



The World Bank

Maldives Clean Environment Project (P160739)

REPORT NO.: RES50449

RESTRUCTURING PAPER
ON A
PROPOSED PROJECT RESTRUCTURING
OF
MALDIVES CLEAN ENVIRONMENT PROJECT
APPROVED ON JUNE 23, 2017
TO
REPUBLIC OF MALDIVES

ENVIRONMENT, NATURAL RESOURCES & THE BLUE ECONOMY
SOUTH ASIA

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ABBREVIATIONS AND ACRONYMS

EPA	Environmental Protection Agency
GoM	Government of Maldives
IWMC	Island Waste Management Center
MoECCT	Ministry of Environment, Climate Change, and Technology
MoF	Ministry of Finance
MEMP	Maldives Environment Management Project
PDO	Project Development Objective
RWMC	Regional Waste Management Center
SWM	Solid Waste Management
SAP	Strategic Action Plan
URA	Utility Regulatory Authority
WAMCO	Waste Management Corporation Limited



BASIC DATA

Product Information

Project ID P160739	Financing Instrument Investment Project Financing
Original EA Category Full Assessment (A)	Current EA Category Full Assessment (A)
Approval Date 23-Jun-2017	Current Closing Date 31-Dec-2023

Organizations

Borrower Republic of Maldives	Responsible Agency
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Project Development Objective (PDO)

Original PDO

The Project Development Objective is to improve solid waste management in selected zones.

Summary Status of Financing (US\$, Millions)

Ln/Cr/Tf	Approval	Signing	Effectiveness	Closing	Net Commitment	Disbursed	Undisbursed
IDA-D1990	23-Jun-2017	16-Aug-2017	13-Sep-2017	31-Dec-2023	17.50	9.08	8.63

Policy Waiver(s)

Does this restructuring trigger the need for any policy waiver(s)?

No



I. INTRODUCTION

1. This is the project's second restructuring which responds to a request of the Ministry of Finance (MOF), Government of the Maldives (Letter Number 13-R1/WB/2022/45 dated May 24, 2022). The restructuring focuses on realigning the project design to current and changed conditions and establishing more realistic approaches to achieve the PDO, while acknowledging the limits of the remaining project budget and time. The restructuring proposes to amend the project results framework, reallocate and front-load the IDA funds, reduce the scope of activities, and amend the legal covenants.
2. The project restructuring is being undertaken to help improve project implementation before its completion and closure in December 2023. The restructuring aligns limited IDA funds with a constrained government budget from challenging fiscal conditions of the government of the Maldives. At the time of the first project restructuring, it was expected that government budget and the Maldives Green Funds would be allocated to help fill a multi-million-dollar project finance gap projected for the last two years of the project for investments concentrated in zone 4 and 5. However, the global pandemic and back-to-back crises like the Ukraine war have made this no longer realistic. To address this, the IDA budget for zone 4 and 5 was prioritized on islands lacking previous waste management infrastructure, community mobilization support for source separation to reduce residual waste, and Atoll level planning support to help promote new business models for increasing scale and cost efficiencies. A decision was made by the Implementing Ministry that residual wastes from these two zones will be transferred to Thilafush (the current default), and funds for any future regional infrastructure, such as a transfer station in zones 4 and 5, would be staged beyond the life of the project. Refurbishment and upgrade of island waste management facilities for other islands were deferred beyond the life of the project. This reduction in scope is intended to help improve the project's implementation progress which is relative to its scope and activity targets.
3. A second key factor addressed by the restructuring was to better acknowledge the capacity development nature of the project in pioneering new (first of its kind) types of waste management systems in the Maldives and the complexities, trial and error, and ongoing adjustments in management and regulatory approach that this involves with many different institutions and stakeholders that must cooperate and develop capacity to establish a functioning system. To address this, the project results framework indicators and to a more limited extent the finance agreement were revised for better realism and alignment with current conditions taking into account the COVID pandemic, and a more step-wise capacity progression of key institutions both within and outside of the project's direct control. Key institutions, like the Maldives Waste Management Company, the Environmental Protection Agency, the Utility Regulatory Authority, and the Tourism Ministry with separate management units outside the Ministry, have all agreed with the project restructuring and their roles in the revised results framework through a management level Steering Committee process. The revised results framework is intended to help the ability of the project to meet project's development objectives within the project life.

