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| 1. Project Data: | | Date Posted : 03/21/2005 | |
| PROJ ID: P036037 | | Appraisal | Actual |
| Project Name: Western Indian Ocean Islands Oil Spill Contingency Planning (GEF) | Project Costs (US\$M) | 4.64 | 4.21 |
| Country: Africa | Loan/Credit (US\$M) | 3.15 grant | 3.15 grant |
| Sector(s): Board: EMT - Central government administration (86%), Law and justice (14%) | Cofinancing (US\$M) | 0.76 | 0.55 |
| L/C Number: | | | |
| | Board Approval (FY) | | 99 |
| Partners involved : International Maritime Organization (IMO); International Petroleum Industry Environmental Conservation Association (IPIECA); South Africa; France (Reunion); private sector | Closing Date | 06/30/2003 | 06/30/2004 |

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2. Project Objectives and Components

a. Objectives

To protect the environmental integrity of the coastal and marine ecosystems of a large, biologically rich and relatively pristine part of the western Indian Ocean .

Specific project objectives were to:

- a) establish appropriate legal and institutional frameworks to ensure compliance with relevant international conventions;
- b) develop national and regional contingency planning processes;
- c) set up appropriate national and regional oil spill response capacity; and
- d) establish sustainable financial and institutional agreements and synergy through regional cooperation agreements (including South Africa and Reunion).

The global objective was to limit the contamination of international waters and conserve globally significant marine and coastal biodiversity by:

- a) addressing the threat of oil spills in the West Indian Ocean;
- b) involving the private sector in utilizing technological advances to resolve transboundary concerns associated with such a threat; and
- c) developing a financing mechanism to sustain the national and regional capacity that the project will create to deal with oil spills .

These objectives were not revised during the course of project implementation .

b. Components

The project covered four island states: Comoros; Madagascar; Mauritius; and Seychelles. The GEF Grant recipient was the Indian Ocean Commission .

The project had the following components, with costs estimated at appraisal :

- A. Legislation and regulation for conventions - to assist the four states to develop their national legislative framework to take account of four key international conventions concerning maritime pollution, through workshops, training and consultants' services. \$ 0.5 million
- B. National oil spill contingency plans - includes data collection, information management systems, establishment of national priorities, environmental sensitivity maps, leading to national contingency plans, through workshops and consultants' services. \$ 1.1 million
- C. Oil spill response equipment - assessment of equipment needs, specification and procurement of key equipment and training in operation and maintenance. \$1.3 million
- D. National capacity building - technical training, training of trainers, expert advice on contingency plans, equipment fate and effects of oil in the marine environment, risk assessment and response, attendance at international seminars, and expertise for an oil spill response manual. \$ 0.6 million
- E. Regional institutional strengthening - development of a regional plan for response to a major oil spill. \$1.1 million

The project components were not formally revised but savings were reallocated to procure additional oil spill equipment (see below), communications equipment, a specific contingency plan for Rodrigues (Mauritius), and an expanded public awareness program.

c. Comments on Project Cost, Financing and Dates

The project cost estimates were realistic and the calculation of incremental costs (which, at \$ 4.6 million, comfortably exceeded the GEF contribution of \$ 3.2 million) appears plausible. The expectation of co-financing from seven sources was perhaps a little risky but, in the event, was not a problem, except for misunderstandings on the role of IMO (see below). The estimated implementation time of 4.5 years proved to be a little optimistic, though delays were largely due to political unrest in two of the countries .

3. Achievement of Relevant Objectives:

Given the broad brush nature of the overall objective, it is more appropriate to focus on the specific project objectives:

- a) International conventions - all countries became signatories to the relevant conventions and translated their provisions into national legislation and regulations. Achieved.
- b) Contingency plans - all countries prepared/ updated their plans and have tested them. Environmental sensitivity maps were prepared and two countries have used them to define areas of allowable economic activity. A regional contingency plan was prepared and has been tested twice. Achieved.
- c) National and regional capacity - institutional frameworks were established in each country and staff have been trained and are using their knowledge. Oil spill response manuals were prepared for each country and a website created. Oil spill response equipment was procured for a larger number of oil handling facilities than planned at appraisal (see below) and staff were trained in their use (though some deficiencies exist in this area). Seychelles withdrew its offer to host a regional coordination center and, after two years' delay, this was located in Madagascar, a possibly sub-optimal site. Partially Achieved.
- d) Financial and institutional agreements - at the national level, each of the countries has established a permanent unit within the Ministry of Environment for oil spill response and has adopted a mechanism to finance it - fuel taxes in two cases. At the regional level, financing for the regional center has been secured for the short term from France. However, the appraisal expectation of a financial arrangement between the countries (presumably to include the cost of the regional center) has not yet been realized. Cooperation with South Africa appears to have been limited to the provision of expertise for preparing the regional plan, rather than its implementation. Partially Achieved.

