

LN 8428-ME

**Supplemental Letter No. 2** 

#### **MONTENEGRO**

October 10, 2014

International Bank for Reconstruction and Development 1818 H Street, N.W. Washington, D.C. 20433 United States of America

> Re: Loan No. 8428-ME (Montenegro Industrial Waste Management and Cleanup Project) Performance Monitoring Indicators

Dear Sirs and Mesdames:

This refers to the provisions of paragraph 1 of Section II.A of Schedule 2 to the Loan Agreement of this date between the Montenegro (the Borrower) and the International Bank for Reconstruction and Development (the Bank) for the above-captioned Project.

The Borrower hereby confirms to the Bank that the indicators set forth in the attachment to this letter shall serve as a basis for the Borrower to monitor and evaluate the progress of the Project and the achievement of the objectives thereof.

Very truly yours,

#### MONTENEGRO

By Authorized Representative

Public Disclosure Authorized

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Attachment

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### Montenegro Industrial Waste Management and Cleanup Project Performance Monitoring Indicators

## **Project Development Objective**

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.

Project Development	Objec	tive Indi	cators								Responsibility
					Cumulat	tive Target	Values			Data Source/	for
Indicator Name	Core	Unit of Measure	Baseline	YR1	YR2	YR3	YR4	End Target	Frequen cy	Methodology	Data Collection
Contaminated land managed or (industrial) dump sites closed under the Project	С	Hectares	0	1	6.5	54	110	110	Annual	Quarterly Design and Works Progress Reports	EPA, supervising engineer
Reduction of pollution exposures paths by remediation measures		Number of pollution exposure paths eliminated	No remediation measures in place, all sites cause pollution through exposure paths (i) air, (ii) soil and groundwater and (iii) run- off water; no (0) exposures paths controlled (out of 12 paths present)	Remediation design, verification of design adequacy to eliminate pollution exposure paths and related risks; no (0) exposure paths under control	Implementa tion of remediation works	Implementa tion of remediation works	Implementa tion of remediation works	Expert verification of technical integrity of remediation works and control measures cutting all 12 pollution exposure paths	Annual	Quarterly Design and Works Progress Reports, environmental monitoring data for all four sites, remediation works hand-over and expert verification reports	EPA, supervising engineer

Number of industries related to the priority industrial waste disposal sites with arrangements for ongoing and future waste disposal in compliance with national legislation for solid waste management	No industries with formalized arrangement s for waste disposal in compliance with legal requirement s	0	0	2	3	3	3	Annual	Industries with formal arrangements for waste disposal under Waste and IPPC Laws	EPA
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## **INTERMEDIATE RESULTS**

# Intermediate Result (Remediation of Industrial Waste Disposal Sites)

		Unit of Measure	Baseline		Cumul	ative Targe	et Values			Responsibility for	
	Core			YRI	YR2	YR3	YR4	End Target	Frequency	Methodolog y	Data Collection
Intermediate Result Indicator One: Industrial dump site at Gradac closed under the Project		Hectares	0	0 Start of works	5	12.5	12.5	12.5	Annual	Quarterly Design and Works Progress Reports	EPA, supervising engineer
Intermediate Result Indicator Two: Industrial dump site at Pljevlja closed under the Project		Hectares	0	0 Developmen t of alternative ash disposal site	0 Start of works	20	53.5	53.5	Annual	Quarterly Design and Works Progress Reports	EPA, supervising engineer
Intermediate Result Indicator Three: Cleanup of Bijela site		Waste removed from site	0% waste removed (of approx 60,000ton)	65%	100%	100%	100%	100%	Annual	Quarterly Design and Works Progress Reports	EPA, supervising engineer
Intermediate Result Indicator Four: Industrial dump sites at KAP closed under the Project		Hectares	0	0	0 Start of works	20	43	43	Annual	Quarterly Design and Works Progress Reports	EPA, supervising engineer

Intermediate Ro	esult (F	Regulatory	Framework	for Futu	ire Indus	trial Was	ste Manag	gement)			
Intermediate Result Indicator Five: Support further development of a national registration system for industrial and hazardous waste management		No system available	System specification, updated inventory of waste generators and estimate of annual waste volumes	System operational	System applied, 20% of estimated total waste flows recorded	System applied, 50% of estimated total waste flows recorded	System applied, 70% of estimated total waste flows recorded	System applied, 80% of estimated total waste flows recorded	Annual	Number of industries, annual waste volumes and waste flows recorded	ЕРА