II. PROJECT STATUS AND RATIONALE FOR RESTRUCTURING

4. The Maldives Clean Environment Project Development Objective (PDO), which continues to be relevant, is to improve solid waste management in selected zones. The IDA Grant was approved on June 23, 2017, in the amount of SDR 12,800,000 (US\$17.5 million equivalent) and became effective on September 13, 2018. The project has five components: 1) Solid Waste Management Strategy and Policy to address challenges in effective solid waste management (SWM); 2) Regional Waste Management Systems to operationalize the Regional Waste Management Center (RWMC) established under the Maldives Environment Management Project (MEMEP) and establish a SWM system in Zones IV and V; 3) Island Waste Management Systems to



develop/complete island level facilities for managing the collection, segregation, on-site treatment, and storage of residual waste until transfer to the common facility; 4) Project management to strengthen the institutional capacity of the Ministry of Environment, Climate Change, and Technology (MoECCT) for project implementation; and 5) Contingency Emergency Response. The Project was first restructured (Level 2 restructuring) in 2020 with amendments to the project results framework to improve the overall monitoring of results over the solid waste management chain.

5. One of the key challenges the project has faced has been a financing gap of over US\$12 million required largely for zone 4 and 5 waste management infrastructure that was to be defined in more detail through a project financed feasibility study. Although work in these zones were included in the PAD and operations manual, the finance gap was not formally recognized in the project appraisal document at board approval but persisted throughout the life of the project and grew further from increasing input costs, technical requirements, and pandemic related cost escalations. At the time of the first project restructuring, it was agreed to close the finance gap for zone 4 and 5 infrastructure using the Maldives Green Fund (hotel bed tax revenue), however these Funds were not available as expected with the COVID related financial crisis. The government and Waste Management Corporation Limited (WAMCO) also at the same time incurred additional unplanned expenses at the Vandhoo facility for site remediation and repairs that required priority budget attention. In recognition of the project finance gap since 2019, the Government of Maldives (GoM) progressively increased the project's annual budget in response to the Ministry's requests as follows: from US\$5,415.94 in 2019; to US\$54,362 in 2020; to US\$918,633 in 2021; and US\$2,310,387 in 2022. Budget projections for 2023 and 2024 beyond the life of the project remain at close to 2022 levels.
6. Overall implementation and progress towards achievement of the PDO was rated as **"Moderately Unsatisfactory"** during the last mission conducted in March 2022. Although project disbursements have been largely on track, the rating reflected that the project development objective was unlikely to be met given the management and operational challenges of the Vandhoo regional Facility, and without sufficient funds and time to meet the project's full scope and targets. There have been high level efforts to improve the underlying Vandhoo challenges, such as intensive monitoring of an agreed roadmap with high priority actions for the complete activation of Vandhoo regional waste management facility. Yet, with many technical delays, it has taken over a year to resolve. Other factors that exacerbated implementation progress were delays and increased costs linked to the COVID pandemic such as an escalation of input prices and higher logistics costs. Adaptations and improvements needed for island waste management center technical designs (to also function as resource management center) had financial implications too.
7. The project management rating was rated as **"Moderately Satisfactory"** in the March 2022 mission to signal the importance to continue with a consistent strong performance of the PMU on aspects like financial management, and environmental and social safeguards oversight, including application of best practices in remote construction contractor supervision. The rating also reflects delays in filling key staff positions like the M&E specialist, and a need to continue to strengthen contract management capacity in the PMU and the Ministry waste management department.

Rationale for Restructuring

8. The second project restructuring, discussed and agreed during the March 2022 mission, agreed on several overarching restructuring goals. These included i) front-loading activities within the IDA budget envelope along with an investment phasing plan to acknowledge that current government funds are currently highly constrained; ii) contain and reduce funding for the up-grade and expansion of the Vandhoo regional waste management



center while ensuring costs of remediation and repair were WAMCO/government paid; iii) Promote introduction of Atoll level waste management planning systems to strengthen waste logistics efficiencies, promote integrated sub-regional planning and align better with the government's decentralization agenda; and iv) promote policy and strategy alignment with the government's Strategic Action Plan 2019 - 2023 (SAP) and new regulations and strategies on source separation of waste, phaseout of single-use plastics, and requirements to eliminate the ocean dumping of organic food wastes.

