

COVER PAGE

**United Nations Development Programme
Government of Bulgaria**

Project Proposal

to the

Global Environment Facility

April 2, 2003

Project Title: *Conservation of Globally Significant Biodiversity in the Landscape of Bulgaria's Rhodope Mountains.*(PIMS #1966)
Duration: Five (5) years
Executing Agency: Ministry of Agriculture and Forestry
GEF Focal Areas: Biodiversity
GEF-Operational Program: Operational Program #4: Mountain Ecosystems

Summary.

The objective of this project is the conservation and sustainable use of biological diversity in the Rhodope Mountains of southern Bulgaria. The successful completion of the project will result in stakeholders devising innovative and adaptive practices to mitigate and prevent threats to biological diversity in two new Nature Parks by applying new partnerships, conservation tools, information, and sustainable livelihoods to conserve biological diversity. The Rhodope is an ancient, European cultural landscape where productive uses of forestry and agriculture predominate and protected areas are small and scattered. The application of landscape-scale conservation practice and perspective to the productive landscape as a whole and protected areas' relationship to it constitutes the project's strategic approach to securing the sustainable long-term conservation of biodiversity in these mountains.

Bulgarian and international partner co-financing provides the crucial foundation for GEF's incremental investment by enhancing the sustainability of the existing economic development baseline. GEF funding is requested to support the establishment of two new landscape-scale Nature Parks in the Rhodope, to construct a diversity information baseline by conducting field surveys, to forge new partnerships among local and international stakeholders and to strengthen the capacity of civil society institutions, to catalyze the development of public-private partnerships for habitat management, and conservation, and to pilot diversity-friendly tourism and agricultural development practices.

Integrating diversity conservation objectives into productive sectors will impose incremental learning, management, and opportunity costs relative to those presently incurred in the Rhodope's economic development program. There is presently little reason for stakeholders in the Rhodope to incur these costs because many of the resultant benefits are non-excludable in supply and accrue in large measure to the rest of the world over a long time horizon. For these reasons, in the absence of support from the GEF acting on behalf of the global community, the significant global benefits of conserving biological diversity in the Rhodope region are likely to be lost.

Costs and Financing (US\$):

GEF:

Full Project	\$ 3,545,460
Block-B Preparatory Funding	\$ 264,000
Sub-total GEF:	\$ 3,809,460

Co-financing

MAF:	\$ 11,276,750
MEW	\$ 970,000
United Nations Development Programme	\$ 2,336,496

Swiss	\$ 73,000
Block-B Preparatory Co-financing	\$ 232,000
Sub-total co-financing:	\$ 14,888,246

Total Project Cost

(excluding Block B preparatory cost)	\$18,201,706
(including Block B preparatory cost)	\$ 18,697,706

Operational Focal Point Endorsement (see Annex 2B):

Fathme Iliaz, Deputy Ministry of Environment and Water, endorsement letter signed on 20 February 2003

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Acronyms

ASRL	Agency for Selection and Reproduction of Livestock
BFCA	Bulgarian Forest Certification Association
BSBCP	Bulgarian – Swiss Biodiversity Conservation Programme
BSPB	Bulgarian Society for the Protection of Birds
CAP	EU’s Common Agricultural Policy
CBD	Convention on Biological Diversity
CCF	Country Cooperation Framework
CEE	Central and Eastern Europe
CHM	Clearing House Mechanism
CITES	Convention on International Trade in Endangered Species of Wild Fauna & Flora
ECFI	European Conservation Farming Initiative
EEA	Environmental Executing Agency
EPA	Environmental Protection Act
ER	Eastern Rhodope
EU	European Union
FMP	Forest Management Plans
FSA	Farmer Support Act
FSC	Forest Stewardship Council
GEF	Global Environment Facility
GIS	Geographic Information System
GoB	Government of Bulgaria
IA	Implementing Agency
IBRD	International Bank for Reconstruction and Development (World Bank)
IFC	Conservation Farming Initiative
ISPA	Instrument for Structural Policies for Pre-Accession
IUCN	The World Conservation Union
LW	Law on Water
M&E	Monitoring and ? valuation
MAF	Ministry of Agriculture and Forestry
MEW	Ministry of Environment and Water
MRD	Ministry of Regional Development
NBCP	National Biodiversity Conservation Plan
NBDCS	National Biological Diversity Conservation Strategy
NCSA	National Capacity Self Assessment
NFD	National Forest Department
NGO	Non Governmental Organization
NNPS	National Nature Protection Service
NP	Nature Park
NPC	Nature Park Council
NPD	Nature Park Directorate
NPDARR	National Plan for Development of Agriculture and Rural Regions
NPED	National Plan for Economic Development
NPRD	National Plan for Regional Development
NTFP	Non Timber Forest Products
OP	Operational Program

PA	Protected Area
PEBLDS	Pan-European Biological and Landscape Diversity Strategy
PHARE	Phare Programme – European Union
PTF	Park Trust Fund
RBD	River Basin Directorates
RFB	Regional Forestry Board
RIEW	Regional Inspectorate for Environment and Water
SAPARD	Special Accession Program for Agriculture and Rural Development
UNDP	United Nations Development Programme
UNESCO	United Nations Education Scientific and Cultural Organization
USAID	United States Agency for International Development
WR	Western Rhodope
WWF	WWF - International

I. COUNTRY OWNERSHIP

a) Country Eligibility

Bulgaria ratified the Convention on Biological Diversity on 17 April 1996 and Bulgaria is a recipient of technical assistance from UNDP.

b) Country Driven-ness of Project

1 b i. National reports/communications to Conventions

This project was designed to assist Bulgaria in meeting its obligations under the following international agreements, all of which Bulgaria has signed and ratified:

- § Convention on Biological Diversity (CBD)
- § Convention on the Conservation of the Wild European Flora and Fauna and Natural Habitats (Bern)
- § Convention on International Trade in Endangered Species of Wild Fauna & Flora (CITES)
- § Ramsar Convention on Wetlands of International Importance
- § Convention on the Conservation of the World Natural and Cultural Heritage
- § Convention on the Conservation of Migratory Species of Wild Animals (CMS -Bonn)

In recent years, the Bulgarian Government has aligned its national law and policy framework with international norms and agreements. This project's landscape approach reflects the strategic thinking embodied in a number of international conservation agreements like the Bonn and Bern Conventions, and the CBD, which calls for an ecosystems oriented approach to be applied to conservation action.

1 b ii. National or sector development plans

Bulgaria's *National Biological Diversity Conservation Strategy (NBDCS)* accords the Rhodope Mountains a high priority for conservation and describes the Rhodope as one of the country's most unique and biologically important areas in terms of species richness, presence of endemic and/or rare taxa, and overall species diversity. The NBDCS also lists the Rhodope as a top priority region for establishment of new protected areas. Because the Rhodope region is thought to harbor much greater biodiversity than is currently known, the area is ranked as a priority among the regions needing further study.

This project furthers practically every one of the twelve NBDCS priority focal areas: land and resource management, protected areas, unprotected lands, sustainable resource management; habitat restoration; legislative initiatives;

conservation administration and policy; research and technical support; environmental education; ecotourism; and collaborative partnerships. Notably, the NBCDS stresses the need to “better integrate the management of land, water and biological resources in order to protect and renew the ecological processes on which biodiversity depends.” The landscape approach of this project seeks to do precisely this.

The project furthers the objectives of the *National Plan for Economic Development (NPED)*, which is a synthesis of the *National Plan for Regional Development (NPRD)* and the *National Plan for Development of Agriculture and Rural Regions (NPDARR)*. The NPDARR’s main objective is to improve agricultural production while ensuring the sustainable development of rural areas in Bulgaria. The project complements and furthers the objectives of the NPDRA as well as the *National Strategy for Sustainable Agriculture (NSSA)*, specifically in terms of promoting organic agriculture and the conservation of indigenous breeds.

The NPRD is the main policy instrument for promoting regional development and balancing national, regional and local interests. The NPRD takes a bottom-up approach by incorporating initiatives from the local and regional administrations as well as NGO’s and other local and regional actors. The NPRD planning process provides a common basis upon which local and national stakeholders can jointly develop initiatives. The project is designed to make use of this approach, ensuring compatibilities between local and regional plans, highlighting areas of common interest and enabling more cost effective management of key issues. The project is designed to further NPRD objectives related to improving forest management to ensure healthy forests and healthy communities, and to establishing ecotourism as a viable and sustainable economic development engine for the Rhodope.

1 b iii. Recommendations of appropriate regional intergovernmental meetings or agreements.

The European Union is the most important regional influence on Bulgarian law, policy and practice in every sector. As part of the EU accession process the GoB is working to align sectoral policies with EU policies and codices. This process represents an important baseline for the project, and an analysis of the major trends in law, policy and institutional reform inherent in this process underlies this project’s design. EU support through technical assistance programs such as the Special Accession Program for Agricultural and Rural Development (SAPARD), Instrument for Structural Policies for Pre-Accession (ISPA), PHARE and others are helping to effect this transition.

The Pan-European Biological and Landscape Diversity Strategy (PEBLDS) was endorsed at the Environment for Europe ministerial conference in Sofia,

Bulgaria in October of 1996.¹ This project is designed to further the overall objectives of the strategy and its specific recommendations, including: to promote mountain farming to support rural development rather than higher production rates; to protect Balkan mountain regions; to promote habitat restoration projects, focusing on rivers in the Adriatic and Balkan regions, and; to promote non-damaging alternatives to landscape and ecosystem loss from larger water storing reservoirs and dams in the Mediterranean. The Second Intergovernmental Conference on Biodiversity in Europe, held in Budapest in February 2002, made support for biodiversity conservation and sustainable use in the countries of Central and Eastern Europe a priority.

The project also supports the Bulgarian Government in preparing for the implementation of the European Union's "Directive on the conservation of natural and semi-natural habitats and of wild fauna and flora (92/43/EEC) (Habitats Directive, 1992)". Government preparations for meeting its obligations under this Directive, accord the Rhodope a top priority for strengthening protected area measures. The EU's "Directive on the conservation of wild birds (79/409/EEC) (Birds Directive, 1979) calls for all countries to ensure the conservation of migratory and other priority bird species. The Rhodope is a hotspot for raptor species diversity, among others, and so this project will contribute significantly to Bulgaria's meeting its EU Birds Directive obligations.

c) Endorsement

The project has been endorsed by the GEF Operational Focal Point in a letter dated 20 February 2003 (see Annex 2 B).

2. PROGRAM & POLICY CONFORMITY

a) PROGRAM DESIGNATION & CONFORMITY

The project is fully responsive to and conforms to the GEF Operational Program (OP) #4 Mountain Ecosystems and is also relevant to OP#3 Forest Ecosystems and OP#13 Agrobiodiversity.

The project conforms with the CoP eligibility criteria by:

- § promoting conservation and sustainable use of biodiversity in environmentally vulnerable areas including mountainous areas and forests;
- § promoting conservation and/or sustainable use of endemic species;
- § applying an ecosystem approach as the primary framework for action;
- § supporting capacity building for local communities.

