



## 1. Project Data

**Project ID**

P106885

**Project Name**

PH-GEF Integrated POPs Management Proj

**Country**

Philippines

**Practice Area(Lead)**

Environment &amp; Natural Resources

**L/C/TF Number(s)**

TF-95839

**Closing Date (Original)**

30-Jun-2016

**Total Project Cost (USD)**

6,036,931.10

**Bank Approval Date**

20-May-2010

**Closing Date (Actual)**

30-Sep-2017

**IBRD/IDA (USD)**
**Grants (USD)**

Original Commitment

8,640,000.00

8,640,000.00

Revised Commitment

8,640,000.00

8,640,000.00

Actual

6,036,931.10

6,036,931.10

**Prepared by**

Divya Kapoor

**Reviewed by**

John R. Eriksson

**ICR Review Coordinator**

Christopher David Nelson

**Group**

IEGSD (Unit 4)

## 2. Project Objectives and Components

### a. Objectives

The project development objective (PDO) is to assist the Philippines in minimizing the risk of human and environmental exposure to Persistent Organic Pollutants (POPs) by strengthening the regulatory and monitoring framework and improving capacity for and providing demonstrations of, safe management of



Polychlorinated Biphenyls (PCBs), reduction of releases of unintentionally produced POPs, and reduction of exposure to POPs in contaminated sites.

**b. Were the project objectives/key associated outcome targets revised during implementation?**  
No

**c. Will a split evaluation be undertaken?**  
No

**d. Components**

### **Component 1: Strengthening Regulatory Framework and Capacity Building for POPs Monitoring**

(Appraisal Estimate US\$ 0.58 million; Actual at Project Closing US\$ 0.25 million)

The objective of this component was to strengthen the regulatory and monitoring capacity for phasing out the use of and reducing exposure to and releases of POPs. The component would (a) assist the Department of Environment and Natural Resources (DENR) in developing and updating supporting policies and regulations for POPs management, (b) assist the Department of Health (DOH) and the DENR in developing and establishing a national exposure monitoring for POPs through surveys of exposure risks and measuring of POPs in targeted populations, and (c) undertake long-term planning for residual POPs management issues.

### **Component 2: Reduction of Releases of Unintentionally Produced Persistent Organic Pollutants**

(Appraisal Estimate US\$ 3.43 million; Actual at Project Closing US\$ 1.53 million)

The objective of this component was to better understand and demonstrate the reduction of the releases of dioxin and furan emissions. The component would (a) assist the DENR and Department of Science and Technology (DOST) in improving knowledge about dioxin and furan emissions through the determination of emission factors for open burning sources, verifying the ability of specific technologies to reduce emissions, and updating and publicly disseminating the dioxins/furans inventory; (b) assist local governments, through DENR, in demonstrating practices that are able to prevent or suppress fires at disposal sites and reduce barriers to the elimination of backyard garbage burning and to disseminate the results to encourage replication; and (c) assist DOST in disseminating and providing national training to Unintentionally Produced



Organic Pollutants (UPOPs) generators on guidelines on Best Available Technology (BAT) and Best Environmental Practice (BEP) for reducing UPOPs releases from open burning.

### **Component 3: Management of Polychlorinated Biphenyls (PCBs)**

(Appraisal Estimate US\$ 2.17 million; Actual at Project Closing US\$ 2.04 million)

The objective of this component was to assist the country in minimizing the risk of human and environmental exposure to PCBs by strengthening oversight and by improving the on-site management practices by PCB owners in all sectors that use them. Through training and technical assistance (TA), it would assist (a) the DENR in raising awareness, completing testing and registration, and developing a database and inventory of PCB sources; (b) PCB owners in implementing on-site PCB management including equipment identification, testing, labeling, inventory, and safe storage; and (c) the DENR in monitoring and enforcing.

### **Component 4: Identification and Remediation of POPs Contaminated Sites**

(Appraisal Estimate US\$ 1.62 million; Actual at Project Closing US\$ 1.49 million)

The objective of this component was to strengthen the enabling capacity of the country to reduce risks posed by POPs contamination of the environment by identifying POPs-contaminated sites; establishing a strategic framework, technical guidelines, and professional capacity to help address them; and building public knowledge and awareness. The component would assist (a) the DENR in undertaking an inventory of POPs-contaminated sites and through a hazard ranking system identifying those that pose a high risk to human health and the environment; (b) the DENR in developing a national strategy for POPs-contaminated site remediation; (c) landowners in demonstrating the use of risk-based criteria to develop and undertake site remediation and site control; (d) the DENR in developing guidelines and standards for site remediation and control; and (e) the DENR improving its capacity for enforcement and to provide training and improve public awareness of POPs-contaminated site management.

