

Terminal Evaluation Review form, GEF Independent Evaluation Office, APR 2016

1. Project Data

Summary project data			
GEF project ID		2329	
GEF Agency project ID		GF/PHI/07/001	
GEF Replenishment Phase		GEF-3	
Lead GEF Agency (include all for joint projects)		UNIDO	
Project name		Global programme to demonstrate the viability and removal of barriers that impede the adoption and successful implementation of available non-combustion technologies for destroying persistent organic pollutants (POPs)	
Country/Countries		Philippines	
Region		Asia	
Focal area		POPs	
Operational Program or Strategic Priorities/Objectives		SP-3: Partnering in the Demonstration of Feasible, Innovative Technologies and Best Practices for POPs Reduction	
Executing agencies involved		Department of Environment and Natural Resources – Environmental Management Bureau (DENR – EMB)	
NGOs/CBOs involvement		Global Alliance for Incinerator Alternatives –Steering Committee; Environmental Health Fund (EHF) - Principal Cooperating Agency	
Private sector involvement		Philippine Alternative Fuel Corporation (PAFC) - operating entity	
CEO Endorsement (FSP) /Approval date (MSP)		June 2007	
Effectiveness date / project start		December 2007	
Expected date of project completion (at start)		August 2011	
Actual date of project completion		August 2015	
Project Financing			
		At Endorsement (US \$M)	At Completion (US \$M)
Project Preparation Grant	GEF funding	---	---
	Co-financing	---	---
GEF Project Grant		4.108	4.108
Co-financing	IA own	0.650	---
	Government	0.500	---
	Other multi- /bi-laterals		---
	Private sector	6.412	---
	NGOs/CSOs	0.100	---
Total GEF funding		4.108	4.108
Total Co-financing		7.662	7.662
Total project funding (GEF grant(s) + co-financing)		11.771	11.771
Terminal evaluation/review information			
TE completion date		December 2015	
Author of TE		UNIDO Office for Independent Evaluation	
TER completion date		February 14, 2017	
TER prepared by		Punji Leagnavar	
TER peer review by (if GEF IEO review)		Molly Watts	

2. Summary of Project Ratings

Criteria	Final PIR	IA Terminal Evaluation	IA Evaluation Office Review	GEF IEO Review
Project Outcomes	MU	MS	MS	MS
Sustainability of Outcomes		ML	ML	ML
M&E Design		S	S	MU
M&E Implementation		MS	MS	S
Quality of Implementation		S	S	MS
Quality of Execution		---	---	S
Quality of the Terminal Evaluation Report		---	MS	S

3. Project Objectives

3.1 Global Environmental Objectives of the project:

The project's overall goal is to demonstrate the viability and to replicate, at the global level, available non-combustion technologies for use in the destruction of obsolete persistent organic pollutants (POPs), specifically polychlorinated biphenyls (PCB) wastes, PCB-containing equipment and the clean-up of POPs, and specifically PCBs in different matrices including contaminated soils or sediments (ProDoc, p.14)

3.2 Development Objectives of the project:

The development objective is to deploy a commercially available, proven non-combustion technology, to address 1,500 tonnes of PCBs-containing transformers (TE, p.10). The outcomes of the project are (ProDoc, p.14):

- Outcome 1: Selection of technology and purchase through contractual agreements
- Outcome 2: Site preparation and environmental compliance certificate issued
- Outcome 3: Purchase and installation of equipment for PCBs disposal
- Outcome 4: Equipment operation, PCBs destruction, monitoring and evaluation and public involvement
- Outcome 5: Lessons learned, dissemination and adaptive management system in place

3.3 Were there any **changes** in the Global Environmental Objectives, Development Objectives, or other activities during implementation?

The GEOs or DOs did not change, however, the outcomes were refined since the Project Document. Since 2009, the project used the following outcomes (which will be examined in the effectiveness section):

- Outcome 1: Establishment of the Project Coordination and Support Unit, technology selection process and contracting
- Outcome 2: Effective specific and documented actions taken for purchase and installation of the non-combustion unit

- Outcome 3: Effective, specific and documented actions taken for purchase and installation of the non-combustion unit
- Outcome 4: Monitoring and evaluation of PCBs containing equipment and wastes destruction of 1,5000 tonnes in 2 years of operation, monitoring of compliance with technical and environmental standards as well as active public participation
- Outcome 5: Recruit additional donors to strengthen co-finance participation both from public and private sectors within the programme, dissemination of results at national and international levels

4. GEF IEO assessment of Outcomes and Sustainability

Please refer to the GEF Terminal Evaluation Review Guidelines for detail on the criteria for ratings.

