

PUBLIC

DOCUMENT OF THE INTER-AMERICAN DEVELOPMENT BANK

THE BAHAMAS

SOLID WASTE MANAGEMENT PROGRAM

(BH-0008)

PROJECT PERFORMANCE MONITORING REPORT (PPMR)

2004



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:	DEPARTAMENTO DE SERVICIOS DE HIGIENE AMBIENTAL		
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:	17 Dec 2004 10:44:34	Current Date for Final Disbursement:	29 Apr 2005
Date of Current Update:	17 Dec 2004 10:47:39		
Latest review by Representative:	11 Jan 2005 18:34:58		
<u>Months in Execution</u>		<u>Loan Amount(s):</u>	
* from approval:	71	* Original amount:	23,500,000
* from signature:	62	* Current amount:	23,500,000
* from effectiveness:	62	* Pari Passu:	51
<u>Cummulative Extension of Final Disb. Date(months):</u>	24	<u>Disbursements:</u>	
<u>Quartely Cancellations:</u>	Not Applicable	* Amount to date:	12,295,296
		* Percent(%):	52%
		* Curr. disb. as % of original projection:	52%
		<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	Dec. 2002	Jun. 2003	Dec. 2003	Jun. 2004
IP	S	S	S	U	U	U	U	U	U	U	S
AS	H	H	H	H	H	L	L	L	L	L	L
DO	HP	HP	HP	HP	HP	LP	LP	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 checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	# of times: 1
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. <u>Classification:</u> Satisfactory (S)	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 EU is preparing technical documentation for the upgrading of the Harrold Road Landfill. 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 five of the modified sanitary landfills have been built so far. In March 2004, the MOH/DEHS contracted the surveying services that will lead to land ownership for all the pending Family Islands. It is expected that by February 2005 the land acquisition process will be concluded. Construction of solid waste alternatives in East Grand Bahama

	<p>and Abaco will be initiated during the first quarter of 2005. By March 2005, all land ownership for the Family Islands will be completed.</p> <p>1.3 Hazardous waste disposal facilities built and in operation by December 2001.</p> <p>Status: An international bidding process for the construction of the hazardous waste disposal facility will be published early January 2005. It is expected that construction would be initiated by the end of the second quarter of 2005.</p> <p>1.4 A compaction target of 750kg/m3 is achieved.</p> <p>Status: The compactor is currently in operation. The targeted compaction rate is expected to be achieved by March 2005.</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: Satisfactory (S)</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. Cabinet has given its approval to prepare the transformation of the BEST Commission into the Department of Environmental Planning and Protection (DEPP). Legislation has been prepared and it is expected to be approved by June 2005.</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 was reviewed by the Executing Agency. Based on the recommendations, the DEHS has prepared a plan for the implementation of the new routing system, and three recommended bytes are being implemented.</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 initiated in April 2004. MOH has prepared a Cabinet Paper for the establishment of 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) [X] Satisfactory (S) [] 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>Briefly explain major factor taken into account to justify the IP classification based on performance indicators and relevance of assumptions</p> <p>In April 2003, the PEU prepared an action plan for the completion of the outstanding activities of the Program as well as issues related with the operation and maintenance of the New Providence Landfill. The action plan was agreed with the Ministry of Finance and the Bank. Based on it the Bank granted a two-year extension to the deadline for final disbursement until April 2005.</p> <p>Progress has been made in solving the main problems experienced in project execution. The problems are mainly due to: (i) lack of leadership, teamwork and managerial capacity within the DEHS and (ii) delay in resolving land ownership and/or acquisition issues related to the construction of the solid waste facilities in the Family Islands.</p> <p>The PEU has been strengthened with: (i) an Administrative Management Consultant, and (ii) surveying services to support the acquisition of land in the Family Islands.</p> <p>A retrofitting exercise was held on November 16 and 17, 2004. During this exercise, indicators for the development objectives were re-defined and a new timetable for the implementation of the outstanding activities was agreed with the DEHS and PEU. An action plan for project completion will be prepared by PEU by February 2005. This action plan will also justify an additional extension of the disbursement period.</p> <p>The Bank has hired a short term Sanitation Specialist to assist with the technical specifications for the construction of solid waste alternatives for the Family Islands, the upgrading of Harrold Road Landfill and the hazardous waste storage facility.</p>			