¹ The Rhodope region, by the Strategy's own criteria, is considered to be a landscape of Pan-European importance. Ecosystems of Pan-European importance include: rivers, grasslands, forests, and mountains. Landscapes of Pan-European importance include open fields, arid landscapes, and cultural heritage landscapes. Species of Pan-European importance include: flagship species, and species and populations threatened and at risk of extinction throughout Europe or its regions.

The project will catalyze sustainability for protected areas by strengthening the protected area system and its coverage within Bulgaria through the creation of two landscape-scale Nature Parks; by helping to sustain 55 small-scale protected areas by “embedding” these within a landscape approach that ensures an important degree of connectivity through production landscapes; by supporting jurisdictional linkages and strengthening coordination between different government agencies at national and regional levels, NGOs, municipalities and private sector; and by improving opportunities for sustainable use and benefit sharing through broad stakeholder participation in project design, implementation, monitoring and evaluation.

The project will mainstream biodiversity in the production landscapes and relevant sectors by integrating biodiversity conservation principles into the agriculture, forestry, fisheries, and tourism sectors through support to systemic and institutional capacity building in government agencies and promotion of integrated planning and management across sectoral institutions; by increasing relevant knowledge and building partnerships between government agencies, the private sector, NGOs, and communities that secure biodiversity conservation; by promoting market incentive measures, such as certification schemes, codes of conduct, etc., to support mainstreaming of biodiversity conservation objectives in sectoral enterprises; and by supporting alternative livelihoods based on sustainable natural resource use that help to demonstrate win-win examples of benefits to local livelihoods and the global environment.

b) PROJECT DESIGN

2 b i. LANDSCAPE CONSERVATION RATIONALE AND STRATEGY

Landscape has many meanings depending upon the context in which it is used. For the purposes of this project proposal, “landscape” is defined in cultural and biological terms. Culturally defined, a landscape is “an area, as perceived by people, whose character is the result of the action and interaction of natural and/or human factors (Council of Europe, 2000). Over three thousand years of human uses in the Rhodope have shaped one of Europe’s most important relict cultural and biological landscapes² and one that still supports the highest levels of biodiversity in Bulgaria and the region.

Over the centuries, Rhodope’s rugged and inaccessible terrain “produced” a certain rural mountain poverty, or simplicity, that in turn shaped the landscape we see today. The socialist period saw new land and resource use practices introduced, such as industrial forestry, leading to large areas of natural forest converted to homogenous plantation forests. Several of the larger rivers were dammed for power and smaller streams diverted for trout farms, altering the ecology and morphology of many of the formerly free flowing streams. Many

² Alterra. 2002. “One Europe, more nature: exploring the future of nature and landscape against the background of developments in European agriculture.” Bureau voor Natuur en landschaps ontwikkeling b.v. 41 pp. Amsterdam, The Netherlands.

small protected areas were also established in the Rhodope during this period under a regime of strict protection.

The Rhodope still is a place where people depend upon the local environment for small-scale agropastoral production and resources such as medicinal herbs and timber from the surrounding forest. Farms are comprised of small plots in the valleys and lower slopes; livestock are grazed on state or municipal forestland on the ridges and higher valleys. All of these cultural and economic factors in turn shaped the landscape that we have now – 25 distinct natural habitats, forested mountain sides and high mountain valleys, lower slopes and the combination of land-uses and the resulting habitat matrix or mosaic of small agricultural plots, forest, mountain meadows, free flowing streams, dammed rivers with altered hydraulic regimes, and scattered protected area “islands.”

For the past twenty odd years, these land-uses and related impacts have remained fairly static, with the cultural landscape enhancing biodiversity or mitigating its loss. As the socialist system ground to a halt and the post-socialist period gained its footing, what was static has become dynamic. Current trends show agriculture being privatized and modernized in scale and mechanization, pointing towards increased nutrient and sediment loading. Forestlands are being returned to their former private and municipal owners, leading to habitat destruction from ill-conceived cutting, road building, and the like. Non-timber forest product (NTFP) harvest is increasing as economic difficulties continue, presenting troubling questions of sustainability. Wildlife are under growing pressure from increased hunting levels due to improved firearms and the development of Bulgaria’s new sport hunting class. And finally, the capture of wildlife (desert turtles, falcons) is on the rise as markets for exotic pets exert their influence in Rhodope.

Opportunities for sustainable development are changing, as Bulgaria prepares to enter the EU. The use values by which inhabitants of the Rhodope Mountains measure their landscape’s worth -- what they can grow, graze, collect, and hunt³ -- are being transformed as new opportunities like tourism and organic agriculture emerge. The popularity of eco and cultural tourism gives the Rhodope a sizeable comparative economic advantage where previously it had little, as does the growing need for environmentally friendly hydropower. Importantly, GoB is renewing its efforts to jump-start economic development in the Rhodope region, focusing EU accession funds on helping people in the Rhodope to seize these new development opportunities.

Finally, conservation itself is changing, as is our understanding of ecology, biology and the conservation of species, habitats and landscapes. We know more about minimum habitat size requirements, feeding ecology, migration patterns, seed dispersal, and the ultimate futility of creating protected area

³ Cellarius, B. 1999. “Global priority, local reality: rural communities and biodiversity conservation in Bulgaria.” The Graduate School. University of Kentucky. Lexington, Kentucky, USA.

islands in a transformed and biodiversity-averse landscape. We understand that landscapes have a pattern consisting of repeated habitat components, and patches, occurring in various shapes, sizes and spatial interrelations⁴. This understanding helps us to conceptualize a more specific ecological definition of a landscape as a “heterogeneous land area composed of a cluster of interacting ecosystems that is repeated in similar form throughout.”⁵

The following five main ecological points support the logic of developing a landscape-level conservation approach in the Eastern and Western Rhodope:

- 1) The Rhodope’s existing isolated protected areas are likely to be inadequate *on their own* to ensure the long-term conservation of flora and fauna because they do not fully represent all components of biodiversity in the Rhodope.
- 2) Individual protected areas are inadequate to meet the ecological requirements of a number of species with low and patchy densities. Three types of species are most likely to be inadequately conserved by single protected areas:
 - a) species that have large area requirements such as large carnivores (bears, wolves) and large raptors (eagles, owls, falcons, and vultures) and occur at low densities. The total area required to maintain a viable population of such species can be very large.
 - b) species that utilize specialized habitat types or have specialized food sources often occur at low population densities because these resources are uncommon or patchily located in the landscape. Examples include particular seral stages of vegetation following fire or other disturbance, wetland types, rocky outcrops, old forest, and caves.
 - c) species that move regularly between areas on seasonal geographic migrations, local altitudinal migration, or following patchy resources such as fruit may be inadequately protected by parks and reserves if one of the areas they regularly utilize is outside the reserve system.
- 3) There is another reason why single protected areas may be inadequate. The presence today of a small population in a park or protected area does not mean that it will persist over the long term. The study of island biogeography tells us there is a progressive loss of species over time from isolated habitats.
- 4) In the East and West Rhodope, substantial areas of forest and grassland habitat are still present outside the protected areas. Thus, there is a basis for an approach that seeks to maintain biodiversity within the wider productive landscape.

⁴ Noss, R.F. 1996. Conservation of Biodiversity at the Landscape Scale. In *Biodiversity in Managed Landscapes: Theory and Practice*, eds.R.C. Szaro and D.W. Johnston, pp. 574-589. Oxford University Press, New York.

⁵ Forman, R.T.T. and M. Gordon. 1986. *Landscape Ecology*. John Wiley and Sons, New York. USA

- 5) Many communities in the Rhodope region are dependent upon the land and its natural resources for their livelihood. Consequently, an approach that seeks to extend conservation beyond the reserve system must recognize the place of human communities, their aspirations and impacts on the land. This project's landscape approach explicitly recognizes the place of people in shaping the landscape and the future character of biodiversity in the region.

Combining the cultural and the biological, the Rhodope landscape becomes a mosaic of "heterogeneous land forms, vegetation types, and land uses."⁶ With high geomorphological diversity, the Rhodope landscape is also characterized by its steep gradients. As discussed above, this landscape is undergoing a process of dynamic change with clear trends of privatization, modernization, and mechanization emerging. There are many opportunities for conservation inherent in these trends, but there are also many pitfalls.

Under the baseline situation, global environmental values are not conserved. Despite the importance of the existing system of protected areas, they are insufficient in their size and connectivity to act as a long-term biodiversity repository for the region. Biodiversity is being lost due to fundamental changes across the landscape (larger, more intensively used agricultural areas; forest clear-cutting; intensive exploitation of species; and aquatic ecosystems degraded by nutrient loading, dam management, etc.).

Consequently, the project is designed to modify land and resource use trends and address the inadequacies of the protected area system. These two thrusts will rely on broadening conservation to include other sectors both private and public through two Nature Park designations (East and West Rhodope), building capacities of stakeholders and institutions, creating or strengthening the enabling environment (incentives, regulations), strengthening protected area management, and introducing more sustainable (economic, environmental) land and resource-use practices. In Bulgaria, Nature Parks are specially designated landscapes where sustainable conservation and development are emphasized through specific policy and operational structures.

More Detail on the Biodiversity of the Rhodope Mountains:

Straddling southern Europe's transition zone between the Balkans and the Mediterranean Basin, Bulgaria possesses a rich and unique biodiversity. The country's most biologically diverse area is the Rhodope Mountain region (see Map, Annex 2F), an ancient, rugged landscape characterized by many mountain peaks rising over 2,000 meters and deeply carved river valleys. The Rhodope Mountain region forms part of the *Palaearctic Mediterranean Shrubland and Woodland Ecoregion*, a WWF "Global 200" site. Indeed, this region represents one of only five examples of the Mediterranean shrubland and woodland in the world that together are home to 20% of the Earth's plant species. The Rhodope

⁶ Urban, D.L., et al. 1987. Landscape ecology. *BioScience* 37:119-127.

Mountains also fall within the *Palaearctic Temperate Coniferous Forests Ecoregion* of the “Global 200”, forming the southeastern limit of the European-Mediterranean Montane Mixed Forests and the western limits of the Caucasus-Anatolian-Hyrcanian Temperate Forests.

The Rhodope Mountains are divided into two distinct sub-regions differentiated by climatic and landscape characteristics: the Western Rhodope (WR) and the Eastern Rhodope (ER). Approximately 70% of the WR is covered by coniferous forest, with significant expanses of broadleaf forest at lower elevations. High mountain meadows, pasturelands and croplands occupy the remaining 30%. One quarter of the coniferous forest are in monocultural plantations. In contrast, only one-third of ER is forested, primarily by deciduous forest; half of this is in plantation forestry. The remaining two-thirds of the ER landscape is comprised of open oak woodland and grassland.

The Rhodope Mountains harbor 52% of Bulgaria’s flora species - over 1,944 higher plant species. This plant diversity makes it one of the most important areas in the Balkan Peninsula. The combined influence of the Mediterranean and continental climates, together with the elevation gradient, creates a unique region of confluence among Mediterranean, Central European and Alpine floristic elements. The Eastern Rhodope Mountains are characterized by Mediterranean and Sub-Mediterranean flora and rare and diverse habitats, while the Western Rhodope have more Central European and Northern Boreal flora with high value forest ecosystems.

