

PUBLIC

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

THE BAHAMAS

SOLID WASTE MANAGEMENT PROGRAM

(BH-0008)

PROJECT PERFORMANCE MONITORING REPORT (PPMR)

2003



PROJECT PERFORMANCE MONITORING REPORT (PPMR)

I. BASIC DATA (AMOUNTS IN US\$)

PROJECT: <u>BH0008</u>	TITLE: <u>Solid Waste Management</u>		
Borrower:	THE COMMONWEALTH OF		
Executing Agency:	DEPARTAMENTO DE SERV		
Country:	BH	Date of Board Approval:	17 Feb 1999
Loan(s):	1170/OC-BH	Date of Contract signature:	29 Oct 1999
Sector:	PA	Date of Contract Effectiveness:	29 Oct 1999
Loan Modality:	Investment - Specific project	Date of Eligibility for First Disbursement:	10 Dec 1999
CO Specialist assigned:	JORGETO	Date of Actual First Disbursement:	
HQ Specialist assigned:	LEONARDO	Original Date for Final Disbursement:	29 Apr 2003
Date of Previous Update:	04 Dec 2003 16:28:29	Current Date for Final Disbursement:	29 Apr 2005
Date of Current Update:	10 Dec 2003 16:29:45		
Latest review by Representative:	15 Dec 2003 09:32:37		
Months in Execution		Loan Amount(s):	
* from approval: 59		* Original amount:	23,500,000
* from signature: 50		* Current amount:	23,500,000
* from effectiveness: 50		* Pari Passu:	50
Cummulative Extension of Final Disb. Date(months):		Disbursements:	
24		* Amount to date:	11,894,130
		* Percent(%):	51%
		* Curr. disb. as % of original projection:	51%
Quartely Cancellations:		Total Project Cost:	
Not Applicable		* Current estimate:	33,500,000
		* Original estimate:	33,500,000
		On Alert Status:	
		Is project currently designated "on alert" by PAIS:	No

HISTORICAL PPMR RATINGS:

Month Year	Jun. 1999	Dec. 1999	Jun. 2000	Dec. 2000	Jun. 2001	Dec. 2001	Jun. 2002	Dec. 2002	Jun. 2003
IP	S	S	S	U	U	U	U	U	U
AS	H	H	H	H	H	L	L	L	L
DO	HP	HP	HP	HP	HP	LP	LP	LP	LP

Have objectives and indicators been agreed with borrower agencies?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Have original project development objective(s)and/or indicators been reformulated?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Have project components and/or indicators been restructured?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is there a defined data gathering system in place with baseline information?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Is the borrower maintaining performance data on agreed indicators?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Planned date of Mid-Term Evaluation	21 Jun 2002	

COFINANCING AND COUNTERPART FUNDS

Source:	Total Current	Disbursed to Date	
	Amount	Amount	%
Cofinancing		\$	%
Local Counterpart	\$10,000,000	\$11,711,305	117%
TOTAL	\$10,000,000	\$11,711,305	1,17%

II. IMPLEMENTATION PROGRESS (IP)

Components/Outputs:	Key Delivery Performance Indicators:
1. Physical facilities built and in operation. Classification: Unsatisfactory (U)	1.1 The first phase of the Harrold Road sanitary landfill built and in operation by Dec 2000. Status: Construction of the landfill was completed in May 2000 and operations commenced in November 2000. Construction of the administrative and workshop buildings at the landfill site was expected to be completed by Dec 2000 but was not completed until September 2002. The new facilities were occupied in early 2003. 1.2 Eighteen modified sanitary landfills built and in operation by July 2002. Status: Only three of the modified sanitary landfills have been built so far. Based on the outcome of the mid-term review of the project, held in July 2002, GOBH had indicated that additional sites were to be acquired so that construction of three other landfills would be initiated within the current fiscal year. The MOH/DEHS has raised with the Bank, the issue of the selection of the sites for the construction of the landfills and the possibility

