



Reduction and Phaseout of PFOS in Priority Sectors (P152959)

EAST ASIA AND PACIFIC | China | Environment & Natural Resources Global Practice |
Global Environment Project | Investment Project Financing | FY 2017 | Seq No: 5 | ARCHIVED on 17-May-2019 | ISR36772 |

Implementing Agencies: International Economic Cooperation Office of Ministry of Ecology and Environment, PEOPLE'S REPUBLIC OF CHINA

Key Dates

Key Project Dates

Bank Approval Date: 07-Apr-2017

Effectiveness Date: 04-Sep-2017

Planned Mid Term Review Date: 02-Dec-2019

Actual Mid-Term Review Date: --

Original Closing Date: 31-Mar-2023

Revised Closing Date: 31-Mar-2023

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

The project development objective is to reduce PFOS in selected sectors and enterprises in China in a sustainable manner.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

No

Components

Name

Component 1: PFOS Production Reduction:(Cost \$25.10 M)

Component 2: Reduction of PFOS Use:(Cost \$12.59 M)

Component 3: Policy and Technical Assistance:(Cost \$26.88 M)

Component 4: Project Management:(Cost \$2.65 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Satisfactory
Overall Implementation Progress (IP)	● Moderately Satisfactory	● Moderately Satisfactory
Overall Risk Rating	● Substantial	● Substantial

Implementation Status and Key Decisions

Despite delays in the early stages of implementation, the project is making progress and is on generally on track to achieve its objectives. The National Agricultural Technology Extension Service Center has already begun carrying out activities to demonstrate PFOS alternatives for control of the red imported fire ant, and has carried out extensive training involving some 10,000 stakeholders in 6 Provinces. Several additional PFOS reduction initiatives are expected to be underway within the next few months, including activities to close existing PFOS production lines and the reduction of the use of PFOS in firefighting foam. The project's objective to phase-out PFOS was supported by the recent announcement by the



Ministry of Ecology and Environment and ten other ministries and departments of the PRC to restrict the production, distribution, use and export of PFOS, effective 26 March 2019.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	● Moderate	● Moderate	● Moderate
Macroeconomic	● Low	● Low	● Low
Sector Strategies and Policies	● Moderate	● Moderate	● Moderate
Technical Design of Project or Program	● Moderate	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	● Moderate	● Moderate	● Moderate
Fiduciary	● Moderate	● Moderate	● Moderate
Environment and Social	● Substantial	● Substantial	● Substantial
Stakeholders	● Substantial	● Substantial	● Substantial
Other	--	--	--
Overall	● Substantial	● Substantial	● Substantial

Results

PDO Indicators by Objectives / Outcomes

To reduce PFOS in selected sectors and enterprises in China in a sustainable manner				
▶ Amount of PFOS produced and used yearly reduced (Tones/year, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	44.00
Date	16-Jan-2017	15-Oct-2018	18-Apr-2019	31-Mar-2023
Comments:	This indicator measures progress towards reduction of PFOS production and use in various sectors. Target corresponds to 2015 production for exempted usage (metal plating, oil production and RIFA) as reported in the CS-1 consultant project preparation report, that will no longer be allowed after 2019. As there is no export or import of PFOSF the amount produced and amount used are equivalent. The baseline is zero. Target values for years 1 and 2 remain zero due to inability to verify data before 2019, though in reality production/use is expected to decrease already.			
▶ Control and monitoring system for tracking PFOSF production and sale established and operational (Yes/No, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	No	No	No	Yes



Date	16-Jan-2017	15-Oct-2018	18-Apr-2019	31-Mar-2023
Comments:	This indicator will show that a system is in place to measure and report on sustainability of project outcomes. Based on annual reporting requirement for PFOSF production and sales as part of implementation agreement with Hubei and arrangements with MPS will track allowed production and sale to registered users only.			
►Direct project beneficiaries (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	10,000.00	7,200,000.00
Date	16-Jan-2017	15-Oct-2018	18-Apr-2019	31-Mar-2023
Comments:	Direct beneficiaries are people or groups who directly derive benefits from an intervention. Direct beneficiaries are assumed to include the number of workers in 4 enterprises with PFOSF production in 2015; people living in the counties where these production facilities are located; number of workers in metal plating demonstration enterprises; number of workers in participating foam manufacturers; and number of people previously spraying sulfluramid in project areas. The actual number of beneficiaries is expected to be higher, but is impossible to estimate given the global distribution of PFOS in the environment. Update 18 Apr 2018 - currently conservatively estimated at 10,000 based on number of people trained as reported under the RIFA work. Percentage of female beneficiaries was not confirmed, and assumed to be 50%.			
▲Female beneficiaries (Percentage, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	50.00	50.00

Overall Comments

While the Project is making progress, it is still at an early stage such that the majority of indicators are still at zero/no.