9. The restructuring introduces new consultant support and targets to better align with the decentralization agenda of the Government. It will introduce new planning and coordination systems at the Atoll level for enhanced efficiency in the waste management system. This will also provide more direct support to clusters of inhabited islands and resorts co-located within the same Atoll. Greater decentralization of waste management systems is also part of a strategy to reduce transportation costs and inefficiencies from un-sorted waste being moved to central and regional waste management facilities. The GoM has formulated a stronger regulatory framework for waste management during the last year and has recognized successful initiatives at the island level in zone 2 (for waste segregation and baling) to give greater confidence for a shift to a more decentralized system. A rapid rise in tourism-driven waste from the region is adding to pressures of an already strained waste management system. Implementation of new regulation for resorts to source separate and process waste in a more circular way locally has gone into effect at the same time as requirements for inhabited islands. Atoll level systems will help both resorts and inhabited islands test new models to innovate, collaborate and learn from each other within a shared geographic space.
10. The Vandhoo waste management center is the Maldives' first regional facility with an industrial scale incinerator, an associated waste to energy boiler addition, and a hazardous waste ash landfill. Facility investments were designed to international standards and required a high level of due diligence, safety, and standard of care. WAMCO as an operator for the regional waste management center at Vandhoo has yet not been able to make the facility fully operational as per its designed capacity/capability which has been under close monitoring and discussion by the World Bank, the Ministry of Environment, Climate Change, and Technology, the Ministry of Finance, and WAMCO. Expert advice and training provided by a resident adviser contracted by the Ministry and funded by IDA was ineffectively used and a track record on learning/improvement was not well established over several years. To strengthen the uptake of support and accelerate action, the government in February 2022 appointed a new interim Managing Director with a technical qualification in waste management.
11. The current restructuring places a heavier emphasis on strengthening island systems and introduction of Atoll level management systems in zone 2, while the government and other donor funds will focus more on Vandhoo remediation and financing recurrent operation and maintenance costs. For zones 4 and 5, IDA funds are prioritized to ensure that all inhabited islands in these zones are provided support for operational island waste management centers (most urgent civil works) and related infrastructure, during the project life. Another element of the restructuring approach is to support integration of zone 4 and 5 with the Thilafushi regional center of zone 3. This will ensure greater consolidation of the national systems, while prioritizing efforts on strengthening the Atolls and inhabited island management systems and capacities. Significant cost saving will be achieved by activating this approach as a highest priority first, while staging the higher cost investments like a waste transfer station for these two zones beyond the project life.
12. On top of a pre-existing finance gap since the start of the project, costs have also escalated over the course of the project life due to a confluence of factors including i) increased investment needs to operationalize Vandhoo regional facility, ii) global market price escalations and supply chain logistics delays due to COVID-19, and iii) costlier island waste management centers due to updated design and functional requirements. The aim of this



project restructuring is to ensure that all inhabited islands in zones 4 and 5 have some infrastructure for waste management. Priority is also placed on upgrading infrastructure on the islands that have been identified for organic waste biogas and compost enhancement pilots. These islands require minor civil works of distinct types. The organic waste models remain one of the highest priorities given that organic waste is the largest fraction for islands to process and islands have been struggling to do this efficiently using basic open air more labor-intensive windrow methods. All other islands requiring upgrades have been phased and slated to be completed with future government budgets or other funding sources as and when made available.

13. The project restructuring also retains a focus on strengthening national level policy and strategy and planning, while introducing support for Atoll level waste management planning. Small but priority funding is being introduced to hire local consultants to support each Atoll Council on their waste management planning. These local consultants will be directly working with the inhabited islands and resorts within each Atoll. These additional consultants will help extend the geographic reach of the PMU and provide the much-required ground support to align the project better with the government's decentralization law that empowers the Atoll level of government. It also introduces a more cost-efficient mechanism for sharing of waste management equipment, services, and infrastructure within an Atoll. Pioneering selected equipment and resource processing co-arrangements at the Atoll level will help demonstrate a model of transparent and equitable cost sharing arrangements. As part of restructuring, trainings on good practices and waste to wealth resource management, will be delivered to Atoll level stakeholders in coordination with other initiatives and programs (LGA, MEERY/PROBLUE, and potentially USAID etc.) Knowledge support and handholding will be provided for developing or updating the Island and Atoll level waste management plans.

III. DESCRIPTION OF PROPOSED CHANGES



14. To address these concerns, the restructuring proposes to amend the project results framework, reallocate and front-load the IDA funds, reduce the scope of activities, and amend the legal covenants. The restructuring will not change the project's development objectives, the component structure, or the overall IDA financing envelope. Budget re-allocations are proposed to be made within the uncommitted envelope of IDA funds across the remaining work in Zones 2, 4, and 5 islands, with staging and rationalization of earlier planned investments. Items that have been given the highest priority for funding first are the completion of ongoing IDA contracts, strengthening waste planning and community engagement at the island and atoll level, filling basic equipment gaps for zone 2 islands, and constructing and equipping waste and resource management centers in selected zone 4 and 5 islands where no infrastructure exists today.
15. Some items that have been shifted into a future stage beyond the current project life without affecting the achievement of the project's outcome, these include the design and construction of a transfer station in zones 4 and 5, rehabilitation/upgrading/and equipment gaps for the remaining zone 4 and 5 islands, and vessels and related waste handling equipment for inter-regional transfer. Government budget in projections planned for 2023 and 2024 have been prioritized further upgrading of the remaining zone 4 and 5 islands. Vessel arrangements for transfer of residual wastes from Atolls to regional centers is still in the process of being re-defined. These vessels will be arranged either by a progressive expansion of the public sector WAMCO fleet or through private vessel contracting arrangements by the Atolls. The methods used for each Atoll will be defined in the respective Atoll level plans and will be approved by the Utility Regulatory Authority (URA) and the EPA who are responsible for contracting arrangements for waste management and protection of the marine environment, respectively.