The level of endemism must be seen as one of the best indicators of the uniqueness of the region. Seven plant species are endemic to the Eastern Rhodope. Thirty-nine are endemic to Bulgaria and eighty-five are endemic to the Balkans, including species such as *Lathraea rhodopaea*, *Secale rhodopaeum*, *Arenaria rhodopeae*, *Scabiosa rhodopensis*, *Haberlea rhodopensis*, *Lilium rhodopaeum*, *Tulipa rhodopea*. Fifty-five of these plant species are listed in Europe as rare or threatened

The confluence of floristic elements in the Rhodope creates a pronounced mix of forest types that in turn give rise to a wide range of habitat types. The climate and altitudinal factors make this habitat matrix even more diverse, resulting in a unique and complex habitat mosaic. In general, forest characteristics change throughout the Rhodope from west to east. This change becomes even more marked because mountain elevations also decrease from west to east. At higher altitudes the forest is primarily coniferous with Silver fir, Norway spruce, and Crimean pine among other species, as well as important stands of Balkan pine, and Balkan relict species, such as Macedonian pine (*Pinus peuce*). At lower elevation the forest becomes predominately broad leafed with sub-Mediterranean characteristics. Forest species include oak (*Quercus pubescens*), manna ash (*Fraxinus ornus*) and Mediterranean juniper (*Juniperus oxycedrus*) and two species of beech (*Fagus sylvatica*, *Fagus orientalis*). *F. orientalis* is unique to the Eastern Rhodope and Strandzha.

The overall habitat matrix of the Rhodope Mountains is comprised of over twenty-five distinct natural habitats listed in the Bern Convention. Three of these habitats have been identified as being most important for birds in Europe⁷: 1) Boreal and Temperate Forests; 2) Mediterranean Forest, Shrubland and Rocky Habitats; 3) Agricultural and Grassland Habitats. A total of 291 species of birds (70% of Bulgaria's bird fauna) have been recorded in the Rhodope⁸. Of these, one hundred fifteen (115) species nest in the Rhodope and ninety-seven (97) are year-round residents. Thirty-two (32) over-winter and forty-seven (47) species use the Rhodope as a stopover on their north-south migrations. Among bird species found in the Rhodope, one hundred fifteen (115) are listed under Annex II of the Bern Convention, ninety (90) are considered to be of conservation importance in Europe, and four (4) are globally threatened: the Imperial Eagle (*Aquila heliaca*), the Lesser Kestrel (*Falco naumanni*), the Corncrake (*Crex crex*), and the Pygmy Cormorant (*Phalacrocorax pygmeus*).

Particularly striking about Rhodope fauna is the high concentration of raptor and bat species. Thirty-six (36) of the thirty-eight (38) species of raptors known to occur in Europe can be found in the Eastern Rhodope. The Eastern Rhodope are one of the two natural European refuge areas for raptors and have the highest aggregation of diurnal raptors in Europe. Of the raptors found in the region the following have a European Threat Status of "Endangered" or "Rare" and are listed in Appendix I of the EC Birds Directive and Appendix II of the Bonn Convention: Egyptian vulture (*Neophron percnopterus*), Griffon vulture (*Gyps fulvus*), and Peregrine falcon (*Falco peregrinus*).

In total twenty-seven (27) of Europe's 36 species of bats are found in the Rhodope including 12 of the 18 species listed in the IUCN Red Book. Both species listed in the Red Data Book of Bulgaria, Geoffroy's bat (*Myotis emarginatus*) and the Long fingered bat (*Myotis capaccinii*), occur in the Rhodopes. All bat species are protected nationally by the Biodiversity Protection Act, and listed internationally under the Bern and Bonn Conventions and by the Agreement on Conservation of Bats in Europe. Apart from bats, forty (40) species of mammals are found in the Rhodope, eight (8) of which are included in the IUCN Red Book and six (6) in the Bulgarian Red Data Book. Amongst the other species listed under the Bern Convention Appendix II and III are the European wolf (*Canis lupus*) and the European Brown bear (*Ursus arctos*), as well as the Global IUCN – 2000 red list species the Common Otter (*Lutra lutra*) and the European Marbled Polecat (*Vormela peregusna*).

Amongst the thirteen (13) species of amphibians (out of 16 known in the country) the common tree frog (*Hyla arborea*) and the warty newt (*Triturus cristatus*) are globally threatened. From the thirty (30) species of reptiles which occur in the Rhodope, the Mediterranean spur-thighed tortoise (*Testudo*

⁷ G.M. Tucker, and M.I. Evans, 1997. "Habitats for Birds in Europe: A Conservation Strategy for the Wider Environment" Birdlife Conservation Services No. 6. The Burlington Press. Cambridge. U.K.

⁸ Tanyo Minchev and Tzemo Petrov, 2000 "Birds in the Rhodope" ISBN 954-90601-1-X

graeca), the Hermann's tortoise (*Testudo hermanni*) and the European pond terrapin (*Emys orbicularis*) are listed on the global IUCN -2000 red list. Twenty-three (23) species of fish can be found in the Rhodope of which four are endemic to the Balkans. The Rhodope is home to unique domestic breeds such as the endemic Rhodope “Karakachan” shorthorn cow and the Srednorodopska sheep, which are especially adapted to the region but are in danger of being abandoned.

More detail on the project’s social, economic, and legal context:

The Rhodope has more villages than any other mountain region of Bulgaria, emphasizing the importance of local communities to conservation and sustainable development efforts here. The combined population of these small towns and villages within the project areas is approximately 363,466 people. Income levels in Bulgaria are still some of the lowest in Europe, averaging little over 250 Bulgarian leva (about US\$125) per month, with the minimum monthly wage at approximately 110 leva (US\$50). In the Rhodope region, the overall unemployment rate is 16% with youth unemployment registered at 26%. City centers are less affected than the rural and mountainous regions where unemployment rates of 40% are not uncommon. The PDF B socio-economic survey of the Rhodope region revealed that the average monthly income *per household* is 239 leva and that 65% of the people, when asked what their most pressing priority was, cited “making a living.”

But there is reason for hope in light of these sobering statistics. The Rhodope are rich with potential tourism and sustainable natural resource use opportunities. Rhodope’s social and economic needs and potential have made it a priority region for government poverty eradication and job creation efforts.

Much of the territory of the Nature Parks consists of uninhabited state or municipal-owned lands. In the Eastern Rhodope about 80% of forestlands are state-owned, while in Western Rhodope about 50% of forestlands are state-owned. The 1997 *Forestry Act* promulgates regulations for forest ownership, organization, and management, including harvest activities, protection of forest resources, and construction in forest areas. The law does not make specific provisions for biodiversity sensitive forest management, like multi-cropping or age differentiation. However, these provisions can be integrated into individual forest management plans.

The law introduces the concept of “purpose” for a particular forest, implying that forests can be for more than just timber production. The protection of water quality and maintaining environmental quality are two possible “purposes” mentioned in the law. The law calls for the development of forest management plans to guide forest harvesting and requires that the process of developing forest management plans involve municipal level stakeholders as well as the Ministry of Environment and Water (MEW). To encourage free movement of animals in the forest, the law prohibits fencing inside the forest.

The *Medicinal Plants Act* regulates the management, conservation and sustainable use of medicinal plants, including the sale of herbal products. The law outlines the responsibilities of all landowners, requiring them to implement conservation measures on all lands supporting medicinal plant habitats. The *Hunting and Game Protection Act* calls for genetic and species-level conservation of game animals, improved management of game reserves, and increasing fauna numbers while preserving the ecological balance in the natural environment. The law primarily does this by regulating ownership, protection and management issues related to game animals, including the organization of the hunting economy, hunting rights and trade in game animals and their products.

The *Environment Protection Rhodope Act (EPA)* was adopted in 2002. The Act defines the framework for national environmental policy and allows for other more specific acts to be passed complementing this more over-arching coverage of the EPA. The Bulgarian Government is formulating a series of new laws and policies to fill existing legislative gaps governing biodiversity conservation as identified by the National Biological Diversity Conservation Strategy (NBDCS).

The *Protected Areas Law* re-categorized Bulgaria's protected areas to reflect IUCN standards. More importantly it prescribes the norms for permissible activities within the different types of protected areas and the management responsibilities. For example, the law requires that every PA develop a management plan within three years of the PA's declaration.

The *Law on Water (LW)* clarifies ownership and management of water in Bulgaria. The law created new regional water management departments within MEW (Basin Directorates and Basin Councils) and provides for national government, municipal government and private ownership rights for surface and groundwater. The law calls for the protection of high water or flood zones along rivers and obliges the Government to determine the "minimum flow" in rivers for the protection of wetlands and aquatic ecosystems and the maintenance of riparian, wetland, and aquatic habitat. By inference, the law also requires reservoir managers to incorporate aquatic biodiversity requirements downstream into their water release practices (timing, volume) in order to mimic natural, seasonal flow levels as much as possible, although this practice is currently unknown in Bulgaria

Furthermore, in September of 2002, the Government adopted new biodiversity legislation introducing the requirements of the following three EU nature protection Directives: Directive 79/409/EEC on the conservation of wild birds, Directive 92/43/EEC on the conservation of natural and semi-natural habitats and of wild fauna and flora, Directive 1999/22/EC relating to the keeping of wild animals in zoos. The MEW and Ministry of Agriculture and Forests (MAF) are responsible for the implementation of nature protection legislation.

The *Regional Development Act*, adopted in 1999, is the main legislative instrument for the country's regional development policy. This act focuses exclusively on economic and social development of the Country's six planning regions. Although not biodiversity related, this legislation will help to determine how biodiversity conservation can be integrated into the productive sector in the Rhodope region.

2 b ii. PROGRAMMATIC BASELINE FOR PROJECT ACTIVITIES:

Baseline Situation:

Problem/Threats/Root Causes. In the Rhodope region, biological diversity is being diminished through the loss and degradation of habitat and the direct exploitation of species. Five primary anthropogenic threats contribute to this problem. In the three major habitats of the Rhodope (forest, grassland, aquatic/riparian), these threats, along with their myriad root and underlying causes, interact, thereby diminishing the long-term viability of individual species, communities of species and habitats.

Environmentally unfriendly forest, water, and grassland management threaten biodiversity in the Rhodope. Current forest and water management practices treat forests and water as commodities to be maximized without regard to biological diversity and ecosystem health. Benefits from forests, water, and other natural resources are narrowly proscribed because it is the easiest and fastest way to generate revenue. Government policy and practice implicitly places a low value on timber, much less on good forest management. Excessive and ill-planned cutting has fragmented forest habitat. Current forest plantation management is weak to non-existent, resulting in vast tracts of uniform forest stand age structure and species composition, and a corresponding reduction in habitat heterogeneity and biological diversity. Although this is changing, maintaining ecosystem integrity is not currently a priority objective for economic development practice in Bulgaria.

For the past 20-30 years, river flow management has been conducted with little to no regard for protecting or renewing the ecological processes upon which aquatic and riparian biodiversity depends. This has significantly altered the natural river systems and riparian habitats downstream from the four reservoirs in the Rhodope, fragmented riverine habitat between reservoirs, and reduced water quality and species numbers.