Intermediate Results Indicators by Components

Component 1: PFOS Production Reduction				
►Amount of PFOSF production capacity dismantled or converted (Tones/year, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	100.00
Date	16-Jan-2017	15-Oct-2018	18-Apr-2019	31-Mar-2023
Comments:	Based on total EIA capacity of 5 PFOSF production enterprises to be dismantled plus 3 enterprises to convert capacity. The target is related to, but different than the PDO indicator, given that the EIA capacity for PFOSF production is greater than the 2015 baseline of use for exempted applications which is the basis for the PDO indicator above.			
►Number of PFOS secondary production enterprises that join stewardship program (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target



Value	0.00	0.00	0.00	10.00
Date	16-Jan-2017	15-Oct-2018	18-Apr-2019	31-Mar-2023
Comments:	This indicator will measure the number of secondary PFOS production enterprises which join the stewardship scheme that aims to promote phase-out of PFOS production, to be established by the project.			
►Number of firefighting foam manufacturers developing non PFOS-based fire-fighting foam. (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	3.00
Date	16-Jan-2017	15-Oct-2018	18-Apr-2019	31-Mar-2023
Comments:	This indicator measures the progress towards uptake of non PFOS fire-fighting foam production.			
Component 2: Reduction of PFOS Use				
►Yearly reduction in water effluents containing PFOS from demonstration industrial parks (Tones/year, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	720,000.00
Date	16-Jan-2017	15-Oct-2018	18-Apr-2019	31-Mar-2023
Comments:	This indicator will measure success of improvement of wastewater treatment operations in at least three selected industrial parks. Based on estimated 800 m3 discharge per day per park for 300 days a year.			
►Land area under demonstration for RIFA non-PFOS alternative treatment (Hectare(Ha), Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	260.00	260.00	1,000.00
Date	16-Jan-2017	15-Oct-2018	18-Apr-2019	31-Mar-2023
Comments:	This indicator measures the area of land (in ha) in which red imported fire ant non-PFOS alternative treatment has been piloted. Based on 8 total demonstration sites in 5 provinces covering 32 ha each (500 mu) and repeated in new sites for 4 years. Baseline is zero.			
Component 3: Policy and Technical Assistance				
►Number of PFOS related environmental standards developed (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	5.00
Date	16-Jan-2017	15-Oct-2018	18-Apr-2019	31-Mar-2023
Comments:	A number of standards are proposed to be developed as part of TA activities. Baseline is zero.			
►Number of contracts signed with enterprises for demonstration of PFOS phase-out in the metal plating sector (Number, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	20.00
Date	16-Jan-2017	15-Oct-2018	18-Apr-2019	31-Mar-2023



Comments:	Representing at least 17 hard-plating, 2 closed-loop, and 1 decorative plating enterprises. Baseline is zero.			
Component 4: Project Management				
▶ Intended beneficiaries aware of project info. and project investments (%) (Percentage, Custom)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	85.00
Date	16-Jan-2017	15-Oct-2018	18-Apr-2019	31-Mar-2023
Comments:	The number of intended beneficiaries (1600) is composed of the number of workers in participating enterprises - estimated at appraisal based on 4 enterprises under Component 1 with PFOSF production in 2015, and estimate of workforce in demonstration enterprises under Component 2. The target for this indicator is therefore much smaller than the PDO level indicator for "Direct project beneficiaries" as defined. The number of male intended beneficiaries is greater than female since more men worked in these enterprises than women. This indicator intends to measure the effectiveness of consultation and communication mechanisms in terms of ensuring that information about the project and project supported investments have been communicated effectively.			
▲ Intended beneficiaries aware of project info. and project investments - female (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	340.00
▲ Intended beneficiaries aware of project info. and project investments –male (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	1,020.00
▲ Intended beneficiaries - female (number) (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	400.00
▲ Intended beneficiaries - male (number) (Number, Custom Supplement)				
	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	1,200.00

