

PUBLIC

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THE BAHAMAS

SOLID WASTE MANAGEMENT PROGRAM

(BH-0008)

PROJECT PERFORMANCE MONITORING REPORT (PPMR)

2002



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 the Bahamas			
Executing Agency: Ministry of Health and Environment			
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
		Date of Actual First Disbursement:	20 Jan 2000
		Original Date for Final Disbursement:	29 Apr 2003
		Current Date for Final Disbursement:	29 Apr 2003
CO Specialist assigned:	OSCARSP		
HQ Specialist assigned:	EDUARDOAF		
Date of Previous Update:	10 Jun 2002 20:05:37		
Date of Current Update:	11 Jun 2002 08:57:11		
Latest review by Representative:	30 Dec 2002 16:46:49		
		<u>Loan Amount(s):</u>	
		* Original amount:	23,500,000
		* Current amount:	23,500,000
		* Pari Passu:	NaN
<u>Months in Execution</u>		<u>Disbursements:</u>	
* from approval:	46	* Amount to date:	11,135,699
* from signature:	38	* Percent(%):	47.39%
* from effectiveness:	38	* Curr. disb. as % of original projection:	%
<u>Cummulative Extension of Final Disb. Date(months):</u>		0	
<u>Quartely Cancellations:</u>		Not Applicable	
		<u>Total Project Cost:</u>	
		* Current estimate:	33,500,000
		* Original estimate:	33,500,000
		<u>On Alert Status:</u>	
		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
IP	S	S	S	U	U	U	U
AS	H	H	H	H	H	L	L
DO	HP	HP	HP	HP	HP	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?	Yes	No
Is the borrower maintaining performance data on agreed indicators?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Planned date of Mid -Term Evaluation	21 Jun 2002	

II. IMPLEMENTATION PROGRESS (IP)

Components/Outputs:	Key Delivery Performance Indicators:
1. Physical facilities built and in operation. <u>Classification:</u> 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. The completion of construction of the administrative and workshop buildings at the landfill site which were expected to be completed by Dec 2000, have now been pushed back to June 2002, because of delays in the award of the works contract and in the execution of works. 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 revised schedule (still to be agreed to with the Bank), the proposed time for the completion of construction of all 18 landfill is July 2004.. 1.3 Hazardous waste disposal facilities built and in operation by December 2001. Status: Not yet started. Based on the revised schedule, the designs are expected to be completed by the end of June 2002 and construction completed by May 2003. 1.4 A compaction target of 750kg/m3 is achieved. 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.

<p>2. Education and Public Awareness pogram implemented</p> <p>Classification: Unsatisfactory (U)</p>	<p>2.1 Environmental health education program is launched by October 2000.</p> <p>Status: Not yet started. Based on the revised schedule, the program is now expected to be launched in July 2002.</p> <p>2.2 Promotions on T.V, radio and newspapers by October 2000.</p> <p>Status: As above</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: A routing study which has to be undertaken to determine the new routing system has not yet been initiated. DEHS is to submit to the Bank a plan for the implementation of this study.</p> <p>3.3 Plan of action for implementation of tipping fees and environmental levy approved.</p> <p>Status: Draft legislation prepared and are to be submitted to Parliament for approval. The DEHS will also submit to the Bank, a draft timetable for the enactment and subsequent implementation.</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	Low

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)			
<input type="checkbox"/> Highly Satisfactory (HS)	<input type="checkbox"/> Satisfactory (S)	<input checked="" type="checkbox"/> Unsatisfactory (U)	<input type="checkbox"/> Very Unsatisfactory (VU)
Briefly explain major factors taken into account to justify the IP Classification based on performance indicators and relevance of assumptions:			
In every respect, implementation progress has slipped behind the original schedule and is now about 12 months behind. Project coordination difficulties, land acquisition issues, delays in implementing legislation and inadequate allocation of Counterpart Resources are among the main issues affecting project implementation.			

III. ACHIEVEMENT OF DEVELOPMENT OBJECTIVES (DO)

Development Objectives/Purposes:	Key Performance Indicators:
<p>Safe and efficient disposal of solid waste</p> <p>Classification: Improbable (I)</p>	<p>1.1 Closure of illegal dump sites in New Providence and the Family Islands.</p> <p>1.2 No detectable odors from the sanitary landfill and waste shredding facility in New Providence.</p> <p>1.3 No detectable odors from the modified landfills in the Family Islands.</p> <p>1.4 No increase in baseline concentration of contaminants at downstream monitoring stations.</p>

Key Assumptions Related to Development Objectives/Purpose:	Classification:
1. Other environmental factors remain constant or improve	High
2. The Bahamas Waste Management needs does not show any significant change (greater than project growth assumptions)..	High
3. Key stakeholders remains committed to the Project	High

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)