Another underlying cause is that economic and other benefits of biodiversity and ecosystem health are not understood, and are often not perceived to be sufficiently real or immediate. This hampers the process of accounting effectively for these values and integrating conservation into resource-use practice, such as forestry and water management. Applying new tools grounded in conservation biology and ecology will impose additional costs to gain knowledge and practical ability that is not part of current conservation or

development practice. In addition, existing policies do not adequately support the mainstreaming of biodiversity conservation objectives into productive or development sectors. Manifested in poor cross-agency coordination and weakened policy implementation, sectoral barriers are another underlying cause of inappropriate forest and water management practice.

Farming in the Rhodopes is largely based on the traditional agropastoral model of low impact, small plot framing and livestock grazing in surrounding forestlands. But traditional practices are changing throughout the Rhodope, threatening to alter the natural habitat mosaic that is crucial to the uniqueness of the Rhodope landscape and to maintaining biological diversity. The agricultural population is aging, threatening the loss of traditional knowledge, and the adoption of EU agricultural policy points in the direction of larger, more mechanized farms using fertilizer and pesticide intensive approaches. Organic agriculture is a natural fit in the Rhodope, but sufficient markets have yet to be developed to encourage its adoption. Currently, the IFC is developing a parallel GEF initiative that is aiming to promote organic agriculture through technical support, financing mechanism, and development of markets. Entitled the European Conservation Farming Initiative, the project will eventually work in Bulgaria and holds the potential of giving organic agriculture a much-needed boost in Bulgaria.

The use of traditional autochthonous breeds of cattle and sheep has nearly disappeared, altering traditional transhumant grazing patterns. The few farmers who still keep traditional breeds do so for more personal rather than business reasons. The abandonment of traditional breeds is driven largely by the flight of farmers to breeds with higher milk or meat outputs. The absence of attractive markets for traditional breeds hampers their revitalization, and ineffective, outdated institutions and un-empowered farmer groups hamper the *in-situ* conservation of native breeds.

Changing land tenure is a small, but important and growing root cause of biodiversity loss as citizens and communities regain title to their land after 70 years. Although restitution produces significant opportunities for involving the private sector in conservation, inexperienced, new private and municipal forest owners are not given adequate training in modern forest management, resulting in irresponsible forestry practices. In some places around the Rhodope, newly privatized forests have been clear-cut or harvested above the sustainable off-take level, with little regard to biodiversity or ecological values. This is aggravated by economic need and an underlying uncertainty over the newly established/reinstated private property rights.

The progressive loss of species over time from isolated protected areas and habitats is an imminent threat to biodiversity in the Rhodope. In the Rhodope, conservation is restricted to relatively small spaces; only 12 of the 55 protected areas in the Rhodope are larger than 500 ha and very few are large enough to maintain viable habitats or populations of species. Many protected areas are

habitat “islands” surrounded by pasture or production-oriented state forestlands. Landscape ecology and conservation biology are relatively unknown disciplines in Bulgaria, limiting the methodological tools available to institutions. With forestlands being privatized and forest management in flux, protected areas are threatened more than ever with isolation in a landscape that is becoming more biodiversity-averse. Currently, there is little to stop this from happening, given that state forest policy does not incorporate biodiversity conservation principles, and protected areas are not managed in a way that recognizes their links with the surrounding landscape.

Underlying this cause of biodiversity loss is inadequate protected area management. Of the fifty-five relevant protected areas that exist in the Rhodopes, *none* actually have community participation agreements or full-time management staff. Traditional conservation practice has not valued local participation in Bulgaria. Instead, management responsibility for most areas lies with the Regional Environmental Inspectorates and the State Forest Units who are overburdened with many field-level responsibilities. Local stakeholders - communities, NGOs, landowners - are not involved in establishing management priorities or programs for these areas. There are no community-based management programs in place, resulting in the protected areas being largely disconnected or alienated from their surrounding cultural landscape.

Excessive hunting, live capture, and harvesting of non-timber forest products is leading to localized species loss to the point where extirpation or extinction is a growing concern. Such overexploitation also disrupts ecological interactions and processes. For example, the over-harvesting of non-timber forest products like mushrooms and medicinal plants often leads to the extirpation of these species from large areas of forest, disrupting the ecological balance. The capture of desert tortoises and raptors as well as hunting of Balkan chamois, mouflon, the brown bear, deer, wild boar and waterfowl species is thought to exceed the limits of sustainable off-take.

Underlying causes are familiar: local people have few livelihood alternatives and current economic difficulties force them to exploit any option available. An important aggravating and contributing factor here are the knowledge and experiential barriers that prevent local people from pursuing new and different livelihood options.

Species such as Imperial eagles are protected but enforcement of the few restrictions is ineffective with such poor information available as to their condition, location and number. The poor quality of information is an important limiting factor for any conservation effort. The disturbance of fragile habitats and other sites is another underlying cause of biodiversity loss. Tourism is growing rapidly in popularity. In 2001, over 10,000 tourists visited the Devils Throat cave complex, one of the most important bat roosting and maternity caves in the Rhodope. Uncontrolled and/or inappropriate visitation of priority areas is beginning to degrade habitat values at priority sites, potentially causing

serious harm to the reproductive success of certain priority species, as well as to future revenue generation potential.

Programmatic Baseline -- Description and Analysis

Bulgaria's law, policy and institutional baseline with respect to biodiversity conservation is "under construction" as the GoB moves through the EU Accession process and works to align its policies with those of the EU. This process represents an important baseline for the project for three reasons: 1) the GoB is focusing significant efforts on legal, policy and institutional reforms; 2) it provides the impetus for change, such as integrating biodiversity into productive sector policy, planning and practice; and 3) EU assistance programs such as the Special Accession Program for Agricultural and Rural Development (SAPARD), Instrument for Structural Policies for Pre-Accession (ISPA), PHARE and others are helping to effect these kinds of reforms.

Resource (forest, agriculture, water) management and economic development policies and practice:

Forest management:

Forestland covers 29% of Bulgaria. In 1997, forest products and related industries accounted for 2.2% of Bulgaria's GDP. Historically, forest management in Bulgaria focused on wood production to the detriment of values such as ecosystem goods and services that traditionally have not been quantified in economic terms, including: erosion control, clean water, recreation and tourism, wildlife, and spiritual and aesthetic values. While large-scale state investments in plantation forestry in the 1970s and 80s created the potential for significant and sustainable timber harvest in the future, they also served to "homogenize" vast areas of once diverse natural forest. Today, after nearly twenty years of neglect, these stands are over planted and under managed. There is an urgent need to thin young forest stands to maximize growth, mitigate the risk of catastrophic fire, and enhance habitat values in areas bordering important natural habitats.

Forestry in Bulgaria is undergoing significant transformation in three main areas: in policy, in ownership, and in management. With respect to policy, these reforms are very much needed. Current Government policy implicitly places a low value on timber and on good forest management. For example, under the current system, no stumpage or forest concession fees are levied. Timber harvest fees are based upon the number of logs loaded on trucks at the site rather than a careful estimate of the number of board feet available for cutting at that site. This kind of policy virtually invites cheating. At the same time, existing policy lacks tax incentives to encourage good management or penalties to discourage bad management.

GoB priorities for reforming forest sector policy include: 1) developing a new national forest management strategy that emphasizes multiple-use of forest

resources; 2) strengthening institutional capacity of forest management entities; improving forest infrastructure (particularly roads); and 3) developing standards for sustainable forest management certification. Establishing a progressive forest policy foundation and effectively implementing these reforms will require a level of experience and technical knowledge that is not present in the existing institutional baseline, hampering the effective translation of new policies into changed behavior in the forest.

With respect to forest ownership, Bulgaria is undertaking a large-scale restitution program that should return some 390,000 ha to private smallholders in parcel sizes averaging 1.5 ha. Another 180,000 ha are to be returned to some 1,800 private legal entities in parcels of about 100 ha each. Lastly municipalities have requested restitution of 1.4 million ha. Estimates of forestland to be restituted in the Rhodope range from 25% (8% private and 17% municipal) to over 80% (30% private and 50% municipal).

These estimates vary so widely because municipalities have historic usage rights over larger areas than currently recognized by the courts. In Western Rhodope, this is particularly true. Petitions are pending before the courts, and depending upon how the courts rule, municipal forest ownership could increase to more than 50% percent of total forest area. In the WR, approximately 30% could be returned to private entities for a total of 80% restituted to either private or municipal owners. In ER the figure will be much lower, with an expected 20% to be restituted to private and municipal owners.

The restitution of so much forestland presents a challenge and an opportunity for the new owners, most of whom lack knowledge of or institutional experience in forest management. Experience to date shows that these new owners are rising to the challenge; many are forming cooperatives or forest “societies” to improve economies of scale. The MAF is building on this initiative and is launching a private forest owner mobile training program to bolster private forestland management capacity. The new cadre of private forest owners presents a new opportunity for integrating biodiversity into the productive sector. These owners are only now organizing themselves in new forest owner and forest cooperative associations, who will be key stakeholders in this project.

Until 2001, the National Forest Department of the Ministry of Agriculture and Forests (NFD) was responsible for managing all the forests in Bulgaria: from harvesting and selling the timber and wood products to generate revenue to fund forest management, to re-forestation, and conservation. However in 2001 the NFD completed the first stage of restructuring forest management by outsourcing and privatizing its forest management planning and harvesting operations at the district/oblast level.

NFD is still responsible for managing state forests and enforcing forest policy, on all forestlands through its five regional forest departments. NFD prepares the

guidelines to be followed in developing forest management plans (FMP). The relevant regional forest department offices and municipalities apply these guidelines when reviewing the plans. Private forest owners have the option of following a government drafted FMP for their land or paying to have their own developed and approved by the NFD.

Certified forestry is a nascent though growing management and marketing opportunity in Bulgarian forestry. The Bulgarian Forest Certification Association (BFCA) is in the process of developing a National Forestry Certification Standard for application to all forest types. The BFCA hopes to obtain the endorsement of such a standard by the Forest Stewardship Council (FSC) by June of 2003. In the meantime, forests can be certified in Bulgaria using the generic FSC standard. In this connection, Sofia Forestry University has shown great interest in having their training unit (forest land used for economic and educational purposes) certified, thus being the first forest to be certified in Bulgaria.

There is much work to be done in helping the major stakeholders in the emerging forest management system of Bulgaria effectively adopt the changes described above. The GoB has requested support from the World Bank in adapting forest administration and management to the needs of the market economy and for mitigating the negative consequences of restitution of forests by building capacities of new forest owners through training, providing incentives for establishing forest owner associations and promoting forest management planning. Another important partner in the GoB's efforts to reform the forestry sector is the Swiss Government. A joint Bulgarian-Swiss project is currently underway to improve the multi-functional use of forest resources by focusing on the introduction of modern forestry methods.

In the baseline scenario, important questions remain unanswered: "How will biodiversity objectives be effectively integrated into the new forest management and forest use framework?" "How can Bulgaria exploit its forestry resources more efficiently while still conserving global and national biodiversity values?" Current capacity is inadequate to the task. No one is assigned responsibility for biodiversity issues at the State Forest Units, for example. At the National Forest Department in Sofia, two people work on protected area and biodiversity conservation issues. There is a need to demonstrate how to integrate biodiversity conservation objectives and practice into the emerging forest management system in the Rhodope region.