Project Components

16. The project component descriptions have been updated to reflect the consolidation of the Maldives regional waste management infrastructure system planning and the government's policy shifts from a linear to a more circular waste "and resource" management system. The five project components remain largely the same in their focus, however the titles for two components have been updated to better match the project's underlying strategic shifts. For example, component 3 "Island Waste Management Systems" has been revised to "Island and Atoll Waste and Resource Management Systems" to signal the importance of the Atolls and better recognize the project's alignment with the government's new decentralization agenda and goals to promote strengthening of Island – Atoll level management systems and capacities.
17. The restructuring also included internal adjustments in the costs of several project components to meet the revised project needs. The costs of component one and two have been reduced as the restructuring shifted its emphasis from two regional waste management facilities to one and has prioritized the need to fund development of island and atoll level systems first. The rationale used in the budget re-allocations was to frontload the IDA funds and concentrate them on fully equipping islands with required infrastructure. Island level investments prioritized for IDA funds also include biogas and composting pilot sites. Hence the costs of component 3 on IWMCs increased its IDA share by US\$3.6 million. Component 4 on Project Management has also been increased to reflect the project management unit's role in capacity transfer and to meet the growing management, capacity building, and monitoring needs of the restructured project. The exact changes in project component costs are reflected in section IV below.

Revision of legal covenants



18. The restructuring also aimed to update the finance agreement through amendments to reflect lessons learned and to keep language open to a wider range of management contracting options, while focusing on the performance-based requirements. One legal covenant has been revised to emphasize the Vandhoo operator performance criteria. This change emphasizes the need to bring in a licensed operator under contractual terms and acceptable conditions to fully manage and operate assets and also mandate the requirements to obtain necessary license & permits and comply with applicable safeguard requirements. Other revisions to the finance agreement are editorial to reflect the updated project focus and Government's priorities. The importance of the project's focus on supporting source separation of waste and the phaseout of single-use plastics are introduced more specifically.

Revision of Results Framework

19. The results framework revisions do not significantly change the broad theory of change but focus on how the project can get there with re-alignment of some indicators to the evolved policy framework and realities of current project enabling conditions. Three indicators (one PDO) have been retained as is; four indicators (one PDO) have reduced targets to align with project cuts and phasing; two indicators were dropped and directly replaced with three new indicators to measure related capacity development steps; one new indicator was introduced to reinforce the importance of Island and Atoll level plans as part of the restructuring; four indicators (one PDO) retained the original focus but wording and pacing were revised to better align with current capacity and ground realities, enabling conditions, and the updated waste and decentralization policy framework. Impacts of the global pandemic on the project pace and progress especially related to capacity development expectations and the related limits on availability of finance were also considered.
20. Key project outcomes sought with the restructuring are to demonstrate the effective use of waste and resource management investments in a first regional waste management model in Zone 2 and to strengthen the island and atoll level waste management capacities in Zone 4 and 5. The revision of results framework not only reflects a rationalization of investments based on available funds, but also reflects targets to mainstream the decentralization agenda through strengthening of atoll level systems and planning. This is done by introduction of a new indicator on Island and Atoll Waste Management Plans which will be prepared/updated to reflect the alignment with the new decentralization law and legislations on source segregation and phase out of single use plastics. At the national level, the project seeks to support a progressively increasing level of coherence of waste and resource policies and strategies, investments, and capacities which are more clearly aligned to current conditions.
21. The revisions also reflect greater realism related to capacity development that can be achieved during the lifetime of the project since this is a progressive endeavor that requires substantial handholding and time. The global pandemic has hugely impacted the pace of capacity development in the implementing agencies. Project restructuring also involves the introduction of local consultants at each of the Atolls to support greater emphasis on decentralization reforms, community engagement, and achieve required behavior shifts. Although there are designed rationalization and shifts in the end targets of some of the indicators in the revised results framework, the umbrella PDO to improve 'solid waste management in selected zones' still remains valid and achievable at the end of the project life. Recommendations for revisions to the Finance Agreement and the project Results Framework as part of the proposed project restructuring are presented in subsequent tables.



