

## KOLKATA ENVIRONMENTAL IMPROVEMENT PROJECT

### Executive Summary

Kolkata Environmental Improvement Project (KEIP) financed by an Asian Development Bank (ADB) loan is being executed by Kolkata Municipal Corporation and Government of West Bengal jointly to arrest the environmental degradation and improve the quality of life in the outer boroughs of Kolkata Metropolitan Area. The objectives of the performance audit were to assess whether:

- there was proper planning before commencement of the work;
- work packages of the project were executed effectively, efficiently and economically;
- monitoring at various levels was effective and the project was successful in arresting environmental degradation in the designated areas.

The project attempted to improve sanitation and hygienic living condition to the slum dwellers. Performance Audit of KEIP, however, revealed some areas of concern in management of the project which adversely affected the outcome. The project, originally scheduled to be completed by June 2007, overshot the scheduled completion date thrice due to gaps in planning, deficient contract management and ineffective monitoring. Three main components of the project namely, Resettlement, Canal Improvement and Sewerage & Drainage Improvement works remained incomplete. In view of the slow progress the project completion has now been pushed back to June 2012. Delayed setting up of Project Management Units resulted in subsequent delays in planning, tendering and project execution. Non-preparation of Detailed Project Report based on adequate survey and investigation led to frequent variations in scope of work. The survey and investigation required to be carried out by the Design & Supervision Consultant was not done; instead, the same was carried out by the working contractors after finalisation of estimates necessitating change in drawing and design and scope of work and upward revision of cost and delay in execution.

The objective of the project to arrest the environmental degradation of designated areas of Kolkata by upgrading sewerage and drainage system and rehabilitating the outfall canal system was yet to be fulfilled, eight years after commencement of the project. Due to non-adherence to time schedule of repayment of ADB loan, KEIP had to shoulder liability towards commitment charges. The planning was inadequate and implementation of various components widely deviated from the schedule. The consultants engaged failed to render proper assistance to KEIP authorities in implementing the project effectively and economically. The Canal Improvement works were affected due to delays in resettlement of canal bank dwellers. Though the different components of S&D and canal works were interrelated, these interfaces were not considered at the tendering stage. This defeated one of the basic objectives of the project. The Solid Waste Management component was totally overlooked as the proposal for Sanitary Land fill for scientific disposal of garbage in Kolkata has been dropped. As all the STPs were not

fully functional untreated sewage was being discharged into the river. Implementation and monitoring of resettlement process was not satisfactory as 24 *per cent* of the affected families were not resettled as of November 2010 causing delay in Canal Improvement works. Only 14 out of 42 work packages in Sewerage and Drainage component were completed. Augmentation works of two STPs have been suspended due to non assessment of plants and equipments before commencement leading to pollution load to the river Hooghly. KEIP restricted planned activities of the solid waste management component upto procurement of vehicles only defeating the prime objective of scientific disposal of solid waste.

Functioning of Project Steering Committee to oversee the implementation of the project was not effective and internal control left much to be desired. Thus, the main objectives of the project namely environmental improvement by up-gradation of Sewerage & Drainage system, de-siltation of the drainage canals choked by silt and construction of Sanitary Land Fill for scientific disposal of waste generated in the city could not be fully realised (June 2010) despite an expenditure of ` 967.07 crore.