Agriculture: EU agricultural policy and the privatization of 80% of agricultural lands are profoundly transforming Bulgarian agriculture and with it landscapes like the Rhodope. EU agriculture policy is multifaceted and its influence upon the agricultural landscape of the Rhodopes (comprising 23% of the total area) is and will be complex and often contradictory. On the one hand, EU influence will serve to more rapidly modernize Bulgarian farms in terms of their mechanization, productivity, and intensiveness of land use. On the other,

EU agricultural policy also emphasizes sustainable rural development, the maintenance of traditional landscapes, and the adoption of environmentally friendly technologies.

The overall trend for EU agricultural policy, points towards more and more land being removed from intensive food production through cropland set-aside programs in order to reduce costly food surpluses. This points towards future EU agricultural policy directing more resources towards maintaining traditional landscapes because without more proactive management, this could create “either/or” landscapes where either large-scale open agricultural areas or closed forest dominate. In the absence of proactive management, relic landscapes such as the Cultura Mista in Italy, and agropastoral landscapes of the Rhodope Mountains could disappear.⁹

The rise of the private sector is the second main area of transformation in Bulgarian agriculture. More than 80 % of all agricultural lands are now in private hands comprised primarily of an estimated two million family farms operating at a low level of mechanization. Government policy is beginning to reflect this reality as well. New formed or currently forming farmer associations such as the Bioselena Foundation for Organic Farming will be important actors in accessing SAPARD funding in order to integrate biodiversity and ecosystem management into agricultural practice.

The *National Plan for the Development of Agriculture and Rural Regions (NPDARR)* of 1999 establishes the priorities for Government and EU agriculture and rural area development assistance. Six measures are relevant to Rhodope. The plan encourages and supports farmers in adopting organic agricultural practices such as low-intensity pasture systems, conserving high value habitats in the agricultural environment, maintaining landscape and historical features, and applying environmental planning. Although the concept of seeking certification of sustainable agriculture practices and subsequent price premiums paid for certified organic products is gaining ground in Bulgaria, the markets are still largely undeveloped.

In addition, the NPDARR will support the modernization of forestry practice in areas like the Rhodope through improved afforestation, forest management, wood processing and marketing and improved vocational training. The sustainable management of water resources will be supported. The plan supports the development and diversification of economic activities in the Rhodope region as well as the renovation and development of villages and the conservation of rural heritage

Under the recently passed *Farmer Support Act (FSA)*, government support to farmers will be provided through financial, structural, and organizational measures, extension services and capacity improvement programs. Under the

⁹ Alterra 2002.

Act, GoB will extend investment credit to farmers in Rhodope in line with a Farming in Mountainous Regions program to promote alternative agriculture by combining the restoration of some traditional pastoral, beekeeping and other practices with the promotion of organic agriculture. The FSA marks the first time in Bulgaria that Government policy includes incentives or financial dispositions for good farming practice.

Indigenous livestock breeding and conservation is also beginning to benefit from private sector organizations, such as the Association of Bulgarian Rhodope Livestock. Traditionally, MAF's Agency for Selection and Reproduction of Livestock (ASRL) has been responsible for managing breeding programs for livestock, for issuing breed certificates and for the *ex-situ* preservation of genetic material. Funding constraints have prevented the ASRL from focusing much attention on indigenous breed conservation. The Institute of Mountain Agriculture and Stock Breeding has done some research and *ex-situ* conservation work with indigenous breeds, but there is no program to secure the place of indigenous breeds on-farm through extension services and innovative, market-based mechanisms and incentives.

Moving to fill this need, a number of breeding associations have formed: the Bulgarian Association for the Iskar Cow and the Bulgarian Association for Native Sheep. These associations and their members are promoting different species of native livestock and are developing a carefully managed *in-situ* conservation program comprised of extension/outreach programs targeting current and new breeders and the rigorous keeping of stock books.

The government has recognized the value of engaging NGO partners in the management and conservation of particular breeds, and in 2001, allowed the breeding associations to be certified by the MAF as the responsible association for a particular breed, enabling indigenous livestock to be certified, and qualifying the group for support under the NPDARR and other programs. The Swiss Government is supporting an experimental program in the Eastern Rhodope working with farmers to re-establish the use of Karakachan sheep and Rhodope short-horn cattle. The program is strengthening local breeding associations.

Water management: Water management is the third crucial habitat/resource in the Rhodope landscape that is undergoing a transformation in terms of the benefits that water will be managed to produce. Previously, water was perceived as being purely a commodity and was managed for its hydropower and irrigation potential. The new water law, passed by the Government in 1999, includes a much broader definition of the benefits that good water management can provide Bulgaria. The law requires that all waters and waterbodies be preserved in a way that does not deplete, pollute or otherwise damage them and that preserves aquatic ecosystems and associated riparian zones. Significantly it also requires the "minimum admissible flow" in any given river or stream to be

determined by the minimum requirement for maintaining aquatic and riparian ecosystem integrity.

The law defines the river basin as the basis for water management in Bulgaria and calls for the establishment of four River Basin Directorates (RBD). The newly established *East Aegean Sea River Basin Directorate*, based in Plovdiv, covers virtually the entire Rhodope region. There remains a host of implementation hurdles and barriers to overcome in the field. Many questions need to be answered, for example: “What is the minimum flow needed to maintain aquatic ecosystem integrity?” “What indicators should be used to measure aquatic ecosystem integrity?” “How can reservoir management be re-oriented so as to provide for irrigation, power, and aquatic ecosystem integrity?”

Another important aspect of the reorienting of Bulgarian water law is the growing involvement of the non-governmental and private stakeholders. The law calls for the establishment of voluntary water user associations to facilitate the local management of wastewater, hydropower, irrigation; the prevention of catastrophic floods through afforestation of river basins, and the preservation and protection of water ecosystems. Water user associations have just begun to form in the latter of 2002. So far none have formed in the Rhodope region, but the project is in touch with this process and water user associations will be important partners to help re-orient water use in the pilot water areas.

Policies and Incentives for Biodiversity Conservation: Market mechanisms are beginning to creep into the conservation sector in Bulgaria. A GoB/USAID project is investigating how different financial mechanisms might be utilized to support conservation and protected areas as well as benefit people outside protected areas. Protected areas are beginning to charge entrance fees and Government is considering allowing some of those fees to remain with the protected area, providing an incentive to strengthen the management of some areas.

There are no policy incentives for encouraging behavior that conserves or restores biological diversity. Indeed, the whole concept of creating markets for environmental services or using tax or other incentives to change peoples’ behavior to conserve or restore the environment is in its nascent stages in Bulgaria, as it is in most countries.

Since the Rhodope mountain region serves as the watershed for the Arda and Maritza Rivers, two of the country’s most important, the concept of water users paying to maintain the watershed has some traction. At present, in Bulgaria as in most other countries in the world, consumers pay for only a fraction of the actual cost of providing water. Traditionally, the economy considers many natural resources such as water to be unlimited and assigns them a low economic value. In the case of water, the costs of maintaining its source are not factored into the price users pay. This means that while the water services

provided by a properly managed watershed are valuable to downstream users, upstream decision makers are not adequately compensated for the social benefits they help to produce by applying sustainable land management practices.

But, the development of incentives for biodiversity conservation is hampered by the fact that few decision makers understand the values and benefits (economic) of biodiversity conservation and ecosystem health. Although there is some understanding of the importance of ecosystem services like watershed protection, the provision of drinking water, and the prevention of soil erosion, these have not been quantified and even the concept of quantifying them in terms of the actual value of intact forest, over and above the market price of timber products is foreign to most planners and decision makers. As a result, few decision makers take ecosystem services into account when reviewing or preparing regional or sector economic development plans. This hampers the development of political and fiscal incentives to maintain ecosystem services and conserve biodiversity.

Biodiversity Conservation & Environmental Management: The conservation of biological diversity at the landscape scale is a new concept in Bulgaria, as is the integration of conservation and development. The existing protected area system is tremendously important and valuable for conservation, but it was largely established under the old paradigm of separating humans from nature – conserving biodiversity in “protected areas” and ignoring the surrounding landscape. This is changing as Bulgaria revises its policies and new developments in conservation biology, and landscape ecology begins to influence thinking. Indeed, the modest Block B preparatory process has had a marked influence on thinking in this respect.

To date conservation efforts in the Rhodope have focused on protected areas. Among the reserves that GoB has established in the Rhodope, four are UNESCO biosphere reserves, five strict nature reserves (IUCN-I), ten managed reserves (IUCN-IV), 81 nature monuments (IUCN-III), and 36 protected sites (IUCN-VI). Most of these areas are either too small to conserve viable populations of flora/fauna or were not established to do so. Areas relevant to this project include the IUCN Category I, IV, and VI areas and the biosphere reserves – a total of 55. The fragmented nature of conservation activities in the Rhodope prompted the National Biodiversity Conservation Plan (NBCP) to list the region as a high priority for a landscape approach to biodiversity conservation. In response, the government proposes to establish two landscape-scale Nature Parks in the Rhodopes (IUCN Category V). The extent of the Nature Parks will cover approx. 2,500 km² in Eastern Rhodope and approx. 4,000 km² in the Western Rhodope.

The NBCP and the Protected Areas Act lay the foundation for the Nature Park designation (IUCN- V) in Bulgaria. Nature Parks are special management designations that facilitate sustainable development and conservation in a

designated area. IUCN defines them as a place “where the interaction of people and nature over time has produced an area of distinct character with significant aesthetic, ecological and/or cultural value. Safeguarding the integrity of this traditional interaction is vital to the protection, maintenance and evolution of such an area.” In Bulgaria, their purpose is to conserve biological diversity, develop tourism, and other scientific, educational and recreational activities, and promote the sustainable use of renewable natural resources.

In theory, the Nature Park designation provides a policy “vehicle” or framework for integrating conservation and development. In practice, nature park designations in other parts of Bulgaria have had mixed results stemming from several weaknesses in implementation: 1) coordination among different sectors and stakeholder interests in a particular area was ineffective because the NP had few resources to effect this coordination; 2) NP administrations have not worked cooperatively enough with local stakeholders; 3) Institutional support within the MAF for NPs has been inadequate; and 4) regional planning was done in an outdated manner, and did not correspond to contemporary institutional, legal or land-use planning requirements.

Two ministries are responsible for biodiversity conservation: the MEW and the MAF. The MEW is responsible for developing and implementing national environmental policy. Biodiversity conservation is the responsibility of its National Nature Protection Service (NNPS). MEW relies upon its network of five *Regional Inspectorates for Environment and Water (RIEW)* in the Rhodope for managing protected areas, enforcing pollution prevention laws, and monitoring natural resource use activities. MAF’s Division for Protected Areas and Biodiversity is responsible for Nature Parks (IUCN-V), Protected Territories, and Nature Monuments. MAF has its regional structures for control and enforcement – *Regional Forestry Boards (RFB)*, State Forestry Offices, and Game Breeding Stations.

The twelve people who staff the NNPS are responsible for managing Strict Nature Reserves, Managed Nature Reserves and National Parks through the National Park Directorates and RIEW. The RIEW often assign one or two people to nature conservation issues, but this is far from sufficient due to the large territories over which they have responsibility and the fact that many have a much broader environment portfolio, including air and water quality. The statistics speak for themselves: of the 55 protected areas of interest in the Rhodope Region, only four of the twelve areas greater than 500 ha in size are regularly patrolled by a guard/ranger. None of the protected areas in Rhodope are managed on-site; all are “managed” remotely by the RIEW or RFB.