Data on Financial Performance

Disbursements (by loan)

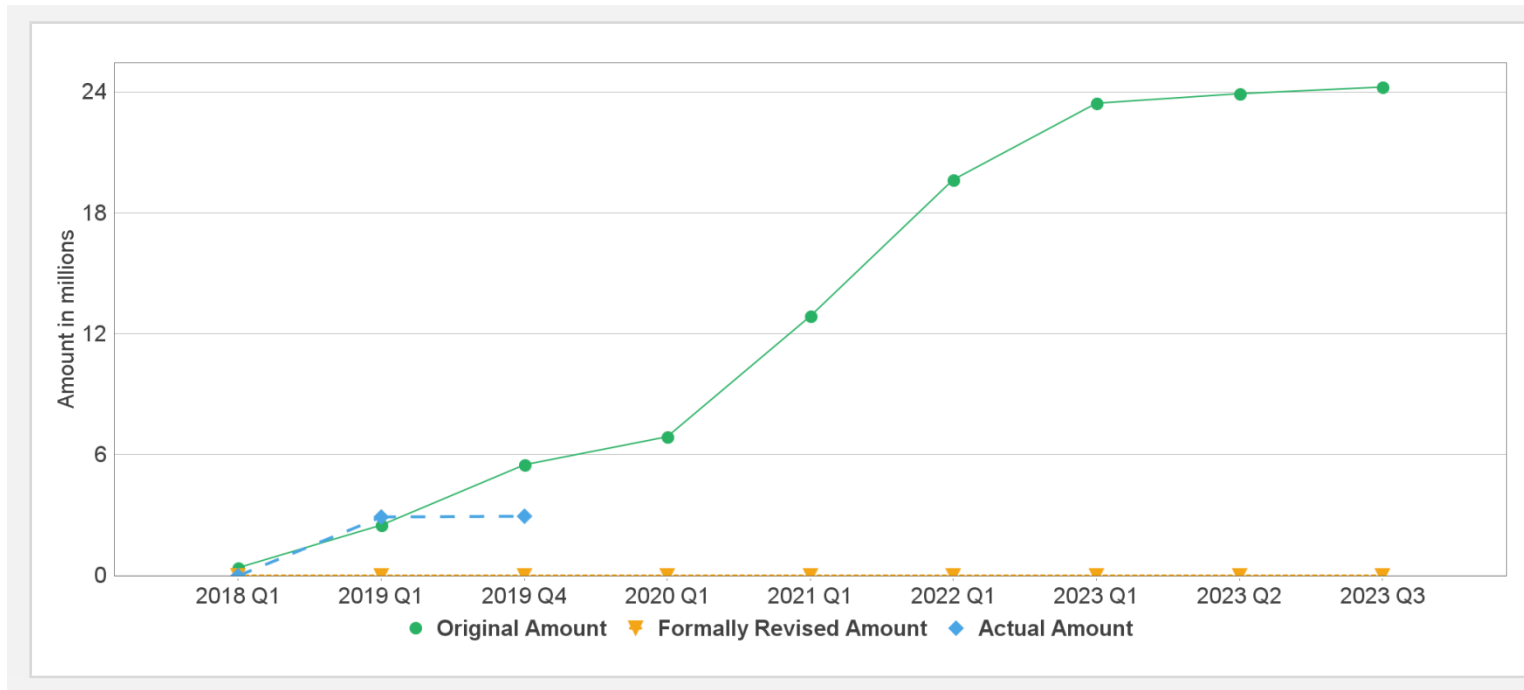
Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	% Disbursed
P152959	TF-A4337	Effective	USD	24.25	24.25	0.00	2.95	21.30	12%

Key Dates (by loan)



Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P152959	TF-A4337	Effective	04-Apr-2017	06-Jun-2017	04-Sep-2017	31-Mar-2023	31-Mar-2023

Cumulative Disbursements



Restructuring History

There has been no restructuring to date.

Related Project(s)

There are no related projects.