Relevance can receive either a Satisfactory or Unsatisfactory rating. For Effectiveness and Cost efficiency, a six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess. Sustainability ratings are assessed on a four-point scale: Likely=no or negligible risk; Moderately Likely=low risk; Moderately Unlikely=substantial risks; Unlikely=high risk. In assessing a Sustainability rating please note if, and to what degree, sustainability of project outcomes is threatened by financial, sociopolitical, institutional/governance, or environmental factors.

Please justify ratings in the space below each box.

4.1 Relevance	Rating: Satisfactory
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The TE and this TER rate relevance as *satisfactory*. The project was relevant to the national government of the Philippines, the GEF-4 POPs focal area, and to private sector beneficiaries.

Relevance to national strategy: The project was relevant to the Philippines strategy to reduce PCBs and PCB waste. The Philippines is signatory of the Stockholm Convention and it holds a significant stockpile of PCBs and PCB wastes (6,879 tonnes). The project played an essential role in helping the country meet its commitments under the convention and support the implementation of the National Implementation Plan (NIP). The project aimed to do this by building the capacity of the government, and industry to soundly manage its stocks of PCBs and related wastes.

Relevance to GEF-4: The project supports the GEF-4 POPs Strategic Program 1, 2 and 3. In particular it aimed to meet the following objectives of the program: “Strengthening Capacities for National Implementation Plan (NIP) Implementation, with the objective to strengthen and/or build the capacity required in eligible countries to implement their Stockholm Convention NIPs in a sustainable, effective and comprehensive manner, while building upon and contributing to strengthening a country’s foundational capacities for sound management of chemicals, addressing PCBs in this project” (TE, p.ix). This project is also relevant to the GEF ‘Chemicals Strategy’ which was to “Phase out POPs and reduce POPs releases” (Objective 1) (TE, p.17).

Beneficiaries: The beneficiaries of the project were in large part the companies that have to pay to dispose their POPs/PCB waste. The project was relevant for those companies which have to export their PCB stockpiles in order to be destroyed because it adds a significant cost for many enterprises (in the Philippines, costs are around USD 3/kg). This project helps companies in their sound disposal of PCBs, in particular the need to not go through the process of exporting their PCBs to foreign countries, thus saving them money.

4.2 Effectiveness	Rating: Moderately satisfactory
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The TE rated effectiveness as *moderately satisfactory*. This TER agrees with this rating. Even though the PCB facility was operationalized by project end, the operating entity left the project early in 2014, since which time the facility has been closed. Therefore the project could not achieve its objective of treating 1,500 tons of contaminated PCB equipment in demonstration sites. This was a major outcome and environmental impact the project was aiming to achieve, however the Department of Environment and Natural Resources is committed to restart the facility, thus this outcome can likely be met in the future (providing it a moderately satisfactory rating, instead of a lower rating). Below is a discussion of the effectiveness of each project outcome. Outcomes 1-3 concentrate on licensing, installing and setting up the operation of the Non-Com POPs facility. Outcome 4 focuses on the actual outcomes after the facility is already operational.

- Outcome 1: Establishment of the Project Coordination and Support Unit, technology selection process and contracting
 - The project was able to achieve this outcome at the target level to a satisfactory degree. UNIDO established the Coordination and Support Unit, and was able to contract a company to undertake the design, construction and installation of the non-combustion technology (PIR 2014, p.4).
- Outcome 2: Effective specific and documented actions taken to purchase and install the non-combustion unit
 - The project achieved this outcome. The project developed a target to finalize a site, develop facilities and infrastructure, and approve an Environmental Impact Assessment. These were all completed in the 2011 fiscal year.
- Outcome 3: Effective, specific and documented actions taken to purchase and install the non-combustion unit
 - The target for this outcome was ‘successful purchase of the equipment, import to the country and installation’. The project delivered and achieved this outcome. The importation and installation of the equipment occurred early in the project in July 2011. After that, the first batch of PCB oil was treated in December 2011. The completion of the construction of the Non-Combustible POPs facility was announced in 2013.