PA management: Protected area management also has been somewhat in limbo, as these major reforms work their way through civil society. For example, with the completion of land restitution, some protected areas will be comprised of state, municipal, and private land. As these first major steps of reform are completed, new management approaches for these areas will need to be

explored. Management of protected sites will need to be rooted more in local circumstances and in participatory and community-based approaches. This is beginning to happen - NGOs have been recently permitted to become partners in PA management, for example. This decentralization and contracting out of management responsibilities is a nascent trend in Bulgaria, as government seeks to do more with less funding.

Few protected areas in the Rhodope Mountains have management plans or data from ongoing field research. In accordance, there is very little baseline information on which to hinge a conservation program and/or a monitoring program. This fact holds especially true in the Western Rhodope. In the Eastern Rhodope the situation is slightly better because of the work undertaken by the Bulgarian Swiss Biodiversity Conservation Programme (BSBCP), which is strengthening management of three protected areas by training of staff, strengthening RIEW offices, developing and implementing management plans, and supporting regional dialogue.

At present there are no specific institutions responsible for doing research and /or collecting biodiversity data in Bulgaria, and large parts of the Rhodope region have never been surveyed. Many of the areas that have been surveyed have not been revisited in 15 years or more. What little information exists on biodiversity in the Rhodope is spotty. A critical component of a landscape approach would be to form a clearer, more comprehensive picture of the actual landscape and its biodiversity values. In practical terms the research done in Bulgaria is mostly undertaken by NGO's or Academia. But this is done in an ad hoc and uncoordinated manner and is based on the particular interests of different individuals, institutions and organizations. This leads to a range of survey and sampling methods that hampers standardized assessment, analysis and evaluation of data.

Very little is done in the area of data management and Geographic Information Systems (GIS). MEW is responsible for creating a GIS overlay for the protected areas but funding constraints slow the process. A planned GoB/DANCEE project will map protected areas in Bulgaria. Similarly, no monitoring program exists to monitor basic environmental and biodiversity parameters in the Rhodope. Some monitoring is done mostly by NGO's and Academia on an *ad hoc* basis. The Environment Executing Agency under MEW is responsible for monitoring environmental parameters centrally, using information fed to them by the RIEW. Unfortunately biodiversity-related information does not comprise part of the information relayed to EEA for monitoring and follow-up.

Conservation Financing: Financing for conservation in Bulgaria has traditionally come from the national budget for "traditional" kinds of conservation activities like the establishment of protected areas or pollution prevention. Municipalities have also contributed some budget resources to these programs. As in most countries where GEF works, conservation financing has suffered chronic shortfalls. However, this is beginning to change. As Bulgaria

begins to access more EU pre-accession funding, the definition of “conservation” is broadening to include sustainable rural development and traditional landscapes, opening up the potential for long-term funding from EU Common Agricultural Policy (CAP) funds to maintain traditional landscapes such as the Rhodope.

In another promising development, the GoB has approved recently a Trust Fund for Protected Areas, initially suggested by the Biodiversity Conservation & Economic Growth Project (USAID). The fund will build upon the existing institutional structure of the National Eco Trust Fund, established as the result of a Bulgarian-Swiss Debt-for-Nature swap. With US\$ 6 million from GoB and \$14 million from co-funders, the fund will be capitalized at \$20 million. Any protected area will be eligible for support under the fund, including Nature Parks. It is estimated that annual investment returns from a \$20 million fund would allow the fund to allocate between \$1 - \$1.3 million per year. In addition, the National Environment Protection Fund is able to support modest research and conservation programs.

Economic development baseline situation

Traditional livelihoods: At the village level, animal husbandry is crucial to the household economy. Each family has small herds of cattle or goats or flocks of sheep that are moved back and forth from valley pasture to mountain meadow in the European alpine transhumant tradition. This tradition diminished significantly during the socialist period. Farm cooperatives began to marginalize indigenous domesticated animals, such as the Karakachan sheep and the Rhodope short-horn cattle, in favor of higher yielding animals. But the introduced breeds promoted by the state did not adapt well to mountain environments, including the Rhodope region, as expected and so remnant populations of indigenous breeds remain. An important ecological effect of this ancient traditional grazing pattern is the patchy meadow/forest landscape partly responsible for creating the conditions upon which the Eastern Rhodope’s rich biodiversity depends. The Bulgarian Society for the Protection of Birds (BSPB) has initiated a pilot project to demonstrate range management in forested areas using Rhodope Short-horn cattle.

An important part of the subsistence and commercial agricultural economy in the Rhodope involves the collection and production of non-timber forest products (NTFP), particularly porcini mushrooms, berries and herbs and honey. The Block-B socio-economic survey revealed that, 34% of rural residents collect herbs/medicinal plants, and 27% gather mushrooms and wild fruits regularly for subsistence use. Nearly one out of four households use firewood for their energy needs. The estimated value of these NTFP for the typical rural household in the Rhodope is between 280 and 480 leva per year, equal to or exceeding average household income levels.

Beekeeping, despite a drastic fall in numbers of hives since 1980, still generates significant income for the local economy. The quality of Bulgarian honey is

very high, and the activity is recognized as one of the activities for which SAPARD funding is available. Thus both activities could, if rightly promoted, produce even greater benefits to many of the smaller communities throughout the Rhodope.

New livelihood developments: The GoB recognizes tourism as an important growth area for the country and in particular for the regional economy of the Rhodope. The region is a popular recreation area for Bulgarian tourists (fishing, sightseeing), hosting approximately 500,000 visitors per year from the neighboring city centers of Haskovo Plovdiv and Pazardzhik. More than 4,000 birdwatchers visited the city of Madjarovo in the Eastern Rhodope, and the high numbers of visitors to the town have triggered local privately funded initiatives for more than US\$ 400,000 including the construction of a new hotel.

In June 2002 the new Tourism Strategy placed particular emphasis on the eco-tourism sector. The GoB has designated the Rhodope region as a priority region for the development of eco-tourism and there is a growing level of government and donor funding for this purpose. Though in its infancy, eco/cultural tourism has created a new window of opportunity for entrepreneurs in mountain villages of the Rhodope. In 2001, several thousand tourists engaged in this kind of tourism. Caves are a major attraction in the Western Rhodope's Trigard and other gorges both for casual tourists and more serious spelunking.

Government and donor funding of development: The remoteness of the Rhodope and relatively low income levels of the population put it at the top of Government's development agenda. This is beginning to translate into increased budget spending and donor funding (particularly EU) in the Rhodope Region, generating a substantial baseline for this GEF project. In 2001, US\$82 million was channeled to road repair/construction and employment generation, tourism development and water infrastructure development activities.

At the national level, there are three government development planning processes that are relevant to this project's baseline situation: The *National Plan for Economic Development (NPED)*, the *National Plan for Regional Development (NPRD)*, and the *National Agriculture and Rural Development Plan (NARDP)*. The NPED is a synthesis of the NPDARR and the NPRD and serves as the national economic development baseline for Bulgaria. The NARDP describes twelve major objectives for strengthening the agricultural sector and provides the strategic direction for the EU SAPARD (Special Accession Programme for Agriculture and Rural Development) financing. Six of SAPARD's twelve objectives are relevant to the sustainable development baseline of this project. Government has recently chosen the Rhodope region as a priority for SAPARD funding, where it will be targeted to co-fund the GEF project's sustainable development baseline.

The NPRD is the main instrument for long-term regional development policy, and one of its main tasks is to balance national, regional and local interests.

NPRD programs are eligible for financing available under the EU PHARE (Economic and Social Cohesion) program. The NPRD process takes a bottom-up approach, beginning with municipal-level economic development plans that incorporate initiatives from the local administrations as well as NGOs and other local and regional actors. These local plans are then consolidated into regional plans, which are then consolidated into the NPRD. The NPDR planning process allows local and national administrations to develop their initiatives cooperatively. This approach enhances compatibilities between local and regional plans, highlights areas of commonality and provides a real opportunity for seamlessly integrating conservation objectives into the development planning process.

To conclude, the Rhodope region has suffered in the past from a dearth of investment in its economic development. However, the region is increasingly targeted by the GoB for SAPARD and PHARE development funding. This imminent investment and its associated planning processes provide an ideal baseline for this project to build upon and “re-orient” in a more sustainable direction by “topping up” the development planning and financing process with landscape conservation planning and helping to remove the knowledge and experience barriers that prevent local stakeholders from capitalizing on these opportunities.

2 b iii. Detailed description of GEF Project “Alternative to the Baseline”

Note: See Logical Framework Matrix in Annex A for specific indicators and assumptions.

GOAL: Globally significant biodiversity is protected by conserving the biological and cultural mosaic of habitats, species and land uses that comprise the Eastern and Western Rhodope landscapes.

IMMEDIATE OBJECTIVE 1: Landscape-scale conservation is effectively operationalized in Eastern and Western Rhodope Landscape Nature Parks. (GEF Financed & Co-financed).

Output 1: Eastern & Western Rhodope Nature Parks established and collaborative management structure is operational.

Activity 1.1. Undertake public consultations on Nature Park designation and management. The campaign will target stakeholders and the wider population in the Rhodope, presenting the pros, cons and benefits of establishing a nature park, and how a nature park could become an engine for the sustainable development of the rural Rhodope economy by providing a planning framework to secure investment and other funding for economic development and income generation for the rural poor. Capacity building will be an important part of this activity. The project will train community outreach agents in the ten most populous municipalities to disseminate

information, organize and facilitate discussions and serve as points of contact. UNDP's Sustainable Rural Development Project will supplement GEF's financial support of this activity.

1.2 Establish Eastern Rhodope & Western Rhodope Nature Parks under IUCN's Category V "protected landscape" served by two Nature Park Directorates. Under this activity, MAF will establish the two Nature Parks after concluding an agreement with key stakeholders on Nature Park designation at the end of year one. As part of this designation, the MAF will establish the Nature Park Directorates (NPD) and, cooperatively with MEW, NGOs, and local municipalities, define their coordinating responsibilities, particularly in reference to the senior management committees.

Infrastructure for each Nature Park will be modest, and the offices of the NPD in ER and WR will be established through a co-funding arrangement with the corresponding municipality in collaboration with the UNDP Beautiful Bulgaria project, which will fund the restoration of the buildings selected for the offices of the NPDs. Each NP will have appropriate signage and boundaries demarcated in a clear, cost-effective and practical manner.

1.3. Strengthen capacity of NPDs to facilitate collaboration among sectoral agencies and integrate biodiversity into sectoral program implementation. GoB and EU development funding require this kind of cross agency coordination, however it is still rare and very new in the Rhodopes. This activity will demonstrate a stronger and more effective collaborative approach to development and conservation planning required under the Nature Park designation. In the Rhodope, seven disparate national and local institutions and stakeholder groups must contribute to ensure effective NP management. To this end, the project will establish the Eastern and Western Rhodope Nature Park Councils (NPC) to serve as the consultative entity among the municipal and regional development planning and the national conservation and forestry planning. Each NPC will be comprised of representatives from the municipality associations (or municipalities themselves), the MEW, the MRD, the MAF and representatives from local forestry, farming, tourism and business groups. To provide a powerful incentive for council members to work effectively through the NP framework, each NPC will play a pivotal role in securing SAPARD and other funding for the Rhodope.

