Industrial Waste Management and Cleanup Project (P122139)

EUROPE AND CENTRAL ASIA | Montenegro | Environment, Natural Resources & the Blue Economy Global Practice | IBRD/IDA | Investment Project Financing | FY 2015 | Seq No: 11 | ARCHIVED on 20-Dec-2019 | ISR40033 |

Implementing Agencies: Environmental Protection Agency, Republic of Montenegro

Key Dates

Key Project Dates

<table>
<thead>
<tr>
<th>Date Type</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bank Approval Date</td>
<td>19-Sep-2014</td>
</tr>
<tr>
<td>Effectiveness Date</td>
<td>17-Nov-2014</td>
</tr>
<tr>
<td>Planned Mid Term Review Date</td>
<td>--</td>
</tr>
<tr>
<td>Actual Mid-Term Review Date</td>
<td></td>
</tr>
<tr>
<td>Original Closing Date</td>
<td>30-Jun-2019</td>
</tr>
<tr>
<td>Revised Closing Date</td>
<td>30-Jun-2020</td>
</tr>
</tbody>
</table>

Project Development Objectives

Project Development Objective (from Project Appraisal Document)
The Development Objective of the Project is to reduce contamination of Montenegro’s natural resources and public health risks of exposure to this contamination from selected industrial waste disposal sites.

Has the Project Development Objective been changed since Board Approval of the Project Objective?
No

Components

Name
Remediation of Selected Legacy Industrial Waste Disposal Sites:(Cost $40.25 M)
Future Industrial Waste Management:(Cost $1.24 M)
Project Management:(Cost $2.25 M)
Refinancing PPA:(Cost $1.00 M)

Overall Ratings

<table>
<thead>
<tr>
<th>Name</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Progress towards achievement of PDO</td>
<td>●Moderately Unsatisfactory</td>
<td>●Moderately Unsatisfactory</td>
</tr>
<tr>
<td>Overall Implementation Progress (IP)</td>
<td>●Moderately Unsatisfactory</td>
<td>●Moderately Unsatisfactory</td>
</tr>
<tr>
<td>Overall Risk Rating</td>
<td>●High</td>
<td>●High</td>
</tr>
</tbody>
</table>

Implementation Status and Key Decisions

The project restructuring has been successfully concluded on June 12, 2019. Main elements of the restructuring are the extension of the project closing date by 12 months to June 30, 2020 and re-design of the project scope to for the remediation of the ash disposal site in Pljevlja and cancellation of financing for remediation works at the Aluminum Plant locations in Podgorica. The project sites are the Bijela shipyard, a mine tailings disposal site in Gradac and a coal ash disposal facility in Pljevlja. The project will also support preparation of technical documentation for remediation works for two industrial waste disposal sites at the Aluminum Plant in Podgorica, and further development of the regulatory framework for hazardous and industrial waste management in Montenegro.
Project implementation has kept good momentum since the previous reporting. Remediation works at all three sites that need cleanup are now ongoing (Gradac, Pljevlja/Maljevac and Bijela). The Project is implemented by the National Environmental Protection Agency (NEPA) and the Ministry of Sustainable Development and Tourism (MSDT). The NEPA has for this purpose established a Project Management Unit (PMU) and is supported by the Technical Services Unit (TSU under Ministry of Finance) for Procurement and Financial Management tasks.

### Risks

#### Systematic Operations Risk-rating Tool

<table>
<thead>
<tr>
<th>Risk Category</th>
<th>Rating at Approval</th>
<th>Previous Rating</th>
<th>Current Rating</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political and Governance</td>
<td>--</td>
<td>• Low</td>
<td>• Low</td>
</tr>
<tr>
<td>Macroeconomic</td>
<td>--</td>
<td>• Low</td>
<td>• Low</td>
</tr>
<tr>
<td>Sector Strategies and Policies</td>
<td>--</td>
<td>• Substantial</td>
<td>• Substantial</td>
</tr>
<tr>
<td>Technical Design of Project or Program</td>
<td>--</td>
<td>• Moderate</td>
<td>• Moderate</td>
</tr>
<tr>
<td>Institutional Capacity for Implementation and Sustainability</td>
<td>--</td>
<td>• Substantial</td>
<td>• Substantial</td>
</tr>
<tr>
<td>Fiduciary</td>
<td>--</td>
<td>• Substantial</td>
<td>• Substantial</td>
</tr>
<tr>
<td>Environment and Social</td>
<td>--</td>
<td>• High</td>
<td>• High</td>
</tr>
<tr>
<td>Stakeholders</td>
<td>--</td>
<td>• High</td>
<td>• High</td>
</tr>
<tr>
<td>Other</td>
<td>--</td>
<td>• Low</td>
<td>• Low</td>
</tr>
<tr>
<td>Overall</td>
<td>--</td>
<td>• High</td>
<td>• High</td>
</tr>
</tbody>
</table>

