

## TECHNICAL ASSISTANCE COMPLETION REPORT<sup>1</sup>

Division: PHCO

TA No., Country and Name			Amount Approved: \$1,500,000	
TA 3128-PHI: Air Emission Policy Studies			Revised Amount: N.A.	
Executing Agency Department of Environment and Natural Resources (DENR)		Source of Funding Japan Special Fund	Amount Undisbursed: \$49,654.99	Amount Utilized: \$1,450,345.01
TA Approval Date: 16 December 1998	TA Signing Date: 26 February 1999	Fielding of Consultant: 08 July 2000	TA Completion Date Original: 30 April 2001	Actual: 31 Oct 2008
			Account Closing Date Original: 30 April 2001	Actual: 26 Feb 2009

### Description:

Metro Manila is known for its bad air, in which the concentration of several dangerous pollutants has gone well above the acceptable maximum levels. Therefore, improvement of the air quality is crucial for the health and welfare of the 20 million people living in the Metro Manila area. The Metro Manila Air Quality Improvement Sector Development Program (the Program), to which TA 3128-PHI: Air Emission Policy Studies was piggybacked, was designed with this objective in mind. Besides the TA, the Program consisted of (i) a policy loan to implement policy reforms (\$200 million); (ii) a facility loan to establish an air pollution control facility (\$25 million); and (iii) an investment loan (\$71 million). Closed in December 2008, the Program was rated partly satisfactory.

The specific objective of this TA initially was to assist the Government to develop air emission policies and enhance public awareness to support the abatement of air pollution. After the reprogramming, which was done to utilize the savings of \$270,000, the TA had the additional objective (in partnership with UNDP Philippines) to conduct an overall assessment of disaster risk management assistance, including the response and recovery, the preparedness and the establishment of community-based early warning systems. This complemented the UNDP's initiative in the Philippines - *Hazards Mapping and Assessment for Effective Community Based Disaster Risk Management*.

### Expected Impact, Outcome and Outputs:

The expected initial impact of the TA was to contribute to the reduction of air pollution through supporting the development and implementation of new air emission policies and enhancement of public awareness. The TA's outputs included studies, stakeholders consultation and public campaign on (1) market-based policy instruments for Metro Manila air quality management; (2) drafting the implementing rules and regulations for the Clean Air Act; (3) public awareness for cleaner air and support to the information center of air quality-related activities for public and private sectors; (4) selection and design of options for emission charges for both stationary and mobile sources; (5) public health monitoring of the effects of air quality and strengthening the capacity of public health monitoring of regional offices of the Department of Health (DOH); (6) strengthening Pollution Adjudication Board (PAB) to identify legal, regulatory, and bureaucratic constraints within PAB and suggest appropriate actions to address these constraints; and (7) development of a Compressed Natural Gas master plan.

The reprogramming that took place in October 2006 added the contribution to the effective disaster risk management (DRM) by providing a wholistic framework in the development of DRM interventions and strategies as the project's impact. The outputs of the re-programmed TA included development of (a) a comprehensive assessment of disaster risk management status and issues in the Philippines; (b) community preparedness plans for at least 50 most vulnerable barangays; (c) documentation and dissemination of lessons learned on disaster risk management in the country; and (d) framework for an effective disaster risk management in the country.

The cluster TA approach was adopted as the preferred modality to implement the seven individual sub-projects reflecting the seven areas before re-programming. The Department of Environment and Natural Resources (DENR) was the Executing Agency for the TA coordinating the work of the implementing agencies that were in charge of implementing the sub-projects. UNDP was the Executing Agency for the reprogrammed support implemented through the Office of Civil Defense (OCD). Given the broad thematic coverage of the project such design was supposed to ensure on-going commitment and post-project sustainability and impact.

### Delivery of Inputs and Conduct of Activities:

The consultants selected for the TA have provided 55 person months of international and 67 person months of national consulting services in accordance with their terms of reference. Consultancy services commenced in May 1999 and initially were expected to be completed in April 2001. However, the TA was extended twice mainly to support the activities of the investment loan that was extended twice by the total of 4 years. All consultants but one submitted their reports in a timely manner. Overall, consultants' performance has been satisfactory.

DENR was the Executing Agency (EA1) for the TA before re-programming. The EA1 set up a counterpart to coordinate TA activities

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with the implementing agencies (IAs), which in their turn provided a full-time counterpart staff to work with the consultants. The EA1 also provided office accommodation and communication facilities for the consultants. Overall, performance of the EA1 and IAs has been satisfactory.

UNDP was the Executing Agency (EA2) for the reprogrammed support that was implemented through the Office of Civil Defense (OCD). UNDP received the funds and administered them in accordance with its financial regulations and rules, and arrangements agreed in the letter of agreement. UNDP has engaged the services of a team of consultants to implement the TA activities. Some issues related to timeliness of implementation arose due to: (i) longer-than-expected time required for the EA2 to prepare and approve the work program and financing plan; (ii) slow consultant recruitment due to the procedures of the EA2 as well as the dearth of local expertise; and (iii) changes in leadership at the Local Government Units' (LGU) level as a result of elections that affected the overall implementation of the reprogrammed support. Overall, performance of the EA2 has been satisfactory.