IV. SUMMARY OF CHANGES

	Changed	Not Changed
Results Framework	✓	
Components and Cost	✓	
Legal Covenants	✓	
Implementing Agency		✓
DDO Status		✓
Project's Development Objectives		✓
PBCs		✓
Loan Closing Date(s)		✓
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Disbursements Arrangements		✓
Disbursement Estimates		✓
Overall Risk Rating		✓
Safeguard Policies Triggered		✓
EA category		✓
Institutional Arrangements		✓
Financial Management		✓
Procurement		✓
Implementation Schedule		✓
Other Change(s)		✓
Economic and Financial Analysis		✓
Technical Analysis		✓
Social Analysis		✓
Environmental Analysis		✓

IV. DETAILED CHANGE(S)



COMPONENTS

Current Component Name	Current Cost (US\$M)	Action	Proposed Component Name	Proposed Cost (US\$M)
Component 1: National Solid Waste Management Strategy and Policy	3.00	Revised	Component 1: National Solid Waste Management Strategy and Policy	2.00
Component 2: Regional Waste Management Systems	7.50	Revised	Component 2: Regional Waste Management Systems	3.50
Component 3: Island Waste Management Systems	5.00	Revised	Component 3: Island Waste Management Systems	8.60
Component 4: Project Management	2.00	Revised	Component 4: Project Management	3.40
Component 5: Contingent Emergency Response Component	0.00	No Change	Component 5: Contingent Emergency Response Component	0.00
TOTAL	17.50			17.50

LEGAL COVENANTS

Loan/Credit/TF	Description	Status	Action
IDA-D1990	Project Board:GoM to establish a Project Board to serve as the steering committee, supporting the PMU providing inter-agency/inter-ministerial cooperation and coordination, timely decision making for, and oversight of Project activities. Recurrent: Yes, Due Date: 1 month after effectiveness, Frequency: Project duration.	Complied with	No Change
IDA-D1990	Project Management Unit: MEE to maintain a Project Management Unit (PMU) under the WMD, headed by the head of the WMD and staffed with competent personnel in adequate numbers in order to coordinate the day to day implementation of Project activities.	Complied with	No Change



	<p>Recurrent: Yes, Due Date: N/A, Frequency: Project duration.</p>		
IDA-D1990	<p>Internal Auditor: GoM/MEE to hire and thereafter maintain a firm of chartered accountants to serve as MEE's and the PMU's internal auditors carrying out regular financial management and procurement audits for the Project.</p> <p>Recurrent: Yes, Due Date: 3 months as of effectiveness, Frequency: Project duration.</p>	Complied with	No Change
IDA-D1990	<p>Project Operations Manual: GoM/MEE to carry out the project in accordance with the Project Operations Manual.</p> <p>Recurrent: Yes, Due Date: N/A, Frequency: Project duration.</p>	Complied with	No Change
IDA-D1990	<p>Annual Work Plan: GoM/MEE to prepare, furnish to, and review with, the Association the annual work plans and budgets for the Project containing detailed programs of Project activities for the next following fiscal year, and thereafter implement such annual work plans as reviewed/discussed with the Association.</p> <p>Recurrent: Yes, Due Date: October 31, Frequency: Annual.</p>	Complied with	No Change
IDA-D1990	<p>Regional Waste Management Centers: GoM to refrain from initiating any activities for the establishment of a RWMC for Zones IV and V until and unless it has carried out a feasibility study and a best practicable environmental option study.</p> <p>Recurrent: No, Due Date: N/A, Frequency: N/A.</p>	Complied with	No Change



IDA-D1990	<p>WAMCO: Upon construction of the RWMC referred to in Component 2, GoM shall take all actions required to transfer to WAMCO the concession over the assets, licenses and permits of such centers for WAMCO to operate and maintain the RWMC in accordance with the safeguards documents.</p> <p>Recurrent: No, Due Date: N/A, Frequency: N/A.</p>	Partially complied with	Revised
Proposed	<p>Upon construction of the RWMC referred to in Component 2, the recipient shall take all actions on its part to transfer to a competent and licensed operator under contractual terms and conditions acceptable to the Association to manage and operate the assets, licenses, and permits of such centers financed under the project, in accordance with applicable safeguard documents.</p>	CP	
IDA-D1990	<p>Island Waste Management Centers: GoM/MEE to: (a) publicly invite ICs of islands in Zone IV and V to submit IWMPs pursuant to the POM; (b) screen the IWMPs in accordance with the eligibility/preparedness criteria and selection procedures set forth in the POM; and (c) enter into written agreement with the ICs of the selected IWMPs under terms and conditions satisfactory to the Association, for the provision of “in kind” assistance for the implementation of the respective IWMPs.</p> <p>Recurrent: Yes, Due Date: N/A, Frequency: Project duration</p>	Complied with	No Change
IDA-D1990	<p>Contractor's Safeguards Obligation: GoM/MEE to ensure that each contract for civil works and/or consulting services under the Project includes the obligation of the relevant contractor/service provider to comply with the safeguards documents applicable to such civil works/consulting services commissioned/awarded under said contract.</p> <p>Recurrent: Yes, Due Date: N/A, Frequency: Project duration.</p>	Complied with	No Change