	<p>re-configuring the program to allow for the construction of transfer stations instead of landfills on some of the islands identified under the program.</p> <p>1.3 Hazardous waste disposal facilities built and in operation by December 2001.</p> <p>Status: Not yet started. The designs for the construction of the hazardous waste facilities are concluded and actually being reviewed by the Executing Agency and the Ministry of Works and Utilities. It is expected that construction would be initiated during the first quarter of 2004 and should be completed in the third quarter.</p> <p>1.4 A compaction target of 750kg/m3 is achieved.</p> <p>Status: Recent measurements taken indicated that a compaction rate of about 400kg/m3. The targetted compaction rate will only be achieved after a Compactor is purchased and put into operation at the site. The bidding process for the purchase of the said compactor is currently ongoing. The proposals received are currently being evaluated by the Tender Board. Purchase expected to be done during first quarter of 2004.</p>
<p>2. Environmental Health Education and Awareness Program implemented</p> <p>Classification: Satisfactory (S)</p>	<p>2.1 Environmental health education and awareness program is launched by October 2000.</p> <p>Status: A consultant was hired in order to help prepare an Action Plan. The Environmental health education and awareness program was launched in February 2003.</p> <p>2.2 Promotions on T.V, radio and newspapers by October 2000.</p> <p>Status: The services of a public relations firm is actually working with the Public Awareness Steering Committee in these activities</p> <p>2.3 Communal depots in operation.</p> <p>Status: Implementation to be planned.</p>
<p>3.1 New organizational structure of the Departmental of Environmental Health Services (DEHS) is operative;</p> <p>3.2 Routing study completed and new system implemented.</p> <p>3.3 Cost recovery mechanism implemented</p> <p>Classification: Unsatisfactory (U)</p>	<p>3.1 New DEHS structure in place by December 2000.</p> <p>Status: A new organizational structure, providing greater separation between the regulatory and operational arm of the DEHS is yet to be fully implemented. There is also need for training in order to further enhance effectiveness in the functioning of the various departments.</p> <p>3.2 Vehicles collecting refuse on new routing system by October 2000.</p> <p>Status: The micro- routing study to determine the new routing system was undertaken during the period, May to August 2002. The final report of the consultant is being reviewed by the Executing Agency. Based on the recommendations, the DEHS will have to prepare a plan for the implementation of the new routing system, probably to initiate during the first quarter of 2004.</p> <p>3.3 Plan of action for implementation of tipping fees and environmental levy approved.</p> <p>Status: The collection of tipping fees was expected to start in July 2003, but implementation has been delayed, to allow time for further consultations within Government. No action taken as yet with regards to the environmental levy.</p>

Key Assumptions Related to the Implementation of Components:	Classification:
1. Facilities are well operated and maintained.	Low
2. Legislation is enforced.	Low
3. Public attitude to environmental health matters are maintained or improved	High
4. Adequate counterpart resources are available	High

<p>Implementation Progress Summary Classification (IP): (A satisfactory or higher classification indicates, among other things, that the project will be completed during the currently approved disbursement period)</p> <p>[] Highly Satisfactory (HS) [] Satisfactory (S) [X] Unsatisfactory (U) [] Very Unsatisfactory (VU)</p> <p>Briefly explain major factors taken into account to justify the IP Classification based on performance indicators and relevance of assumptions:</p> <p>The PEU prepared an action plan for the completion, by April 2005, of the outstanding activities of the Program as well as the issues related with the operation and maintenance of the New Providence Landfill. This action plan was agreed with the Ministry of Finance and the Bank on April 2003. Based on this plan the Bank granted an extension of the deadline for final disbursement until April 29, 2005.</p> <p>In seeking support for actions to be undertaken in order to get the Solid Waste Management Program on track, a meeting between the Country Office and the authorities of the Ministry of Health and Environmental Services was held in the Ministry of Health on July 2003. In the meeting the problems experienced in project execution were highlighted. The problems were mainly due to : (i) lack of leadership, teamwork and managerial capacity within the DEHS and the PEU and (ii) delays in resolving land ownership and/or acquisition issues related to the construction of the solid waste facilities in the Family Islands.</p> <p>The Ministry of Health and Environmental Services has appointed a full time project coordinator and is in the process of strengthening the PEU in administrative matters and in the aquisition of land in those Family Islands where the Government still does not have possession of the land.</p> <p>An Administration Mission took place during the last week of May 2003 and the main institutional and technical issues were discussed with the Ministries of Finance and Health and the Project Executing Unit (PEU). It was concluded that the Ministry of Health and Environment should provide the PEU with the support from an economist to make the evaluations of the alternatives related with the reconfiguring of solid waste alternatives proposed by the MOH for some of the project sites. In addition, due to the lack of technical expertise in solid waste issues, the PEU has an urgent need of technical support to address technical issues in the Harrold Road Sanitary Landfill such as the leachate and runoff waters management systems. Likewise, technical assistance will be required for timely decisions that have to be made at critical points during the ongoing activities for project conclusion.</p>

The Bank, using its own resources, has contracted a short-term Consultant to provide the PEU with technical assistance in specific activities included in the Action Plan.