### **Component 5: Project Management**



(Appraisal Estimate US\$ 0.84 million; Actual at Project Closing US\$ 0.73 million)

This component would finance consultants and incremental operating costs of the Project Management Office (PMO) in the DENR Environmental Management Bureau (EMB) for its day-to-day project management activities, including project management and coordination; information, education, and communication; monitoring and evaluation; and financial management and procurement.

#### **e. Comments on Project Cost, Financing, Borrower Contribution, and Dates**

##### **Project Cost:**

Total Appraisal Estimate: US\$ 8.64 million

Actual Disbursement: US\$ 6.036 million

##### **Project Financing:**

World Bank Financing:

- GEF Grant Original Estimate US\$ 8.64 million; Actual Disbursement US\$ 6.036 million

Borrower contribution:

- Original Estimate US\$ 16.03 million; Actual Disbursement Philippines Peso 275,178,163.88 (approx. US\$ 5.3 million using April 2019 exchange rate; as per ICR annex 3, page 57, the equivalent amount was US\$ 4.3 million). No direct explanation in ICR for the reduced borrower contribution.

##### **Key Dates:**

Approval: 20 May 2010

Effectiveness: 24 June 2011

Original Closing: 30 June 2016

Restructuring - all Level 2 restructurings:

-



- 29 April 2011 (Change in Results Framework and in Loan Closing date, Reallocation between disbursement categories, Change in disbursement arrangements, procurement and implementation schedule);
- 30 June 2015 (Change in Results Framework, Change in Components and Cost, Change in Disbursement arrangements and in Legal covenants);
- 30 June 2017 (Change in Results Framework and in Loan Closing date).

Actual Closing: 30 Sep 2017

### 3. Relevance of Objectives

#### Rationale

The project objectives are relevant to the Country Partnership Strategy (CPS) and the Philippines' overall development goals. While the CPS 2015-2018 doesn't directly mention the project, the CPS' environment related engagement areas are overall aligned with the project's development objectives, contributing directly to the reduction of emissions from solid waste and consequent improved health outcomes. Also, the project's objectives align with the Philippines commitments under the Stockholm convention to achieve its emissions reduction and subsequent elimination obligations. However, the PDO was overambitious (ref section 8 below) - specifically the targets of the indicator for PCBs subject to environmentally sound management were overambitious and subject to financing and support from outside of the project. Overall project design also failed to account for the challenges that could arise with project implementation as the source of POPs in the Philippines involved four distinct POPs areas - POPs from pesticides, dioxides and furans produced by industrial processes, PCBs in electrical transformers, and POPs contaminated sites.

#### Rating

Substantial

### 4. Achievement of Objectives (Efficacy)

#### **OBJECTIVE 1** Objective

The project development objective (PDO) is to assist the Philippines in minimizing the risk of human and environmental exposure to Persistent Organic Pollutants (POPs) by (1) strengthening the regulatory and monitoring framework and (2) improving capacity for and providing demonstrations of, safe management of



Polychlorinated Biphenyls (PCBs), (3) reduction of releases of unintentionally produced POPs, and (4) reduction of exposure to POPs in contaminated sites.

## Rationale

The ICR notes (page 18) that the PDO was complex and included a single higher-level and longer-term outcome which was 'difficult' to evaluate as the impacts would be beyond the 'purview' of the project. Annex 1 of the ICR indicates zero or no baselines. A matrix of outcome indicators and corresponding outputs is summarized as below (ICR pages 18-19).

