in the right direction by establishing a monitoring committee at the District level. In general, the level of environmental awareness is higher in Kullu-Manali than in Shimla.

The Environmental Planning Project (Department of Town and Country Planning) commenced January. It is the first of its kind in the State and has good potential for replication. The Project has made some progress in training. It has well-organised collaborative arrangements with the Agricultural University of Norway and the School of Planning and Architecture New Delhi. No action has been taken regarding public participation and intersectoral coordination. In the Project design, the physical and technical aspects of the Project are better taken care of than public participation and institutional linkages and cooperation. This project's pilot properties can be considerably enhanced if these two components are fully developed as integral elements of the pilot projects for Manali and Palampur.

The INEP Secretariat has 15 sanctioned positions but only eight have been filled so far. Even these eight persons are not working exclusively for INEP. The Chief Executive Officer (CEO) of INEP 063 is handling several other responsibilities as well. The Secretariat is understaffed and it appears that the coordinating and monitoring functions have not been clearly defined in

terms of actual execution. A regular monitoring system is yet to be established even though project implementation is already underway after a protracted delay. INEP 063-HP projects seem to be operating autonomously. It may be desirable not to interfere with the autonomy of individual projects. However, the Secretariat has to be fully staffed and become effectively functional so as to initiate and plan projects, monitor the ongoing projects, evaluate progress, identify problems and solutions jointly with the implementing agencies and analyse the experience in order to draw lessons for the future. In managing INEP 063, the Secretariat should draw on the experiences of IND 056. The proposed Phase II of IND 056 should be planned with due consideration to fostering linkages with INEP 063.

IND 063 HP represents one part of a broader INEP intervention, the other part being IND 063 Karnataka. The two programmes have their distinct characteristics. However, they also share some premises and interests. It would be mutually beneficial if the two could develop a regular channel of communication to engage in dialogue and exchange of experiences and explore possibilities for cooperation in capacity building.

Recommendations

INEP Secretariat:

Professional role: The Secretariat should play a more dynamic professional role in initiating, planning and appraising projects. It should be able to assist project applicants in preparing good project documents. The Secretariat should develop its capacity to play these roles. It should draw on the lessons of IND 056 and regard INEP 063 as a part of the learning process that started with the former.

CEO's power/authority: The Chief Executive Officer should have the power and authority to deal directly with departmental heads of projects, secretaries and Municipal Commissioners.

Staffing: The remaining unfilled positions should be filled with persons with appropriate qualifications. The Secretariat may recruit a senior environmental engineer with experience in environmental planning and project monitoring and evaluation.

Project monitoring and evaluation: The Secretariat should, in collaboration with the implementing agencies, develop monitoring and evaluation systems for the projects with a view to assess their impact, sustainability, pilot properties and replicability.

Environment Planning Unit: The GOHP may consider the Team's recommendation for establishing an EPU made in the PCR of IND 056.

Link with IND 063 Karnataka: The Secretariat may consider engaging in exchange of experiences with its counterpart in Himachal Pradesh with a view to cooperate in capacity building.

Financial Management:

- Nodal Agency should keep Cash Book and Ledger. If its not possible to do so, at least Memorandum Register should be maintained for recording disbursement of grant-in-aid and utilisation of funds.

- Purchase Policy should be drafted for implementation of the project IND-063 and it should be uniform for all the concerned implementing agencies.
- Advance made to the implementing agencies should be kept in separate account and funds not required immediately may be kept in Short Term Deposit with the bank and the interest earned on this amount from the short term deposit may be spent according to the need of the project with the consent of Donor Agency.
- Monthly Internal Audit should be introduced for authenticity, reliability & accuracy of information.
- Implementing agencies should keep Book of Accounts in addition to the routine Govt. accounts.

Integrated SWMPs Shimla and Kullu-Manali: Common recommendations

Activity plan: The Project should prepare without delay a detailed activity plan for 2000-2001 paying adequate attention to constraints and time management. The monitoring frequency of each activity should be ascertained and adhered to. While activity monitoring may be decentralised, a quick reporting system should be operationalised for the Project Director or other responsible staff to intervene without delay to sort out problems.

Community/ Stakeholder participation and capacity building: The Project should develop a comprehensive strategy and activity plan for awareness creation and mobilisation of different groups of stakeholders such as residents, shopkeepers, hoteliers, restaurant owners and other establishments that generate solid waste with a view to achieve the highest possible target in waste collection and to maintain local drainage systems. The strategy should provide for realistic approaches to include diverse social groups and classes among the residents. The residents may be sub-divided into target groups according to location and social conditions and organised into Residents' Associations. Special attention should be paid to slum dwellers. Competent NGOs should be engaged as partners in this venture to train residents and other stakeholders in waste segregation and storage and facilitate the institutionalisation of their participation in SWM. Training modules should be designed with a good knowledge of the target groups. Awareness campaigns and training should be extended to schools, business establishments and temple management bodies. The assistance of the CEE may be sought to develop training modules.

Project staff training and capacity building: The training needs of all categories of personnel from sweepers to the technical and administrative staff concerned with SWM should be clearly identified and appropriate training modules be developed in collaboration with relevant governmental and non-governmental organisations.

Hospital waste management (HWM): Staff training should be completed and implementation of the HWM component should begin as early as possible. The incinerator should preferably be located away from residential areas and business centres.

Disposal of non-recyclable waste: Disposal of non-recyclable waste should be done without causing pollution to water sources downstream.

Disposal of construction debris: Construction debris should be dumped at specified sites without causing inconvenience to people and away from areas of aesthetic value.

Amenities for slum dwellers, squatters and construction workers: Satisfactory and adequate toilet facilities should be provided for slum dwellers, squatters and construction workers to promote public health and prevent defilement of the environment.

Monitoring and Evaluation: The Project should institutionalise an effective system of monitoring and evaluation with feedback links to the Programme Secretariat.

Kullu-Manali SWMP (additional recommendations)

Project Manager: The Project Manager position may be made a full-time appointment and the PM should become a member of the District Committee and preferably reside in the Project area.

Integration of Bhuntar: If Bhuntar is to be integrated with the Kullu part of the SWMP, all activities such as awareness creation and capacity building should be extended to Bhuntar as well.

DFOs Kullu and Manali should be coopted as members of the District Committee.

Environmental Planning and Competence Building Project

Training courses: The Project should adopt an evaluation system for all the courses offered. The evaluation should cover quality, relevance and the pedagogic approach of the courses. The trainers should receive feedback from the evaluation.

Public awareness and participation: This component should be fully developed and implemented.

Institutional Cooperation/ Coordination: The Department of Town and Country Planning and the Department of Urban Development should cooperate closely in implementing this Project. A coordinating mechanism should be established to facilitate interaction between the Department of Town and Country Planning and other agencies concerned with planning and development.

Pilot Projects: Public participation and intersectoral coordination should be properly internalised into the planning of the Pilot Projects.