III. ACHIEVEMENT OF DEVELOPMENT OBJECTIVES (DO)

Development Objectives/Purposes:	Key Performance Indicators:
Safe and efficient disposal of solid waste in The Bahamas Classification: Low Probability (LP)	1.1 Proper and effective institutional arrangement is in place. 1.2 Efficient operation and maintenance of the new facilities. 1.3 New legislation enacted to facilitate the sustainable development of a solid waste management program in The Bahamas 1.4 Closure of illegal dumpsites in New Providence and the Family Islands. 1.5 No detectable odors from the sanitary landfill and waste shredding facility in New Providence. 1.6 No detectable odors from the modified landfills in the Family Islands. 1.7 No increase in baseline concentration of contaminants at downstream monitoring stations.

Key Assumptions Related to Development Objectives/Purpose:	Classification:
1. Other environmental factors remain constant or improve	High
2. Key institutional issues are addressed in a timely manner	Low
3. Key stakeholders remains committed to the Project	High
4. Facilities are operated and maintained in an efficient and effective manner.	Low

Summary DO Assumptions Classification (AS):	<input type="checkbox"/> High	<input checked="" type="checkbox"/> Low
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Summary Development Objective Classification (DO): <input type="checkbox"/> Highly Probable (HP) <input type="checkbox"/> Probable (P) <input checked="" type="checkbox"/> Low Probability (LP) <input type="checkbox"/> Improbable (I)
Briefly explain major factors taken into account to justify the DO Classification based on agreed performance indicators and relevance of assumptions: While some substantial progress has been observed since the recent joint review of the project and the development and initiation of an action plan to get the project back on track, the fact still remains that key issues such as the restructuring of some Family Islands activities, the strengthening of the Project Execution Unit and the land ownership has not been addressed in a timely fashion. The construction of the physical facilities, the implementation of the new micro-routing system, the compaction rate problems in the Harrold Road Landfill, and the collection of tipping fees are way behind schedule. The Department of Environmental Health Services is having difficulties in efficiently managing the operation and maintenance of the Harrold Road Landfill in a sustainable way. These long standing implementation and institutional issues threaten the achievement of the projects development objectives.

IV. OVERVIEW OF PERFORMANCE ISSUES

Check key reasons for Unsatisfactory/Very Unsatisfactory IP Classification or Low Probability/Improbable DO Classification, and reflect in Section V (Current Status and Perspectives) and Section VII (Issues and Actions)		
<input checked="" type="checkbox"/> Legislative approvals	<input type="checkbox"/> Supplier/contractor performance	<input type="checkbox"/> Qualified external audit
<input type="checkbox"/> Borrower/executing agency commitment	<input checked="" type="checkbox"/> Project/component design	<input type="checkbox"/> National Policy changes
<input type="checkbox"/> Counterpart funding shortfall	<input checked="" type="checkbox"/> Contract condition compliance delays	<input type="checkbox"/> Executing agency Policy changes
<input checked="" type="checkbox"/> Executing agency institutional capacity	<input type="checkbox"/> Bank efficiency (response delays)	<input type="checkbox"/> Bank Policy changes
<input type="checkbox"/> Community/political opposition	<input type="checkbox"/> Procurement difficulties	<input type="checkbox"/> Lack of monitoring/evaluation system
<input type="checkbox"/> Consultant performance	<input type="checkbox"/> Environmental issues	<input type="checkbox"/> Other:
<input checked="" type="checkbox"/> Inter-agency coordination	<input type="checkbox"/> Cost overrun	

V. CURRENT STATUS AND PERSPECTIVES

Briefly explain the status of project execution, by component (Include reference to IP, assumptions and PAIS classification, if applicable)	
1	Construction of the Harrold Road Sanitary Landfill was completed in May 2000 and operations commenced in November 2000.
2	A consultant was hired to prepare an implementation plan for the Education and Public Awareness Program. The program was launched in February 2003. Education and promotional activities were started in September 2003.
3	(i) New organizational structure not fully implemented. The Bill for the Department of Environmental Planning and Protection is on the Agenda for Cabinet consideration; (ii) A micro routing study was completed and currently being reviewed. The implementation of the new routing system is expected to begin during the first quarter of 2004. (iii) Cost recovery mechanism has still not been implemented.