1. Outcome – Strengthened regulatory and monitoring framework for POPs management
  - Output – Number of new legal instruments formulated/modified for POPs management that are adopted – Original target 19, Revised target 7, Actual at project completion 5 (71%)
2. Outcome – Improved capacity for and providing demonstrations of safe management of PCBs
  - Output – POPs and POPs waste destroyed, disposed or contained in environmentally sound manner (metric tons) – Original target 2400 PCB oils and 4480 PCB waste, Revised target 435 PCB oils and 1140 PCB waste, Actual at project completion 114.15 PCB oils and 339.07 PCB waste (26% PCB oils and 30% PCB waste)
3. Outcome – Reduction of releases of UPOPs
  - Output – Local government units (LGU) certified by EMB as having no operating dumpsite within their jurisdictions – Original target 3, Revised target 3, Actual at project completion 1 (33%)
  - Output – LGUs certified by EMB as having a sanitary landfill operating according to standard operating procedures, including application of daily soil cover – Original target 2, Revised target 2, Actual 0 (0%)
4. Outcome – Reduction of exposure to POPs in contaminated sites
  - Output - Contaminated land managed, or dump sites closed under the project (hectare) – Original target 6, Revised target 6, Actual at project completion 2.32 (39%)
  - Output - National Strategy on management of POPs contaminated sites adopted – Original, Revised and Actual – Yes strategy adopted (100%)

**Rating**  
Negligible

## Rationale

Having partly achieved some sub-outcomes and not having achieved others at all (with one exception noted above), on balance the achievement of the PDO is judged negligible. Based on the narrative presented for the



restructurings, it is noted that several project activities were reduced significantly in scope during project implementation and several activities were dropped. This was one of the contributing factors for the negligible rating for efficacy. The theory of change makes a critical assumption that strengthening the regulatory framework and improving capacity for POPs management and demonstrations, will automatically lead to the reduction of risk of human and environmental exposure to POPs. Thus, the project, as designed, is not enough for the sufficient achievement of project impact. While the reduction of ambition of the project is by itself an insufficient condition for rating efficacy as negligible, the lack of achievement of the revised targets and the incomplete implementation of several interventions (as summarized above) contribute to the overall negligible rating for Efficacy. Thus, owing to major shortcomings in achievement of the project objective and lack of evidence of sufficient outcomes and outputs, the overall efficacy is rounded down and rated as negligible.

**Overall Efficacy Rating**  
Negligible

**Primary reason**  
Low achievement

## 5. Efficiency

As per the PAD (page 18), with the lack of precision in health benefits of POPs reduction, a cost-effectiveness approach was adopted for the project, and the project aimed to maximize the cost-effectiveness of decision making by reducing uncertainties related to sources, technologies and exposure pathways for POPs. It notes that the interventions chosen under the project were the least cost options for reducing exposure and have substantial co-benefits making them economically cost negative. As per the ICR (page 26), the assumptions at appraisal could not be validated and evidence to support the least-cost option could not be provided at closure due to the absence of detailed data on the costs of the interventions, including cost of site remediation, cost of inventory and technology choices, as well as regulatory and liability regimes. The Task team explained that, despite best efforts, the project was unable to recruit experts to collect the data and implement the design suggested in the PAD. Administrative efficiency was also low owing to significant delays in project implementation and incomplete project outputs at closing. Overall efficiency is thus rated as negligible.

## Efficiency Rating

Negligible

a. If available, enter the Economic Rate of Return (ERR) and/or Financial Rate of Return (FRR) at appraisal and the re-estimated value at evaluation:

	Rate Available?	Point value (%)	*Coverage/Scope (%)
Appraisal		0	0 <input type="checkbox"/> Not Applicable
ICR Estimate		0	0 <input type="checkbox"/> Not Applicable



\* Refers to percent of total project cost for which ERR/FRR was calculated.

## 6. Outcome

The overall outcome rating is Highly Unsatisfactory owing to a Substantial rating for Relevance, and Negligible ratings for Efficacy and Efficiency.

### a. Outcome Rating

Highly Unsatisfactory

## 7. Risk to Development Outcome

The ICR affirms that while the project did not achieve its objective of minimizing exposure to POPs in a measurable way, it contributed to strengthening the Philippines' ability to do so in the future. The main risk is the local governments' commitment to carrying out the POPs strategies and enforcing laws and regulations, accompanied by the availability of financing for implementation.