IDA-D1990	<p>Safeguards Documents: GoM/MEE to carry out the Project, and/or ensure that the Project is carried out, in accordance with the ESAMF, the ESIA(s) and/or the ESMPs prepare or to be prepared, pursuant to the ESAMF.</p>	Complied with	No Change
	<p>Recurrent: Yes, Due Date: N/A, Frequency: Project duration.</p>		
IDA-D1990	<p>Safeguards Screening: GoM/MEE to refrain from awarding any civil works contract and/or undertaking any activities under the Project, until and unless: (a) the proposed civil works/activities have been screened by the PMU and the respective ESIA(s) has/have been prepared in accordance with the ESAMF; (b) the respective ESMP(s) required for such civil works/activities pursuant to the ESAMF/ESIA(s) has/have been prepared and submitted to the Association for review and the Association has notified GoM/MEE of its no-objection thereto; and (c) the foregoing safeguards document(s) has/have been publicly disclosed by GoM/MEE in local language(s) at the relevant Project's sites at least: (i) 45 days prior to the award of the contract for the related civil works/Project activities other than for RWMC, and (ii) 120 days prior to the award of the contract for the related civil works/Project activities for RWMC.</p>	Complied with	No Change
	<p>Recurrent: Yes, Due Date: N/A, Frequency: Project duration.</p>		
IDA-D1990	<p>Permits and Clearances: GoM/MEE to ensure that, prior to commencing any activities under the Project: (a) all necessary permits and clearances for such activities have been obtained; and (b) all pre-constructions conditions imposed by the government authority/ies under such permit(s) or clearance(s) have been complied with/fulfilled; and (c) all required resettlement measures set forth in the applicable ESMP(s) shall have been fully executed, including the full payment of compensation prior to displacement/and or the provision of relocation assistance to all Displaced Persons.</p>	Complied with	No Change



	<p>Recurrent: Yes, Due Date: N/A, Frequency: Project duration.</p>		
IDA-D1990	<p>Safeguards Monitoring and Reporting: GoM/MEE to maintain monitoring and evaluation protocols and record keeping procedures adequate to supervise and assess the implementation of/compliance with the safeguards documents and submit to the Association, as part of the Project Reports, consolidated reports thereof.</p> <p>Recurrent: Yes, Due Date: N/A, Frequency: Semi-Annual.</p>	Complied with	No Change
IDA-D1990	<p>Grievance Redressal Mechanisms: GoM/MEE to maintain and operate, and cause WAMCO and the ICs to maintain, a multi layered grievance redressal mechanism for the handling of any stakeholder complains arising out of the implementation of the Project.</p> <p>Recurrent: N/A, Due Date: N/A, Frequency: Project duration.</p>	Complied with	No Change
IDA-D1990	<p>Ineligible Expenditures: GoM/MEE to ensure that any land acquisition required for the Project, and all compensation, resettlement and/or rehabilitation payments to displaced persons will be paid exclusively out of its own resources.</p> <p>Recurrent: Yes, Due Date: N/A, Frequency: Project duration.</p>	Complied with	No Change
IDA-D1990	<p>Contingency Emergency Response (CER) Operations Manual: In order to trigger the CER component, GoM shall: (i) prepare and furnish to the Association for approval a CER Operations Manual detailing activities, expenditures and implementation arrangements; (ii) identify and maintain a Coordinating Authority with adequate staff and resources; (iii) declare an eligible</p>	Not yet due	No Change



crisis or emergency; and (iv) prepare and disclose any required safeguards documents.

Recurrent: No, Due Date: N/A, Frequency: N/A.

IDA-D1990

Mid-Term Reviews: GoM/MEE to: (a) carry out, jointly with the Association, midterm reviews to assess the status of Project implementation as measured against the performance indicators, providing the Association with a report including the monitoring and evaluation results, one month prior to such joint reviews; and (b) thereafter take all measures required to ensure the efficient completion of the Project and the achievement of its development objectives, based on the conclusions and recommendations of such report.

Complied with

No Change

Recurrent: No, Due Date: 18 and 36 months after effectiveness, Frequency: N/A.