Mid-Term Evaluation (MTE)
A Mid-Term Review of the Project was undertaken in July 2002.

Compliance with financial reporting requirements
• Timeliness of submission of audited financial statements For the year 2002, the AFS was submitted within the contractual due date.
• Qualified opinions given by external auditors None
• Observations of Financial Specialist (include comments on audited financial statements and/or factors affecting development objectives):

Financial record keeping on the project is satisfactory and the semi-annual reports on the Revolving Fund were accepted without comment.

Problems in compliance with other important contractual conditions

Currently, the Program is in non compliance with: (i) the implementation of the tipping fees and the environmental levy, which are essential to initiate the cost recovery of the operation and maintenance of the new disposal facilities; and (ii) the performance indicator target of 750 kg/m3 of compact waste density for the Harrold Road landfill.

Comments on relevance of on alert classifications for this project (if applicable)

Sustainability issues / Indicate whether issues are external or internal to the project.

• Institutional development issues

The new organizational structure has not been fully implemented. This has resulted in the functioning of the DEHS and execution of the project being below the expected levels. The bill for the Department of Environmental Planning and Protection is on the agenda for Cabinet consideration.

• Financial issues

The cost of developing and operating the disposal facilities is very high. A key element in ensuring sustainability of the disposal facilities is the establishment of cost recovery measures, e.g. tipping fees, and strengthening the capacity and commitment of the DEHS to collect amounts due. Early implementation of the cost recovery measures is therefore necessary.

• Maintenance of works and/or infrastructure:

The DEHS has experienced significant difficulties in keeping the operation and maintenance of the Harrold Road facilities up to the required standards. In addition, operation and maintenance of the sites already completed in the Family Islands have been below the level expected. To address these issues there is an urgent need to start training personnel at different levels.

• Environmental issues

The activities of the Environmental Health Education and Public Awareness Program are being an effective tool in creating environmental consciousness within the communities and schools which have been benefited.

In order for DEHS to be in a position to adequately, safely and effectively manage the solid waste in The Bahamas, the training of inspectors and operators of the solid waste management process should be initiated as soon as possible.

• Other issues that may affect project sustainability

Status of cofinanced/parallel operations (if applicable)

VI. LESSONS LEARNED

Lessons Learned that can be used to improve the design and execution of other operations:

Difficulties encountered to date in the the acquisition of land for the construction of the landfill in the Family Islands have resulted in significant delays in the project. The lesson to be learned from this problem is that in The Bahamas, where the Government can easily acquire land by law, the possession of land for projects should be secured as soon as possible from the outset of the project.

Experience to date has shown that the DEHS is having difficulty in efficiently managing the operation and maintenance of the Harrold Road Sanitary Landfill in a sustainable way. The need for proper training must therefore be urgently addressed, in addition to looking at other options for the long-term operation and maintenance of the site.

Experience has also shown that there is need for training personnel to have a better oversight in the operation and maintenance of the regional landfills and transfer stations in the Family Islands.

It is also observed that unless the institutional issues are addressed in a comprehensive manner, there will always be difficulties in project implementation and the consequent non achievement of project development objectives.

VII. ISSUES AND ACTIONS

Issue:	Action:
Reconfiguring of solid waste alternatives in some of the Family Islands.	<p>The Ministry of Health and the Project Executing Unit should put forward as soon as possible and based on an economic analysis, the proposals for reconfiguring the solid waste alternatives in three of the Family Islands, if wishes the Bank to consider to modify them.</p> <p>Responsible Unit: MOH/DEHS</p> <p>Date Action to be taken: 27 Feb 2004</p> <p>Completed: No</p>
The PEU is not in compliance with contractual clauses related to the implementation of: (i) tipping fees, and (ii) environmental levy.	<p>(i) The PEU must take steps to implement the tipping fees.</p> <p>(ii) GOBH must address the issue of enacting legislation regarding the approval of the Environmental Levy.</p> <p>Responsible Unit: GOBH/DEHS</p> <p>Date Action to be taken: 31 Mar 2004</p> <p>Completed: No</p>
Family Islands without land ownership for construction of solid waste alternatives.	<p>In order for all solid waste alternatives in the Family Islands included in the Program to be concluded within April 29, 2005, land ownership should be cleared within next six months.</p> <p>Responsible Unit: GOBH/MOH</p> <p>Date Action to be taken: 31 Mar 2004</p> <p>Completed: No</p>