The NPCs will serve as the stakeholder coordination bodies for the two Nature Parks. Each NPC will become the primary advisory body for its respective NP. GEF financing will support the first three years of the NPC operations in order to demonstrate the value of this kind of coordination, with an important milestone for project implementation coming in year four, when the GoB assumes responsibility for supporting the NPCs' semi-annual meetings.

Output 2: Information baseline established and strengthened as basis for adaptive management.

2.1: Conduct biodiversity surveys and targeted research to support proactive management. To supplement the existing information baseline, basic aerial photographic and/or satellite imagery coverage of the two nature park areas will be secured. Ground-truthing surveys and assessments will be conducted in priority areas in order to establish the basis for ongoing survey, research and monitoring.

Field surveys of priority species, habitats, and environmental parameters will be conducted over the lifetime of the project to build on the information baseline. Types of surveys will include:

- a) distribution of key species;
- b) water quality in designated sampling sites;
- c) terrestrial & aquatic habitat condition and extent;
- d) forest biodiversity in priority areas;
- e) cave biodiversity including bat roosting sites;
- f) resource use patterns, including gender and resource use, property rights, and traditional knowledge
- g) distribution and patterns of threat vectors and trends

By the end of the first six months, the project will have established a cooperative agreement among MAF, MEW, Bulgarian Academy of Science, University of Sofia, University of Plovdiv, other academic institutions, and qualified NGOs, for conducting field surveys. The surveys will be designed and conducted in a way that is sustainable in the Bulgarian context and meets the requirements for needed information set forth in the national regulations for the development of Nature Park management plans and the Nature Park Terms of Reference (activity 3.1). Project resources will enable MAF to devise a survey methodology that is standardized, low cost, participatory and that strengthens local capacity. As a long-term capacity building measure, project resources will also serve to strengthen research and information exchange partnerships among Bulgarian institutions and foreign academic and non-profit research institutions.

Limited, targeted research also will be conducted to improve understanding of ecosystem structure and function and species ecology (e.g. habitat needs, movement and feeding patterns,). Research into the correlative genetic traits of endemic livestock of global biodiversity importance and the development of regional distribution maps for both genetically pure and mixed populations will also be undertaken. This kind of targeted research will more clearly define the conservation landscape in the Rhodope.

Data will be compiled in standardized map and report formats and the survey methodology will follow recommended best practices and accepted

European standards. Surveys will be designed to be as participatory and educational as possible. For example, resource-use assessments could involve youth organizations and/or NGOs to help map the boundaries of forest use in priority habitat areas. NOAA/NASA, SPOT, Landsat and other satellite imagery will complement survey data to support GIS work.

2.2 Design and establish participatory monitoring protocols for data gathering, and analysis. Under this activity, standardized protocols for monitoring and assessment – for data gathering, analysis and manipulation – will be designed and piloted in a network of three monitoring sites in each NP. Monitoring will also be carried out to measure changes in selected populations of wildlife, in species composition, structure, and density, and the impacts on threatened habitats, species, and ecosystems from water-use, tourism, farming, or forestry. In some cases, automated monitoring systems for water quality and quantity may be appropriate and cost-effective. To minimize recurrent costs and maximize the potential for local stakeholders to contribute, the protocols will seek to involve local organizations, wherever feasible, in the monitoring of key indicators of ecosystem health, species condition, number, and location, as well as threats to the same.

2.3 Upgrade information management and geographic information system (GIS). Good, basic data management is crucial to an institution's ability to access and use the information to inform decision-making processes. Under this activity, GEF resources will support stakeholders in standardizing data management in MAF and MEW, incrementally upgrading existing databases and GIS software, linking them to a central GIS over time, and ensuring that they are adequate to manage data gathered by survey and monitoring efforts and are compatible with the international European database. The upgrade will establish the NPD's GIS capability and make data accessible remotely via the internet. This will promote the use of the data by decision makers and planners across sectors, including the private sector.

Output 3: Landscape-based approach to conservation established and operational.

Activity 3.1. Develop management plans for Eastern and Western Rhodope Nature Parks. Stakeholders will develop management plans for Eastern and Western Rhodope Nature Parks that are rooted in Bulgaria's national NP management policies and that draw upon existing knowledge and supplemental surveys and analyses described above. The plans will describe the strategic vision of the park and its conservation objectives with an overall emphasis on the sustainable conservation and use of biological diversity within a landscape perspective. The two management plans will focus and direct sustainable development and conservation efforts using a conceptual and spatially explicit methodology that systematically frames landscapes in terms of biological requirements and human uses.

Applying the landscape species approach¹⁰, these management plans will define “conservation landscapes” more comprehensively in Eastern and Western Rhodope. The biological requirements of priority species and plant or animal communities (feeding, nesting, home range, seed dispersal) will be overlaid on landscape maps in order to identify key habitats (feeding areas, nesting sites) supporting these species and particularly their placements within the landscape. For example, the priority habitats of local bat populations will be identified and mapped – from roosting to feeding – as will habitats providing services such as watershed protection and soil erosion control. Landscape-scale biodiversity conservation priorities will then be compared to the corresponding human landscape (land-use type and intensity, land ownership, etc.) using GIS capabilities.

3.1.1. Develop conservation actions for priority “landscape species” and “landscape processes”. Under this activity, project resources will support the development and implementation of conservation plans for priority endangered species and ecological processes, including critically endangered indigenous breed of cattle. The focus will be on re-orienting existing management practices to creating healthy and dynamic ecological conditions and processes. The NPCs will incorporate these into the management plans for implementation by forestry, water, grassland/agriculture, and conservation stakeholders.

Output 4: Priority conservation areas established and sustainable management regimes piloted within each Nature Park.

Activity 4.1. Designate biodiversity priority areas in each Nature Park. This activity will “ground” and decentralize the implementation of the NP management plans by enabling stakeholders to designate their priority habitats in support of the plan. The conservation planning process under Output 3 provides the strategic framework and conservation rankings for stakeholders to designate at least three priority conservation areas within each nature park. These conservation areas will be a combination of existing protected areas and priority habitats in the productive forest, grassland and aquatic/riparian landscape and will encompass the highest conservation values in each Nature Park.

Activity 4.2. Develop simple and practical management plans and participatory management agreements for each priority area. Essential to successful management of these areas, is the interlinking of area management with that of the surrounding landscape by establishing effective, local community conservation partnerships among national, municipal and NGO leaders in E&W Rhodope. To do this, the project will provide the resources necessary to bring stakeholders together in a collaborative effort to construct

¹⁰ Sanderson, E.W. et. al.

and implement ten-year management plans for each priority area. These management plans will be an integrated part of the Nature Park Management plan. Working together, national officials and local stakeholders will phase in participatory management of these areas progressively as appropriate, based on each stakeholder conservation agreement.

Project resources will also bring stakeholders together at the municipal level to construct and implement habitat conservation agreements for the priority areas that are not protected areas. The process will secure agreement among stakeholders on the special management status to be applied to each priority area based upon its biodiversity values and the environmental services it provides. For example, agreement between individual landowners for joint management of a biologically unique site might be secured. Or, a steep slope could be declared a watershed conservation area to maintain water quality or a particularly attractive, accessible place could be declared a “multiple-use” area for recreational activities based on mutual landowner agreements. These habitat agreements will be integrated into municipal development plans under Output 8, helping to re-orient development proposals prepared for funding under GoB’s agriculture and forestry development programs.

4.2.1. Pilot aquatic ecosystem conservation in priority river systems through wild and scenic river designation and management. Aquatic ecosystem conservation, especially regarding river systems, is a new field in Bulgaria. Under this activity, project resources will support the work of the Bulgarian South East River Basin Directorate to A) conduct preliminary baseline monitoring and establish corresponding restoration goals based on the historic condition of the river; and B) determine the magnitude, duration and frequency of floods needed to restore the composition and structure of aquatic and riparian ecosystems. This could include: 1) creating more natural river flows by altering the timing and quantity of water allowed through and over small dams and micro-hydro facilities; 2) conducting an assessment of how these dams could give fish a way to bypass the dams as they move up and downstream; 3) improving water quality by ensuring that water released downstream contains adequate oxygen and is at the appropriate temperature for native fish and wildlife; and 4) boosting recreation and economic growth in local communities by giving boaters and anglers more access to rivers and reservoirs, protecting habitat for wildlife and providing open space for parks.

4.3 Build capacity at the regional and municipal levels for participatory conservation and natural resource management. The project will build capacity by building trust among the disparate NGOs and levels of government to enable effective long-term collaboration. Project resources will support regional study tours and short-term training abroad for national and

local leaders on participatory protected area management and conservation. To facilitate the sharing of this new expertise, the project will organize fora for people-to-people sharing of lessons learned and best practices. The project will also strengthen capacity by establishing modest infrastructure in up to four priority areas in each Nature Park. This will include the demarcation of priority area boundaries in consultation with local municipalities and landowners.

4.4: Strengthen enforcement of conservation policies and regulations. Training will be conducted to: 1) strengthen cross-agency authorization for enforcement; and 2) strengthen the capacity of the protected area guards, the NP Directorates and the enforcement entities under the RIEW's and the Regional Forestry Boards, but with emphasis placed upon two new enforcement and management approaches. In order to maximize the effectiveness of national/local government and NGO stakeholders' combined enforcement and monitoring capacity, the project will emphasize collaborative enforcement under this activity, exploring public-private, national/local alliances, and community and NGO partnerships for collaborative management.

IMMEDIATE OBJECTIVE 2: Stakeholders integrate biodiversity into resource management and economic development policy and practice. (GEF Financed & Co-financed).

Output 5. Monitoring/evaluation applied as tool for capacity building of stakeholders.

Note: This output is closely inter-related with Output 2.

Activity 5.1. Establish basis for effective ongoing informal M&E and to support the three formal project evaluations. To do this, the project will build upon logical framework indicators. Defining the baseline situation will be critical in order to be able to monitor and evaluate change or lack thereof. Most of this baseline definition will be done as part of Output 2: Information baseline established and strengthened as basis for adaptive management. In addition, important "baselines" will be defined as a matter of course during project implementation with respect to institutional capacity and staff knowledge before training and capacity building exercises are undertaken. For example, a knowledge survey or quiz will be conducted of training participants prior to the actual training commencing. After the training has been conducted, a survey will be conducted to measure whether capacity or knowledge has or has not improved. To ensure that this work receives the attention it requires, a full time position will be created in year two to direct the project's knowledge management and dissemination, using feedback from M&E activities, research and surveys.

Activity 5.2. Monitor and evaluate project activities and outputs on an annual basis. Each year a project management consultant with experience and knowledge of the project's design and history will work with the project manager and steering committee to monitor the project's performance and make any adjustments necessary. Evaluations will be conducted three times during the five-year lifespan of the project, beginning at the end of year one, end of year three, and end of year five. The project will utilize its M&E inputs as capacity building tools to encourage "learning while doing" among stakeholder groups. Following an agreed methodology, stakeholders will participate in expert-led analyses of project progress and identify adaptations to current practices to reach agreed goals.