## 8. Assessment of Bank Performance

### a. Quality-at-Entry

The ICR confirms (page 32) that the World Bank had identified an area of support that was and remains relevant to the Philippines' environment, public health, and the global commons (Stockholm Convention on POPs). Project activities targeted high priority areas, including strengthened regulatory and monitoring framework for POPs management, improved capacity for safe management of PCBs, improved capacity for and demonstration of reduction of releases of UPOPs, and improved capacity for and demonstration of reduction of exposure to POPs in contaminated sites. However, the project design was overambitious, highly expansive and complex in relation to the weak coordination capacity of the implementing agency (ICR page 32). The targets of the indicator for PCBs subject to environmentally sound management were overambitious and subject to financing and support from outside of the project. Overall project design also failed to account for the challenges that could arise with project implementation as the source of POPs in the Philippines involved four distinct POPs areas ((1) POPs from pesticides, (2) dioxides and furans produced by industrial processes, (3) PCBs in electrical transformers, and (4) POPs contaminated sites) resulting in numerous implementing agencies and complex coordination challenges. Another weakness (ICR page 33) was that waste picker livelihood issues were 'delegated' to a parallel activity funded through the Japan Social Development Fund (JSDF) which also experienced implementation



delays and incomplete implementation of project activities. Thus there were shortcomings in project M&E and in the assessment of risks that affected implementation. On balance the shortcomings in quality-at-entry were significant and the rating is Moderately Unsatisfactory.

### **Quality-at-Entry Rating**

Moderately Unsatisfactory

## **b. Quality of supervision**

The first two restructurings were a 'missed opportunity' (ICR page 33) to address issues like revising the project PDO and setting targets that were attainable by the implementing agencies. The ICR also states that the standard GEF budget allocation was insufficient for the 'proper' supervision of the project in light of the 'significant' safeguards requirements (ICR para 94). Additional Bank budget was provided to the team. There was also an Integrity (INT) investigation for the project which slowed down project implementation. The ICR affirms that (para 96) more proactive measures could have been taken to mitigate the implementation challenges. The Task team noted that revising the PDO during implementation, preferably before the mid-term review, may have improved project outcome ratings. On balance the shortcomings in supervision were major and the rating is Unsatisfactory.

### **Quality of Supervision Rating**

Unsatisfactory

### **Overall Bank Performance Rating**

Unsatisfactory

## **9. M&E Design, Implementation, & Utilization**

### **a. M&E Design**

As explained below, there was limited linkage between outcome indicators and the higher-level outcome in the PDO. Everything that the PDO sought to achieve was not captured in the Results framework and the indicators. There was no indicator for measuring the risk of human or environmental exposure to POPs, against which the targeting accomplishment of minimizing exposure could be measured. However, the results framework included targets that would help understand and assess the degree of human exposure in the future by creating better inventories of POPs and the hazards they pose (ICR page 29), although these are not by sector. The ICR also highlights that the methodology for measuring reduction in backyard burning, which constituted 60 percent of the reduction target was not adequately implemented, and owing to the challenge, this indicator was dropped in 2015.



## **b. M&E Implementation**

The ICR reports that during the restructuring in June 2015, the indicators that were dropped, added or revised, weakened the underlying results chain by removing activities and outputs integral to information related elements (ICR para 78). Another weakness was the lack of an efficient tracking of counterpart funds utilized by the project and partners (ICR para 77).

## **c. M&E Utilization**

The ICR reports that (page 30) an important example of M&E utilization was the Government's reassessment and modification of its PCB disposal strategy considering the dramatically higher PCB amounts reflected in the updated PCB inventory under the project. This improved information about the scale and nature of PCB stockpiles and contaminated equipment contributed to a reevaluation of the deadlines for PCB disposal, which were suspended, as well as adoption of a more enabling approach toward issuance of PCB transport and export permits given that the amounts involved dramatically exceeded the capacity of the existing domestic disposal facility.

### **M&E Quality Rating**

Substantial

## **10. Other Issues**

### **a. Safeguards**

Environmental: The project was assessed as a category A project, for environmental assessment. The main instrument for this project was the Environmental and Social Assessment Framework (ESAF). The ESAF prescribed a category A rating and required a full Environmental and Social Impact Assessment (ESIA). According to the ICR (page 31), at the close of the project, a supplementary Safeguards Action Plan had to be drafted and agreed with the Government to cover the residual risks coming from the uncompleted activities. The ICR (page 36) reports that residual safeguards risk due to unfinished activities after project closing were mostly resolved by December 2018 when activities in the Safeguards Action Plan were completed. Environmental Assessment Policy (OP 4.01) was rated Moderately Unsatisfactory in the last Implementation Supervision Report.