- Outcome 4: Monitoring and evaluation of PCBs containing equipment and wastes destruction of 1,5000 tonnes in 2 years of operation, monitoring of compliance with technical and environmental standards as well as active public participation
 - This outcome focused on the results following the installation of the facility. The project was only partially able to meet its targets for this outcome. Its targets were to ensure: (1) successful operation of the unit with compliance with technical and environmental standards; and (2) environmentally sound destruction of 1,500 tonnes of targeted PCBs-containing equipment and wastes. The project did successfully operate the facility with an ‘Environmental Monitoring Protocol’ in place, fulfilling one of its targets for this outcome. However, the project was not able to destroy 1,500 tonnes of PCBs. Only an estimated 60 tonnes was destroyed, about 4% of the initial target. (TE, p.23).

- Outcome 5: Recruit additional donors to strengthen co-finance participation both from public and private sectors within the programme, dissemination of results at national and international levels
 - The outcome targets, which are related to project M&E implementation and sustainability, were all achieved. These targets included: reports prepared by civil society groups on project implementation progress and their participation in project M&E (the NGO Ecowaste Coalition lead education awareness campaigns), dissemination of information gathered through project activities (information materials were produced for disseminating project results and learning), and that clear deadlines and responsibilities are met to ensure timeliness of M&E reporting (the project followed the M&E framework as best it could) (PIR 2014, p.4). Even though there was not an outcome target for co-financing, the project also was able to ensure post-project co-financing through the commitment of the government.

4.3 Efficiency	Rating: Moderately unsatisfactory
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The TE rates efficiency as *moderately satisfactory*, this TER rates it a *moderately unsatisfactory*. Initially the project began in December 2007, and was supposed to end in 2011, but was delayed by four years, officially closing in August 2015. There were many reasons why the project experienced delays. First, at the time of the project start up the project was delayed one year because the governor of the local province, Bataan, refused to approve the construction of the PCB treatment facility. As well, there was a lack of clarity between project partners about their roles and responsibilities that impacted the efficiency of the project. The partners who were contracted to import and install the equipment were not given clear roles and the miscommunication and misinformation led to further delays in the project.

In the end these delays have impacted the achievement of the project outcomes, specifically the outcomes related to the disposal of PCB wastes. Had the project operated on time, the facility might have been operating longer and could have met its target of safely disposing 1,500 tonnes of waste. The

TER finds that these errors could have been avoided from the beginning if there had been initial contact with the authorities of Bataan and better communication with the contracting companies (TE, p.17).

4.4 Sustainability	Rating: Moderately likely
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The TE rated project sustainability as *moderately likely*, this TER agrees with the rating. Even though the project experienced a significant drawback because the operating entity pulled out of the project in 2014, there has been a commitment on part of the government and local stakeholders to continue project activities. That, and a deep institutional commitment as signatories of the Stockholm Convention make it moderately likely that the project will continue operating beyond the lifespan of the project.

Financial resources: Financial sustainability of the project looks moderately likely. Companies that worked with the project pointed out that if the prices proposed by the project facility are not competitive after the demonstration period, they will look for other alternatives to have their PCB stockpiles treated. This means that the facility has to maintain its cost competitiveness in order to ensure financial sustainability (TE, p. 19). On the positive side, the government (DENR) has already committed/allocated about USD 82,931 to assess the equipment of the electrical facility that was closed in the middle of the project (TE, p.20). This activity has the chance of re-opening POPs/PCBs treatment activities. DENR/EMB has also confirmed that it would provide the necessary resources to completely restart the facility (it should be noted that this is a verbal commitment and no concrete actions have been taken yet).

Socio-political: Socially, the TE noted that many people in the region are aware of the project activities and the facility and this makes the socio-political sustainability of the project likely. This is due to the effective job that the local NGOs did in raising awareness of the facility. (TE, p.33) The NGOs that were involved in the project also showed a high level of ownership in the project that will likely continue after project completion.