Results framework

COUNTRY: Maldives

Maldives Clean Environment Project

Project Development Objectives(s)

The Project Development Objective is to improve solid waste management in selected zones.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Improve solid waste management in selected zones								
Regional Waste Management Center (RWMC) operational (Number)		0.00	0.00	0.00	4.00	12.00	12.00	12.00
Number of IWMCs treating organic waste in selected zones (Number)		0.00	0.00	1.00	8.00	11.00		19.00
Action: This indicator has been Revised	<p>Rationale: <i>The level of ambition for this indicator is reduced to reflect reduced funding. The restructuring required a cut of project activities to close the project finance gap that could not be bridged with additional government funds. Budget for equipment for the scale up of organic waste pilots to all islands had to be cut. The pilots and organic waste treatment remain a high priority for learning that will benefit all islands. Organic waste treatment has been one of the most challenging waste streams to improve (also for resorts) and will require sustained efforts that may go beyond the life of the project. The project will attempt to over-achieve on these reduced indicators through sharing lessons across islands using the new Atoll-level community mobilization consultants. Revised the "as reported to the EPA" as the EPA has not had staff to run the reporting system and shared responsibilities with the Utility Regulatory Authority is taking time to sort out. Added "status reporting from the island councils" as another interim data source.</i></p>							
Number of IWMCs in Zone 2, storing,		0.00	12.00	12.00	15.00	15.00	22.00	45.00



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
treating/processing 'other' waste (not included in organics) and transporting to a RWMC or another end-user. (Number)								
<p>Rationale: <i>Reduced the targets for years 4 and 5 while the end target remains the same. This better reflects actual conditions with WAMCO not yet achieving regular collection services from islands to the regional center, which has been one of several issues in a high level roadmap for WAMCO performance improvements. It also aligns with the project restructuring objectives to align with decentralization and support introduction of Atoll level of waste management systems that would open up the possibility for Atolls to organize transportation of waste from the Atolls to the regional waste management centers.</i></p> <p>Action: This indicator has been Revised <i>New language on the data source is to recognize that a unified waste data collection system is not yet in place and operating, but that other local sources of data do exist and can meanwhile be used.</i></p>								
Share of target beneficiaries (disaggregated by gender) with rating "satisfied" or above with application of the solid waste management approach (user fees, environmental benefits, reliability) (Percentage)		22.00	22.00	40.00	40.00	50.00		50.00



Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Component 1: National Solid Waste Management Strategy and Policy								
Update the National Solid Waste Management Policy and Strategy, and develop underlying regulations, laws and implementation plans (Text)		No updated waste strategy and policy, no regulations for source separation of waste, no plan for the phaseout of single use plastics.	Government approval of a strategy for the phaseout of single use plastics.	Introduction of a regulatory amendment to require source separation of waste	Draft Strategy and Policy and Draft Waste Management Law consulted with key stakeholders			Adoption of New Waste Management Law and National Strategy and Policy
Action: This indicator has been Revised	<p>Rationale: <i>The wording of the indicator is expanded to better recognize the importance of underlying laws, regulations, and implementation plans that have been actively supported by the project and have moved on different timelines in step with other drivers such as the government SAP, and initiative for single use plastics phaseout that were introduced after project approval. The overarching policy and strategy update effort is intended to help tie them all together for greater coherence. It also better reflects the project support for important agendas like the phase-out of single use plastics and source separation of waste.</i></p>							
The number of national institutional staff trained under the project and remaining on the job at least one year after the training. (Number)		0.00	3.00	10.00	20.00	30.00	40.00	50.00
Number of entities (including IWMC, RWMC and resorts) monitored by EPA as per the national solid waste management regulation in selected zones (Text)		The EPA monitoring is limited to environmental review and approval of island waste management plans	The EPA monitoring is limited to environmental review and approval of island waste management plans and operating	Ad-hoc but limited site monitoring is introduced	A new waste unit in the EPA is established with a scorecard and mechanism introduced for IWMCs, RWMCs, and resort reporting.	Evaluation and improvement of the scorecard and reporting mechanism undertaken.	EPA introduces an additional public report on the results of compliance spot checking and enforcement actions taken.	EPA has been receiving waste operator reports and publishing enforcement actions for one year.



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
		and operating permits.	permits.		Initial reports submitted.			
Action: This indicator has been Marked for Deletion	<p>Rationale: <i>This indicator has been deleted and replaced by two new indicators clarifying responsibilities of EPA and URA as agreed with the Ministry. One for URA (on operational compliance) and one for EPA (on environmental compliance) is intended to help bring in more accountability for each of the respective institutions sharing regulatory oversight for waste management.</i></p>							
Establishment of a system for monitoring operational compliance of licensed waste facilities by the Utility Regulatory Authority (Text)		The URA has not yet approved any operating license for a waste management facility in the Maldives including Vandhoo.	URA develops and introduces an operational compliance monitoring mechanism for licensed operators.					URA commences operational compliance monitoring with 50% of licensed operators, and URA publicly discloses the results of operational compliance monitoring and enforcement actions taken (frequency: bi-annually).
Action: This indicator is New	<p>Rationale: <i>This new indicator focused only on the Utility Regulatory Authority and has replaced the older indicator on monitoring by EPA to bring in greater clarity on legislative changes in shared responsibilities between the EPA and URA.</i></p>							
Establishment of a system for monitoring		Electronic remote supervision	EPA develops and introduces an					EPA publicly discloses the results of