Social: The ICR reports (page 31) that at appraisal, World Bank's Indigenous Peoples (OP 4.10) and Involuntary Resettlement (OP 4.12) Policies were triggered. The Environmental and Social Management Framework (ESMF) included an Indigenous Peoples Framework as one of the subproject sites was thought to be subject to an ancestral domain claim under the Philippines' Indigenous Peoples Rights Act. The ESMF also included a Land Acquisition and Resettlement Policy Framework to deal with cases of involuntary resettlement due to temporary or permanent land acquisition or restricted access in relation to the land that would be subject to site remediation and controls. It also included a Social Development Framework for Waste Pickers intended to address potential losses of livelihoods of waste pickers. Compliance with the agreed procedures and instruments was generally satisfactory. Involuntary Resettlement (OP 4.12) was rated Moderately Unsatisfactory in the last ISR. The ICR mentions that the "abrupt" closure of the project (ICR para 87) left some unfinished safeguards work in activities of Components 2 and 4 (the Task team explained that the government did not to endorse the request for an extension, which led to the "abrupt" project closure) - this necessitated remedial measures in the form of a Safeguards Action Plan.

## **b. Fiduciary Compliance**

Financial Management (FM): The ICR notes (page 32) that the project encountered FM issues at the beginning of project implementation but subsequently improved when an FM specialist was hired for the project and the Operations Manual was completed. Also, the FM system of the project was rated Moderately Unsatisfactory during most parts of the implementation period. The rating was due to delayed submission of interim financial reports and audited financial statements to the World Bank as required under the Grant Agreement. Also, the project was not able to comply with the submission of the internal audit report by the DENR-Internal Audit Service (IAS), which was also one of the financial covenants. The IAS review requirement was eventually removed from the Grant Agreement during project restructuring in June 2015. The Task team confirmed that audit reports for the first 3 years (2011-2013) reflected Unqualified audit opinion. From 2014-2017, however, audit reports were all Qualified due to various reasons.

Procurement: Several ineligible expenditures were noted during regular project supervision that were eventually resolved through refund (ICR page 32). The ineligible expenses include excess travel allowance, purchases of equipment outside the Procurement Plan, and goods procured and charged to training but subsequently considered ineligible.

## **c. Unintended impacts (Positive or Negative)**

NA

## **d. Other**



The project did not have explicit gender-targeted activities or targets. While some POPs do have gender-specific health effects for men and women and the level of exposure can vary by gender, owing to different occupational exposure scenarios, there was lack of precise data available to the project on specific health impacts by gender.

## 11. Ratings

Ratings	ICR	IEG	Reason for Disagreements/Comment
Outcome	Highly Unsatisfactory	Highly Unsatisfactory	
Bank Performance	Moderately Unsatisfactory	Unsatisfactory	Per IEG policy, the lowest constituent rating applies in this case; namely, Bank Supervision is Unsatisfactory
Quality of M&E	Modest	Modest	
Quality of ICR	---	Substantial	

## 12. Lessons

Some lessons adapted from the ICR are below:

### **The importance of setting realistic and relevant targets requires careful study and planning:**

The procedural and technical process for designing and adopting regulatory instruments that are critical for project success should be well studied and planned for so that related project implementation risks can be mitigated, and delays planned for. For instance, in this project the legal output for an executive order for the interagency task force on POPs management involved prior interagency coordination, and a lengthy approval and issuance process with final approval by the Office of the Philippine President. According to the ICR (para 101), this was unachievable within the project life.

### **A narrow focus on POPs reduction by sector could be better than a comprehensive plan covering all emissions sectors, to achieve tangible results:**

The project had incorporated several distinct POPs areas ((1) POPs pesticides, (2) dioxides and furans produced by industrial processes, (3) PCBs in electrical transformers, and (4) POPs contaminated sites) resulting in numerous implementing agencies and complex coordination challenges. Some successful POPs projects in other countries focused on a single area, or where there was a substantial direct government involvement (for example UOPs from hospital waste and PCBs owned by government



utilities in Tunisia - P100478) that allowed greater control of activities and outputs, and achievable targets.

### 13. Assessment Recommended?

No

### 14. Comments on Quality of ICR

This is a comprehensive, candid, well-written ICR with good quality of analysis, as well as some useful lessons. There are however some gaps in the narrative around why the PDO and Results Framework were not revised during the restructuring, and the context of the INT investigation. The Task team provided prompt clarifications when requested.

#### a. Quality of ICR Rating

Substantial