III. ACHIEVEMENT OF DEVELOPMENT OBJECTIVES (DO)

Development Objectives/Purposes:	Key Performance Indicators:
Safe and efficient disposal of solid waste in The Bahamas	1.1 Scheduled garbage collected at least once per week in all beats by August 2005.
Classification: Low Probability (LP)	1.2 Loader productivity rate increased from 28 to 50 lbs/man minute by January 2006.
	1.3 Compact Waste Density or 750 kgm/m ³ achieved by March 2005.
	1.4 No increase in the base line groundwater contamination levels in the monitoring wells from December 2005.
	1.5 Budgetary support for operation of landfills reduced to zero by December 2008.
	1.6 Methane levels reduced to less than 5% at the landfill site by December 2005.

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	High
3. Key stakeholders remains committed to the Project	High
4. Facilities are operated and maintained in an effecent and effective manner.	Low

Summary DO Assumptions Classification (AS):	<input checked="" type="checkbox"/> High	<input type="checkbox"/> Low
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Summary Development Objective Classification (DO):
<input type="checkbox"/> Highly Probable (HP) <input checked="" type="checkbox"/> Probable (P) <input 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 the land ownership is still to be completed for the construction of the physical facilities in the Family Islands. Progress has been made in the implementation of the new micro-routing system, the landfill compactor for the Harrold Road Landfill has been purchased which will solve the compaction rate problems in the Harrold Road Landfill, and the collection of tipping fees was implemented in April 2004. Until the training program doesn't starts, the Department of Environmental Health Services will continue having difficulties in efficiently managing the operation and maintenance of the Harrold Road Landfill in a sustainable way.
Senior authorities of the Ministry of Health and Environmental Services are committed with the project and are providing the required support to the DEHS and the PEU.

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 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 amd operations commenced in November 2000. Activities for upgrading the landfill will be undertaken during 2005.
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 approval; (ii) A micro routing study was completed and the implementation of three beats of the new routing system has initiated; (iii) Cost recovery mechanism initiated in April 2004 with the implementation of tipping fees.

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

Reformulations (Board approved)/Restructuring (Management approved):
Date of last reformulation of project objectives: 17 Dec 2004 . Briefly describe:
A retrofitting exercise took place on November 16 and 17, 2004. Indicators for the development objective were re-defined and and new timetable for the implementation of the outstanding activities was agreed with the Executing Agency.

Compliance with financial reporting requirements
• Timeliness of submission of audited financial statements
For the year 2003, the AFS was submitted within one month of the 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 the implementation of the environmental levy.

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 in delays in project implementation. The bill for the Department of Environmental Planning and Protection is still on the agenda for Cabinet approval.

• 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. The tipping fees were implemented in April 2004 and financial followup is being done to determine the % of cost recovery.

• 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:
Additional extension for program implementation and program cost overruns due to cost increases for the construction of the Family Islands solid waste alternatives..	<p>The PEU will prepare and agree with the Ministry of Finance and the Bank: (i) an action plan for program completion and (ii) an adjusted budget, which will incorporate the increase of counterpart funds for the Program.</p> <p>Responsible Unit: DEHS/PEU</p> <p>Date Action to be taken: 28 Feb 2005</p> <p>Completed: No</p>
Indicators for the Development Objective were agreed during Retrofitting Exercise. Data will be required for monitoring.	<p>A base line (as of January 2005) and data gathering system should be established.</p> <p>Responsible Unit: DEHS/PEU</p> <p>Date Action to be taken: 31 Mar 2005</p> <p>Completed: No</p>
The PEU is not in compliance with contractual clauses related to the establishment of an environmental levy.	<p>GOBH must address the issue of enacting legislation regarding the Environmental Levy.</p> <p>Responsible Unit: GOBH/DEHS</p> <p>Date Action to be taken: 28 Feb 2005</p> <p>Completed: No</p>
Family Islands without land ownership for construction of solid waste alternatives.	<p>An action plan will be prepared following the survey on land availability in the Family Islands.</p> <p>Responsible Unit: GOBH/DEHS/PEU</p> <p>Date Action to be taken: 28 Feb 2005</p> <p>Completed: No</p>