Turning to the global objectives, addressing the threat of oil spills has been achieved to the extent possible within the time frame and budget available i.e. efficiency was substantial. The involvement of the private sector is somewhat less clear. The oil and shipping industries played a role in developing and

testing national and regional contingency plans and in training staff through IPIECA. However, this seems to fall short of the appraisal expectation that "Sustainable institutional and financial arrangements ... between countries and the oil industry will be set up during project implementation ." As mentioned in d) above, financing arrangements at the national level are satisfactory but mechanisms remain to be developed at the regional level.

Overall, project objectives were Achieved at the national level and Partially Achieved at the regional level .

4. Significant Outcomes/Impacts:

The most significant outcomes of the project were :

- ratification of key international conventions and their translation into national legislation;
- establishment of national capacity to respond to oil spills;
- generation of widespread public awareness of the risks of oil spills and the means to address them;
- fuel taxes to cover operating costs of project equipment;
- establishment of a regional cooperation mechanism; and
- successful handling of two small oil spills during project implementation .

Administrative costs for project preparation and supervision were 17% of the GEF grant, which is high but understandable for a project of this size and nature, covering four countries, and with a strong technical assistance element.

5. Significant Shortcomings (including non-compliance with safeguard policies):

Quality at entry was generally Satisfactory . However, the PAD could have benefitted from more information on the Recipient, the Indian Ocean Commission (IOC), particularly an appraisal of its capacity to implement the project, a more quantitative approach to the estimation of benefits (based on the available risk analysis), more information on the expected role of the private sector (*vide* objectives), and a map.

During implementation, a number of problems affected project progress :

1. The role of IMO in project implementation was not sufficiently clear and a dispute arose over who would cover their costs. However, this was amicably resolved.
2. There was a two-year delay in establishing the regional center, after Seychelles withdrew its offer . While short-term funding to operate the center has been found, a longer-term mechanism is needed.
3. The use of savings to buy additional equipment was motivated as much by political as technical reasons, given the policies of three of the states to support greater regional autonomy . However, the amounts of money were small and the provision of equipment in the smaller ports could be beneficial in the long term.

Safeguard Policies. The project was classified as "C" on the grounds that it was "mainly technical assistance". However, the remaining part was the procurement and installation of equipment for oil spill cleanup, which raises the question of potential negative environmental impacts from improper disposal of collected oil and a possible "B" classification. In the event, the facilities provided under the project and the obligations undertaken by the countries under the international conventions would appear to minimise the risk of improper disposal and therefore the appraisal oversight is not regarded as significant . No other safeguard policies were triggered.

| 6. Ratings : | ICR | OED Review | Reason for Disagreement /Comments |
|-----------------------------|--------------|--------------|--|
| Outcome : | Satisfactory | Satisfactory | |
| Institutional Dev .: | Substantial | Substantial | |
| Sustainability : | Likely | Likely | Information that the two poorer states have imposed special fuel taxes to support oil spill units and that the other two states are making regular budgetary contributions strengthens this conclusion . However, some doubts remain on the regional center. |
| Bank Performance : | Satisfactory | Satisfactory | In many respects HS, given the challenges of ensuring the cooperation of four, scattered island states and several |

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| | | | co-financiers. |
| Borrower Perf .: | Satisfactory | Satisfactory | |
| Quality of ICR : | | Satisfactory | |

NOTE: ICR rating values flagged with '*' don't comply with OP/BP 13.55, but are listed for completeness.

7. Lessons of Broad Applicability:

1. The ability of a regional body, the IOC, to coordinate project activities was a key factor in the relatively smooth implementation of a project spanning four countries at markedly different levels of development, as was the strong commitment of all four countries to the project objective .
2. The use of earmarked taxes for operating and maintaining project facilities gives reasonable assurance of project sustainability, which is often a weak point for GEF projects .
3. The project demonstrated that private sector support is desirable and possible for oil spill projects, though such support may have fallen short of appraisal expectations .

8. Assessment Recommended? Yes No

9. Comments on Quality of ICR:

The ICR presents a generally complete and balanced assessment of the project and its achievements . However, the statement in Section 7.7 that compliance with relevant Bank safeguard policies was satisfactory may be too sweeping, given that the issue of disposal of collected spilled oil was not mentioned. Also the GEF ICR guidelines, which call for using Section 10 for additional information on issues of concern to GEF, were not followed.