### Results

#### PDO Indicators by Objectives / Outcomes

**Remediation - reduce contamination from selected industrial waste disposal sites**

- **Contaminated land managed or dump sites closed under the project (Hectare(Ha), Custom)**

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td>01-Oct-2013</td>
<td>24-Jun-2019</td>
<td>01-Dec-2019</td>
<td>30-Jun-2020</td>
</tr>
</tbody>
</table>

**Comments:** Remediation works on all three sites have started. The 2 ha reported are at the smallest and most advanced site, but the works at the other two sites should now enable reporting of significantly larger areas in coming months.
Reduction of pollution exposures paths by remediation measures (Number, Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>2.00</td>
</tr>
<tr>
<td>Date</td>
<td>01-Oct-2013</td>
<td>24-Jun-2019</td>
<td>01-Dec-2019</td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Intermediate Results Indicators by Components

Remediation

Intermediate Result Indicator One: Industrial dump site at Gradac closed under the Project (Hectare(Ha), Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Intermediate Result Indicator Two: Industrial dump site at Pljevlja closed under the Project (Hectare(Ha), Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Intermediate Result Indicator Three: Cleanup of Bijela site (Percentage, Custom)

<table>
<thead>
<tr>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>0.00</td>
<td>25.00</td>
<td>35.00</td>
</tr>
<tr>
<td>Date</td>
<td>01-Oct-2014</td>
<td>24-Jun-2019</td>
<td>01-Dec-2019</td>
</tr>
<tr>
<td>Comments:</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Comments: Remediation works at the Pljevlja Maljevac site have started and are progressing according to schedule. First results in terms of hectares closed are expected in coming months.

### Intermediate Result Indicator Four: Design and works bidding documents completed for KAP sites (Text, Custom)

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>No design documents available</td>
<td>No design documents available</td>
<td>First design documents expected early 2020</td>
<td>Design, safeguards and bidding documents completed</td>
</tr>
<tr>
<td>Date</td>
<td>01-Oct-2014</td>
<td>24-Jun-2019</td>
<td>01-Dec-2019</td>
<td>30-Jun-2020</td>
</tr>
</tbody>
</table>

Comments: Design work is being contracted.

### Hazardous Waste Management

**Intermediate Result Indicator Five: Support further development of a national registration system for industrial and hazardous waste management (Text, Custom)**

<table>
<thead>
<tr>
<th>Value</th>
<th>Baseline</th>
<th>Actual (Previous)</th>
<th>Actual (Current)</th>
<th>End Target</th>
</tr>
</thead>
<tbody>
<tr>
<td>No system available</td>
<td>Design work started.</td>
<td>Design work started.</td>
<td>System applied, 80% of estimated total waste flows recorded.</td>
<td></td>
</tr>
</tbody>
</table>

### Data on Financial Performance

#### Disbursements (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Currency</th>
<th>Original</th>
<th>Revised</th>
<th>Cancelled</th>
<th>Disbursed</th>
<th>Undisbursed</th>
<th>% Disbursed</th>
</tr>
</thead>
<tbody>
<tr>
<td>P122139</td>
<td>IBRD-84280</td>
<td>Effective</td>
<td>USD</td>
<td>68.90</td>
<td>61.60</td>
<td>7.30</td>
<td>12.95</td>
<td>45.91</td>
<td>22%</td>
</tr>
</tbody>
</table>

#### Key Dates (by loan)

<table>
<thead>
<tr>
<th>Project</th>
<th>Loan/Credit/TF</th>
<th>Status</th>
<th>Approval Date</th>
<th>Signing Date</th>
<th>Effectiveness Date</th>
<th>Orig. Closing Date</th>
<th>Rev. Closing Date</th>
</tr>
</thead>
</table>

#### Cumulative Disbursements
Restructuring History

Level 2 Approved on 16-Nov-2018

Related Project(s)

There are no related projects.