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
environmental compliance by the EPA for pollution caused due to improper waste handling and management (Text)		monitoring forms for island waste management centers and the Vandhoo regional waste management center have been developed and piloted with 6 islands. WAMCO has been submitting monthly reports for Vandhoo. EPA staff have conducted orientation monitoring site visits to Vandhoo in 2022.	environmental compliance monitoring and spot-checking mechanism in relation to pollution caused due to improper waste handling and management.					environmental compliance monitoring and enforcement actions taken, in relation to pollution caused due to improper waste handling and management (frequency: annual).
Action: This indicator is New	Rationale: <i>This new indicator focused on the EPA has replaced the older indicator on monitoring by EPA to bring in greater clarity on shared responsibilities for waste management regulatory oversight between the EPA and URA.</i>							
Component 2: Regional Waste and Resource Management Center (Action: This Component has been Revised)								
Coverage of O&M expenditures of RWMC from user fees (Percentage)		33.00	33.00	33.00	35.00	40.00	50.00	50.00
Action: This indicator has been Marked for Deletion	Rationale: <i>Drop this indicator because WAMCO has been unable to provide sufficiently verifiable separated accounts for the Vandhoo facility. Data reported so far were estimates not verified by third party audits. The Ministry of Environment, Climate Change, and Technology, and the Ministry of Finance also have a need for better financial information on Vandhoo as a budget entity to support their new annualized flat subsidy method of support. It has been premature for Vandhoo</i>							



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
			<i>to accept waste and integrate revenue from resorts until it has been operating 24/7 and has processed the backlog of baled waste. This indicator is replaced with a new indicator that focuses on the separation of financial accounts for Vandhoo.</i>					
Number of resorts in zone 2 sending residual waste to Vandhoo (Number)		5.00	0.00	0.00	0.00	5.00		10.00
Action: This indicator has been Revised	<p>Rationale: <i>Vandhoo has not been ready yet to accept resort island waste so the indicator is better aligned to current conditions. There is no RWMC proposed for zones 4 and 5. Wording is changed to "residual" waste because of the new regulatory amendment that requires source separation of waste and is applicable to resorts too. It is assumed that resorts will take most recyclables that are source separated to recyclers in Male for payment. The numbers are modest because resorts need to first comply with the source separation regulations and many are still adjusting especially in 2022.</i></p>							
Establish Vandhoo as a stand-alone WAMCO budget centre along with a system for financial monitoring starting from July 1, 2022 (Text)		There is no separation of accounts for Vandhoo within WAMCO.	Establishment/initiation of the financial management system for Vandhoo with monthly reporting against budget for 6 months.					First bi-annual audit (July-Dec 2022) and continuation of monthly reports and bi-annual audits for 2023.
Action: This indicator is New	<p>Rationale: <i>This is a process indicator where the first year is qualitative in terms of establishment of the system. and the second year will be based on implementation of the system. The indicator requires active and ongoing cooperation of WAMCO under its new management.</i></p>							
Component 3: Island and Atoll Waste and Resource Management Systems (Action: This Component has been Revised)								
Island Waste and Resource Management Centers Established (Number)		0.00	27.00	50.00	56.00			64.00



Indicator Name	PBC	Baseline	Intermediate Targets					End Target
			1	2	3	4	5	
Action: This indicator has been Revised			<p>Rationale: <i>This counts both new and retrofit/upgraded island waste and resource management centers in zones 2 and zones 4/5. The revised targets from a total of 88 to 64 over the life of the project is aligned with a lower total budget envelope constrained by a finance gap and the IDA grant, while staging other retrofit/upgrade investments zone 4/5 beyond the life of the project. The procurement of equipment for the island waste management centers has become more standardized and was expanded, for example to prioritize balers for all, to align with the new 2021 source separation regulation.</i></p>					
Number of approved Island and Atoll Waste Management Plans (Number)		0.00	56.00					77.00
Action: This indicator is New			<p>Rationale: <i>All island waste management plans require updates to reflect new legislation especially on source separation of waste and the phaseout of single use plastics that has meanwhile come into effect. The Atoll waste management plans are a new concept in the Maldives but aligned with the decentralization law and the need and opportunity to increase cost and operational efficiency through the sharing of equipment and services at this level.</i></p>					



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