Institutional framework and governance: The project did not work to develop long-term institutional frameworks or governance for PCB/POPs reduction. However, the objective of the project to build the capacity of the Philippines to reduce its POPs are fully integrated into the national policies of the country. For instance, the Philippines has made it clear that it intends to fulfill its commitments to the Stockholm Convention and has the regulatory structure to do so. It has already moved forward on these intentions and the DENR, for example, has already signed memorandums of agreement (MoAs) with four large PCB owners to commit to have their PCB wastes (amounting to about 1,500 tonnes) to be treated (TE, p.28).

Environmental: There were no environmental risks to sustainability that were noted in the project documents.

5. Processes and factors affecting attainment of project outcomes

5.1 Co-financing. To what extent was the reported co-financing essential to the achievement of GEF objectives? If there was a difference in the level of expected co-financing and actual co-financing, then what were the reasons for it? Did the extent of materialization of co-financing affect project's outcomes and/or sustainability? If so, in what ways and through what causal linkages?

The project has been able to leverage a significant amount of co-funding. During the preparatory phase about \$7,662,380 was secured from local project partners which was the same amount envisaged during the CEO Endorsement. The materialization of this co-financing allowed the project to complete its intended activities.

5.2 Project extensions and/or delays. If there were delays in project implementation and completion, then what were the reasons for it? Did the delay affect the project's outcomes and/or sustainability? If so, in what ways and through what causal linkages?

The project experienced significant delays that pushed the project back four years. The project experienced delays due to: an environmental impact assessment delay (6 months), getting approvals for the treatment facility (1 year), and confusion between partners about construction roles (6 months). The delays might have affected the project outcomes pertaining to the overall total amount of PCBs that were disposed. Instead of 60 tonnes, the project could have treated more had the facility started on time.

5.3 Country ownership. Assess the extent to which country ownership has affected project outcomes and sustainability? Describe the ways in which it affected outcomes and sustainability, highlighting the causal links:

The TE noted that the sense of ownership was quite high with the government. Through interviews, the TE observed that since the development of the POPs National Implementation Plan, the government has made strides to manage its PCB stockpiles (TE, p.18). This sense of ownership contributes to the sustainability of the project as the government committed to reopening the PCB treatment facility.

Although ownership is high with the government of the Philippines, the ownership with the operational entity, the Philippines Alternative Fuel Corporation (PAFC), was low. In the middle of the project the facility pulled out of the project because of financial reasons. This affected the project's ability to meet its targets for outcome 4 and affects project sustainability since the government has to find a new way to reopen the facility.

6. Assessment of project's Monitoring and Evaluation system

Ratings are assessed on a six point scale: Highly Satisfactory=no shortcomings in this M&E component; Satisfactory=minor shortcomings in this M&E component; Moderately Satisfactory=moderate shortcomings in this M&E component; Moderately Unsatisfactory=significant shortcomings in this M&E component; Unsatisfactory=major shortcomings in this M&E component; Highly Unsatisfactory=there were no project M&E systems.

Please justify ratings in the space below each box.

6.1 M&E Design at entry	Rating: Moderately unsatisfactory
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This TER rates M&E design at entry as *moderately unsatisfactory* as the design has significant shortcomings that affected the way the project could have been monitored. One example of a drawback was that the logical framework was not sound (TE, p.17). The project used the terms ‘components’, ‘outputs’, and ‘outcomes’ interchangeably, thus making it difficult to know the logical order of the results frame, and understanding the logic of the project. In addition, the outcomes were mislabeled, and should be seen as outputs or activities. For example, outcome 5 was ‘recruit additional donors to strengthen co-finance participation...’. A better outcome would have been something like ‘additional co-financing secured for long term sustainability’.

The results framework also lacked indicators, targets and baselines for the outputs. It only included these for the outcomes of the project, making it difficult to track and measure progress on the lower level M&E elements (ProDoc, p.14-17). Some outcomes also lacked appropriate indicators. For example, outcome 5, which focused on recruiting additional donors, did not have any indicators or targets on who those donors would be, how much co-financing they would commit, or how they would be engaged.

The total budget for M&E was USD 140,000.