ADB has provided timely and appropriate level of supervision by assigning a project officer to supervise the TA implementation, and conducting two TA review missions per year during the project's life. The project officer has been attending major workshops and discussions with the EA1, EA2, IAs, and the TA consultants. Overall, ADB's performance has been satisfactory.

### **Evaluation of Outputs and Achievement of Outcome**

Under the initially planned seven sub-projects the following was implemented:

- (1) the study on market-based policy instruments for Metro Manila air quality management was completed in September 1999 proposing policy instruments of air quality management for greater effectiveness in strategy formulation and enforcement;
- (2) drafting of the implementing rules and regulations (IRRs) for the Clean Air Act (CAA) was completed in October 2000;
- (3) the study on public awareness for cleaner air was approved in June 2000. The TA also assisted in developing an NGO-partnership for clean air, establishing the public-government dialogue on air quality issues, and supporting the information center on air quality related activities. DOH broadcast public information messages on 12 television and 24 radio channels quarterly from May 2001 to May 2004. This considerably complemented the public awareness component of the Program;
- (4) the guidelines for emission charge systems (i.e. selection and design of options for emission charges for both stationary and mobile sources) for air quality improvement were prepared in August 2002. The final report of this subproject was a reference material (in preparing the guidelines on emission fees) for the institutional strengthening and capacity building of the Investment Loan.
- (5) the study on public health monitoring was completed in November 2003. Capacity of public health monitoring of regional DOH offices has been strengthened. A booklet on public health monitoring was published and distributed to all stakeholders, especially the local government units.
- (6) the study on strengthening the PAB was completed in October 2003. The existing legal, regulatory and bureaucratic constraints within PAB and DENR were identified and actions were suggested. Several training workshops were conducted. PAB staff's knowledge of pollution adjudication rationale and procedures was improved. DENR prepared a PAB regionalization action plan to sustain its capacity building, and issued guidelines in 2004 for the rating of fines and penalties in air pollution cases;
- (7) the Compressed Natural Gas (CNG) master plan was completed in December 2003. It recommended actions on policy, infrastructure development, financing needs, information and communications, and capacity building to be implemented from 2004 to 2007 to promote the use of CNG. The CNG master plan has provided the Department of Energy (DOE) with inputs and guidance in the implementation of Natural Gas Vehicle Program for public transport.

Apart from the above, the DENR and DOE, with the support of the TA's uncommitted funds, have prepared proposals on other air quality issues such as the use of alternative fuels and improvement of tricycle emissions.

After reprogramming, the following outputs have been delivered with the TA support and UNDP as EA: (i) national assessment on the state of disaster risk management (DRM) in the Philippines including the DRM framework; (ii) good practices and lessons learned on environment and DRM; and, (iii) 50 community-based contingency plans of disaster-prone barangays. Additionally, consultation workshops on contingency planning were undertaken at national, sub-national and local levels. The consultations and contingency planning activities raised awareness on the need for disaster risk reduction as well. Also, the re-programmed TA helped enhance the capacity of concerned staff in the Office of the Civil Defense on DRR and DRM. From the \$270,000 allocated for the reprogrammed TA a total of \$252,215 was spent (93%).

Overall, the government agencies involved in the project as well as beneficiaries at the community level have been appreciative of the TA support.

### **Overall Assessment and Rating**

Overall, the TA has been able to deliver its outputs. Although there were delays, the delivery of outputs was generally timely, considering the Program's overall pace of implementation. The TA was completed within the defined budget. Moreover it could support additional activities such as DRM. However, the Program's implementation could not enable TA to fully materialize its outputs and achieve the outcome of reducing air pollution in Metro Manila. In light of this, the overall assessment of the TA is partly successful.

**Major Lessons**

As a piggybacked TA its success and impact depended largely on that of the Program as a whole. Therefore, piggybacked TAs might need to be assessed together with their loans/programs.

The lessons learned from the implementation of the reprogrammed support are: (i) multi-stakeholder involvement and buy-in is critical to ensure ownership; (ii) the risk and concomitant contingency measures should be carefully identified and formulated; (iii) consultations with concerned government agencies should be iterative, involving the right persons in the bureaucracy; and (iv) synergies with related past and on-going initiatives should be harnessed.

**Recommendations and Follow-Up Actions**

It is recommendable to disengage from the sector until the Government resolves the sector issues referring to the lessons learned from the Program's implementation. Among the follow-up actions could be the Government's own evaluation of the effectiveness of the TA outputs. This could help to decide on future ADB strategy in the sector and expand the outcomes of the TA.

On the reprogrammed support, it is recommendable to follow up on the implementation of the DRM framework. Specifically, it is important that (a) the DRM framework is duly adopted; (2) the concerned government agencies are instructed to adhere to the DRM framework to ensure implementation; (3) a nation-wide information, education and communication campaign and social marketing at the local level are undertaken to ensure that the framework is internalized by all stakeholders; and (4) finally, continuous alignment with related plans and periodic updating of the framework is done to ensure that the proposed actions are harmonized and implemented, including proper documentation of all undertaken activities.

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