<p>Briefly explain major factors taken into account to justify the DO Classification based on agreed performance indicators and relevance of assumptions:</p> <p>While the project design and concepts are sound and the development objectives remain achievable, a major challenge facing the project relates to the effectiveness of the Project Execution Unit in managing the varied components under the program. As a result, although key stake holders remain committed to the project, the Country Office does not have much confidence that the discrete set of actions required for the efficient execution of the project will be taken in a timely manner - hence the possible non-achievement of the development objectives.</p>
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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)		
[X] Legislative approvals	[] Supplier/contractor performance	[] Qualified external audit
[] Borrower/executing agency commitment	[] Project/component design	[] National Policy changes
[X] Counterpart funding shortfall	[X] Contract condition compliance delays	[] Executing agency Policy changes
[X] Executing agency institutional capacity	[] Bank efficiency (response delays)	[] Bank Policy changes
[] Community/political opposition	[] Procurement difficulties	Lack of monitoring/evaluation system
[] Consultant performance	[] Environmental issues	[] Other:
[X] Inter-agency coordination	[] 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 amd operations commenced in November 2000.
2	Not yet started, based on revised implementation schedule, this program is now expected to be launched in July 2002.
3	(i) New organizational structure not fully implemented; (ii) A routing study is currently being undertaken and implementation of the new routing system expected to begin during the last quarter of 2002; (iii) Cost recovery mechanism has still not been implemented.

<p>Mid-Term Evaluation (MTE)</p> <p>A Mid-Term Review of the Project is scheduled for June 21, 2002.</p>

<p>Compliance with financial reporting requirements</p> <ul style="list-style-type: none"> Timeliness of submission of audited financial statements <p>The first audited financial statement under the project for year 2000, was submitted 15 days after the due date. For the year 2001, the AFS is currently ovedue by 1 month.</p> <ul style="list-style-type: none"> Qualified opinions given by external auditors <p>None</p> <ul style="list-style-type: none"> Observations of Financial Specialist (include comments on audited financial statements and/or factors affecting development objectives): <p>Financial record keeping on the project is satisfactory and the semi-annual report on the Revolving Fund was accepted without comment.</p>

<p>Problems in compliance with other important contractual conditions</p>
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<p>Comments on relevance of on alert classifications for this project (if applicable)</p>
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<p>Sustainability issues / Indicate whether issues are external or internal to the project.</p> <ul style="list-style-type: none"> Institutional development issues <p>The new organizational structure has not been fully implemented. Key positions at the Deputy Director level have not been filled. In addition, the institutional strengthening measures (education and training) outlined in the project report have not yet been started. Without these measures, the DEHS will not be in a position to adequately and effectively managed the solid waste management program in the country.</p> <ul style="list-style-type: none"> Financial issues <p>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 capacit and commitment of the DEHS to collect amounts due. Early implementation of the cost recovery measures is therefore necessary.</p> <ul style="list-style-type: none"> Maintenance of works and/or infrastructure: <p>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. There is an urgent need therefore for these issues to be looked-into.</p> <ul style="list-style-type: none"> Environmental issues Other issues that may affect project sustainability
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<p>Status of cofinanced/parallel operations (if applicable)</p>
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VI. LESSONS LEARNED

<p>Lessons Learned that can be used to improve the design and execution of other operations:</p> <p>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.</p> <p>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.</p> <p>Experience has also shown that there is need for better oversight in the operation and maintenance of the regional landfills in the Family Islands.</p>

VII. I SSUES AND ACTIONS

Issue:	Action:
There is need for a shared vision and improved effectiveness in the management of the project.	At a meeting on May 30, 2002 with the new Minister of Health and Environment, the four major issues highlighted were discussed. Based on a proposal by the Country Office, which was supported by the Minister, it was agreed that a mid-term evaluation of the project would be undertaken in mid June 2002. It is intended that the Minister will participate in the review/discussions, during which a set of actions to move the project forward will be agreed on.

<p>The Execting Agency is not in compliance with with contractual clauses related to the implementation of tipping fees and environmental levy.</p>	<p><u>Responsible Unit:</u> COF/CBH -GOBH</p> <p><u>Date Action to be taken:</u> 21 Jun 2002</p> <p><u>Completed:</u> No</p> <p>As in (1) above.</p> <p><u>Responsible Unit:</u> COF/CBH -GOBH</p> <p><u>Date Action to be taken:</u> 21 Jun 2002</p> <p><u>Completed:</u> No</p>
<p>Operation and maintenance of the Harrold Road sanitary landfill, as well as, one of those already constructed in the Family Islands, are not being operated strictly in accordance with the operational manuals.</p>	<p>As in (1) above</p> <p><u>Responsible Unit:</u> DEHS</p> <p><u>Date Action to be taken:</u> 21 Jun 2002</p> <p><u>Completed:</u> No</p>
<p>There is need to resolve all outstanding land acquisition issues as early as possible</p>	<p>As in (1) above.</p> <p><u>Responsible Unit:</u> DEHS</p> <p><u>Date Action to be taken:</u> 21 Jun 2002</p> <p><u>Completed:</u> No</p>