6.2 M&E Implementation	Rating: Satisfactory
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The project did not experience any problems or drawbacks when it came to implementing its M&E framework. All of the M&E components were implemented and the implementation was included as a separate outcome (outcome 5) to ensure that the project was on schedule to deliver M&E activities.

7. Assessment of project implementation and execution

Quality of Implementation includes the quality of project design, as well as the quality of supervision and assistance provided by implementing agency(s) to execution agencies throughout project implementation. Quality of Execution covers the effectiveness of the executing agency(s) in performing its roles and responsibilities. In both instances, the focus is upon factors that are largely within the control of the respective implementing and executing agency(s). A six point rating scale is used (Highly Satisfactory to Highly Unsatisfactory), or Unable to Assess.

Please justify ratings in the space below each box.

7.1 Quality of Project Implementation	Rating: Moderately satisfactory
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UNIDO was the implementing agency for this project. This TER rates the quality of project implementation as *moderately satisfactory*. This is because the project experienced delays which could have been avoided by UNIDO had the agency taken appropriate steps in the beginning and planning phases of the project. For instance, one thing UNIDO could have done to avoid delays is seeking the approval of the PCB facility at the PPG stage of the project, or fully integrating the local authorities of Bataan into the project to build their sense of ownership. Because they didn't do this, the approval of the facility came one year behind schedule. In addition, the PCB facility had to exit the project due to financial losses (they had to pay to re-insure the PCB treatment technology). This setback also could have been avoided had UNIDO done the appropriate risk analysis at the beginning of the project, alongside the facility.

7.2 Quality of Project Execution	Rating: Satisfactory
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The executing agency for this project was the Philippines Department of Environment and Natural Resources. The TE noted that the project was executed by a “very able national project manager in collaboration with DENR”. One example of good project management that was highlighted was that DENR had to be a facilitator between two project partners (IPM, the facility constructor and PAFC, the technology provider) that had a very poor rapport. The agency had to step in to make sure that activities were completed at a high quality and on time. The TE notes that “This poor communication between those two major stakeholders continued throughout the project and the NPM/[DENR] had to act as the facilitator to ensure successful implementation of project activities. For example, for the commissioning of the treatment technology, IPM did not communicate directly with PAFC but through the NPM/[DENR]; e.g. a list of consumables and other needs (solvents, clean oil, water and power supply, etc.)” (TE, p.26). Playing a pro-active role was essential in this project, and the DENR did a good job of that.

8. Assessment of Project Impacts

Note - In instances where information on any impact related topic is not provided in the terminal evaluations, the reviewer should indicate in the relevant sections below that this is indeed the case and identify the information gaps. When providing information on topics related to impact, please cite the page number of the terminal evaluation from where the information is sourced.

8.1 Environmental Change. Describe the changes in environmental stress and environmental status that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

The project treated about 60 tonnes of PCB contaminated equipment (TE, p.20). It was supposed to treat 1,500 tonnes. This was the only environmental impact noted in the project documents.

8.2 Socioeconomic change. Describe any changes in human well-being (income, education, health, community relationships, etc.) that occurred by the end of the project. Include both quantitative and qualitative changes documented, sources of information for these changes, and how project activities contributed to or hindered these changes. Also include how contextual factors have contributed to or hindered these changes.

In general, the relationship between the government and NGOs is not good in the Philippines. However, this project was able to establish for the first time a line of communication between the government and environmental NGOs, thus, providing those groups the opportunity to build a rapport (TE, p.6).

8.3 Capacity and governance changes. Describe notable changes in capacities and governance that can lead to large-scale action (both mass and legislative) bringing about positive environmental change. "Capacities" include awareness, knowledge, skills, infrastructure, and environmental monitoring systems, among others. "Governance" refers to decision-making processes, structures and systems, including access to and use of information, and thus would include laws, administrative bodies, trust-building and conflict resolution processes, information-sharing systems, etc. Indicate how project activities contributed to/ hindered these changes, as well as how contextual factors have influenced these changes.

a) Capacities – The project did have many capacity building activities, and those who were trained throughout the project have increased their knowledge in certain areas. For one, enforcement officers that work with environmental pollutants were trained in enforcing PCB regulations and how to monitor activities at a utility level (TE, p.19). These officers who were trained have also trained others to raise awareness about PCB enforcement, so there is a level of replication and adoption occurring at low scales (TE, p.5).

b) Governance – The project developed a PCB Code of Practice so that there could be guidance for PCB owners on the handling, storage and transport of the wastes (TE, p.5).

8.4 Unintended impacts. Describe any impacts not targeted by the project, whether positive or negative, affecting either ecological or social aspects. Indicate the factors that contributed to these unintended impacts occurring.

There were on unintended impacts observed.

8.5 Adoption of GEF initiatives at scale. Identify any initiatives (e.g. technologies, approaches, financing instruments, implementing bodies, legal frameworks, information systems) that have been mainstreamed, replicated and/or scaled up by government and other stakeholders by project end. Include the extent to which this broader adoption has taken place, e.g. if plans and resources have been established but no actual adoption has taken place, or if market change and large-scale environmental benefits have begun to occur. Indicate how project activities and other contextual factors contributed to these taking place. If broader adoption has not taken place as expected, indicate which factors (both project-related and contextual) have hindered this from happening.

There has been some localized adoption of PCB training (discussed in section 8.3).

9. Lessons and recommendations

9.1 Briefly describe the key lessons, good practices, or approaches mentioned in the terminal evaluation report that could have application for other GEF projects.

The TE noted some learned lessons from the project ranging from technical lessons, to management lessons. These include (TE, p.32):

- To avoid delays when conducting an Environmental Impact Assessment (EIAs), all information should be disclosed promptly after it is completed;
- Engaging NGOs as major partners during implementation helps to bring down and ensures ownership/acceptance of project; it also helps reach the general population;
- Poor communication leads to higher transaction cost for stakeholders; EAs and IAs should ensure that there are proper communication channels between all project partners;
- Clearly defined roles and responsibilities of stakeholders contribute to avoiding delays in project implementation; and
- Securing operating permits/ construction approval during preparatory phase is vital in avoiding project delays.

9.2 Briefly describe the recommendations given in the terminal evaluation.

The TE also offered some recommendations that are directed at continuing the project successfully (TE, p.33):

- DENR has committed to restart the facility, and it is recommended that to avoid any further delays, action be taken immediately to reinstate the operations of the facility;
- DENR/EMB should ensure that treatment costs are competitive so that it can remain financially viable. Companies have indicated that if the costs for PCB treatment are too high, they would look for alternatives; and
- Small electrical cooperatives that hold more than 60% of PCB contaminated equipment lack financial resources for their disposal. DENR/EMB should ensure that they are included in any follow-up activities.

10. Quality of the Terminal Evaluation Report

A six point rating scale is used for each sub-criteria and overall rating of the terminal evaluation report (Highly Satisfactory to Highly Unsatisfactory)

Criteria	GEF IEO comments	Rating
To what extent does the report contain an assessment of relevant outcomes and impacts of the project and the achievement of the objectives?	The TE analyzed the effectiveness of the project based on the achievements of the activities, not on the larger outcomes. Otherwise, the TE presented a good examination of the projects' achievements.	MS
To what extent is the report internally consistent, the evidence presented complete and convincing, and ratings well substantiated?	The TE presents evidence from the interviews and previous PIRs, so it is consistent with the narrative of the other project documents. The ratings are supported by evidence.	S
To what extent does the report properly assess project sustainability and/or project exit strategy?	Sustainability is assessed well and thoroughly. Rating is supported by evidence.	S
To what extent are the lessons learned supported by the evidence presented and are they comprehensive?	Lessons learned are correct and there is evidence provided to support them.	S
Does the report include the actual project costs (total and per activity) and actual co-financing used?	The TE does not provide a breakdown of the budget and/or a breakdown of co-financing per donor, although it does provide actual costs and co-financing figures per component.	MS
Assess the quality of the report's evaluation of project M&E systems:	The TE provides a good assessment of the M&E design, however it does not assess the implementation.	MS
Overall TE Rating		S

11. Note any additional sources of information used in the preparation of the terminal evaluation report (excluding PIRs, TEs, and PADs).

Mid-term Review