Activity 5.3. Defining and sharing lessons learned. This activity is designed to develop and share best and worst practices -- lessons learned.

- 1) Integrating biodiversity conservation into sectoral programs, or
- 2) Making multi-stakeholder planning and decision making processes work;
- 3) Applying landscape ecology theory to actual conservation practice
- 4) Applying user fees and environmental services fees and effectively investing them in biodiversity conservation and management.
- 5) Securing private sector buy-in and impact

Developing lessons learned is only half the challenge. Sharing these lessons effectively is the other half. To this end, the project will work closely with the UNDP Regional Office in Bratislava to create a learning portfolio of projects (GEF-financed and others) of a similar nature or addressing similar challenges. This will form the core of the project's and UNDP's efforts to use M&E outputs and project reports as inputs to larger cross-project learning and capacity building exercises. These exercises will be structured and will include elements such as publication in Bulgarian and English of lessons learned papers, learning portfolio conferences, and a portfolio analysis of lessons learned across projects.

Particular efforts will be made to link planning and finance institutions with pilot activities in sustainable resource use and livelihood development in order to maximize potential for replication. Information will also be disseminated and shared through international initiatives like the European Centre for Nature Conservation and region-wide NGO networks like REC and WWF.

Output 6. Institutional capacity to integrate biodiversity and ecosystem management objective into productive sector programs is strengthened.

Activity 6.1 Quantify values and benefits of biodiversity and ecosystem health.

6.1.1. *Under this activity, economic studies will be conducted to bolster the rationale for conservation of biodiversity and ecosystem health values.* This kind of information helps stakeholders to estimate an ecosystem's productive capacity, to recognize trade-offs being made as part of the normal decision making process, to assess the long-term consequences of those trade-offs, and to design and implement effective policies to minimize them. Experience in other parts of the world shows that highlighting the values and benefits of biodiversity can be a catalyst for tipping the policy and decision making process in favor of sustainable use and conservation of ecosystem goods and services.

One study conducted under this activity will ask the question, "What is clean water and reduced environmental risk worth and how can these values be monetized and re-invested into maintaining it?" The true value of water supply services generated in the Rhodope Mountains will be calculated and an environmental service survey will be undertaken in the Western Rhodope to elucidate and quantify the link between healthy watersheds upstream and clean water and reduced risk of catastrophic events downstream. The activity will also provide the opportunity for capacity building among young researchers by involving Universities, NGOs and qualified individuals in conducting the studies.

The following is an indicative list of the type of studies that will be conducted:

- Economic valuation of endemic livestock (breeds, traits, functions, services)
- Quantifying "dollar value" of ecosystem services and the "costs" of activities that degrade them to highlight trade-offs inherent in decision-making.
- Market attributes & economics of extractive use and non-extractive use;
- Non-market and non-use values;
- Impacts of resource use and visitation on habitat health;
- Tourists' willingness to pay protected area entrance fees.
- Feasibility of environmental service-based finance mechanism.

Activity 6.2. Train technical staff in how to integrate biodiversity and ecosystem management objectives into productive sector programs. This activity will enhance the skills and the availability of tools for technical staff in key Ministries.

6.2.1 *Reinforce the ability of institutions to access and analyze information on biodiversity and ecosystem health.* To effectively integrate conservation and development, decision makers and managers need to know where to access and how to apply information to policy development and resource management. Uncertainty and lack of information are constraints that decision makers must face daily. To be able to incorporate information into the decision making process, one has to be able to learn while doing: to manage adaptively. Project resources will strengthen the capacity of key decision makers at the national, regional and municipal levels to utilize information for management purposes through hands-on practical demonstrations. Key staff from the main Ministerial departments will

receive training in adaptive management. Knowledge testing administered before and after training sessions will assess training results.

Information management and data analysis training will bolster the capacity of:

- ⇒ Ministry of Agriculture and Forests (MAF), including the National Forest Department, Nature Park Directorates, State Forestry Units, and Municipalities to collect and analyze data on timber, non-timber forest product use, and socioeconomic data, including the use of new software and econometric models for cost-benefit analysis.
- ⇒ Ministry of Environment and Waters/Regional Inspectorates and Regional Forestry Board (RFB) and NPDs to analyze data on forest biodiversity and forest resource use patterns, and inform decision makers on forest resource management.
- ⇒ Ministry of Regional Development and Public Works, the Ministry of Economy to analyze and apply information to improve on-going management of economic development planning, including “best environmental practice” infrastructure engineering options.

6.2.2 Enhance technical capacity for biodiversity conservation and ecosystem management. Project resources will provide in-country training opportunities, as well as short-term opportunities abroad, to strengthen understanding of integrated disciplines. Up to fifteen individuals will be selected on a competitive basis and given short-term training in natural resource management, conservation biology, regional planning, and landscape ecology. The project will also strengthen the capacity of regional research and extension centers to assist farmers and herders in promoting *in-situ* conservation of animal genetic resources by providing key staff with training in outreach and extension work as a complementary activity to the work already being conducted by the Swiss Government, as described in the baseline section.

Activity 6.3. Strengthen the implementation of existing laws to integrate biodiversity into productive sectors (forestry, agriculture, water)

6.3.1 Formulate clear, integrated natural resource management and biodiversity conservation policies and implementation procedures. Under this activity, the stakeholders will formulate and adopt an integrated resource management policy that will harmonize the different government Ministries’ policies on forest, water, and agricultural resource use and management. This policy will include a requirement to elaborate and implement management plans for species under threat or in danger of becoming threatened and the integration of these management plans with regional development planning. Policies and implementation procedures will be strengthened to support local management at the Oblast (regional) level. This activity will build upon the GoB/World Bank Forestry project’s work in strengthening forest policy. For example, forestry policy will be modified to require the management of forest for values such as biodiversity

in addition to timber production, by way of encouraging multi-cropping, enhanced habitat heterogeneity, and maintaining meadows.

6.3.2 Heighten the effect of existing environmental policy on development practice as well as its ability to integrate biodiversity objectives. Project resources will help the Ministry of Environment and Water improve its environmental review function with respect to economic development (forestry, agriculture, tourism, water management) practice. Clear implementation and enforcement procedures for all Ministries for environmental protection policy will be established.

Biodiversity related guidelines, criteria and codes of practice will be formulated and incorporated into sectoral programs such as regional development planning, forestry, water, and agriculture management, and environmental impact assessment practice. This will include action points for maintaining the natural habitat mosaic across the Rhodope landscape, including: 1) specific actions forest managers can take to maximize habitat diversity within a forest; 2) specific actions farmers can take to manage grazing to maintain mountain meadows; and 3) ecological farming methods that will encourage habitat diversity in an agricultural ecosystem context.

Output 7. Forestry, tourism, and farming practices are re-oriented to support conservation while improving livelihoods.

Activity 7.1. Align municipality and private sector development priorities with landscape conservation priorities. The NPRD and NPDARR constitute an ideal baseline for “re-orientation” in a more sustainable direction by integrating conservation and development in the planning and implementation stages. Under this activity, GEF, UNDP, and other project co-funding will help stakeholders overcome knowledge and experience barriers that prevent them from pursuing alternatives under the SAPARD and PHARE economic development initiatives.

UNDP co-funding will assist municipalities preparing PHARE and SAPARD proposals that are complementary to the landscape and habitat conservation plans developed under Output 3. Training in business plan development and project formulation will be provided. The U.S. Peace Corps will provide volunteers to assist municipalities in developing projects for PHARE and SAPARD funding. Further more they will assist the selected municipalities in developing municipal habitat conservation plans through participatory, “hands-on” training and non-formal multidisciplinary education.

GEF financing will help municipalities and private entrepreneurs to integrate biodiversity objectives into their NRDP development priorities and ensure that proposals are supportive of conservation goals under the landscape conservation plans and municipal habitat plans defined under

Output 3. UNDP co-funding will support business skills training, refurbishment of facilities, and vocational training and provide skills and micro-enterprise training.

Co-funded livelihood programs, GoB/PHARE and GoB/SAPARD, will finance private entrepreneurs in developing new sustainable tourism, agriculture and forestry businesses in a way that bolsters conservation objectives, provides incentives for conservation, and leverages development funding to support conservation action in these sectors, thus making the process of planning and implementing development in the region more biodiversity-friendly. GEF financing will target these programs with capacity building exercises to strengthen their staffs' abilities to identify biodiversity friendly proposals and develop specific criteria for eligibility for funding.

Activity 7.2 Demonstrate model sustainable forestry under existing funding programs. This activity will enable forest owners to shift to sustainable forestry practices in priority areas, thereby contributing to enhancing landscape values by conserving biodiversity and promoting the maintenance of the natural habitat mosaic.

Project resources will serve to re-orient SAPARD program #1.4: Forestry afforestation of agricultural areas, investment in forest holdings, processing and marketing of forest products. UNDP co-financing will enable local stakeholders to target proposals to the GoB/EU-SAPARD program based upon specific project measures established in the SAPARD program. Vocational and business training, technical assistance and financing will be targeted towards those stakeholders impacting priority habitat areas. GEF resources will provide the expertise to orient this assistance in a biodiversity friendly manner.

Project resources will support the demonstration of certified forestry practices in cooperation with at least one forest cooperative. The project will work closely with the Ministry of Agriculture and Forests, the World Bank/GoB forestry initiative, the Bulgarian Swiss Forestry Programme, and the Bulgarian Forest Certification Association. This activity will also emphasize the identification of markets and formulation of a market strategy for certified forest products.

Activity 7.3 Demonstrate model sustainable agriculture initiatives under existing funding programs. This activity will be largely financed by non-GEF sources and will focus on: 1) promoting organic agriculture and 2) programs and market based mechanisms to promote conservation of agricultural biodiversity and cultural heritage values in the agricultural landscape.

Co-funding and GEF's incremental financing will train and empower farmers to pursue organic and conservation farming in the Rhodope region. Project resources will help farmers to adopt conservation farming practices in targeted priority areas by accessing SAPARD funding under the GoB/EU-SAPARD measure #1.3: "Development of environmentally friendly agriculture practices and activities." UNDP co-financing will support vocational and business training, and technical assistance and financing for those stakeholders impacting priority habitat areas and promote farmer-to-farmer exchanges on alternatives that work. GEF resources will provide the expertise to orient agricultural initiatives and adopted practice in a biodiversity friendly manner, maximize habitat values in agricultural ecosystems and minimize impacts from sedimentation, pollution run-off, pesticides, on aquatic ecosystems. Stakeholders will work closely with MAF, the GEF/IFC European Conservation Farming Initiative, and the Swiss/GoB "Balkan BioCert" initiative for organic food labeling to identify and exploit markets for locally produced organic food.

Effort under this activity will also focus on the conservation of agricultural biodiversity and cultural heritage values in the agricultural landscape. More specifically, project activities will:

- 1) identify and demonstrate incentives for farmers and herders to maintain pure endemic livestock, including communal herding of nucleus herds (GEF);
- 2) establish and maintain community/association managed *in-situ* nucleus herds, composed of purebred animals obtained from members and others (GEF);
- 3) empower local action by strengthening farmer associations to manage and selectively breed remaining herds for endemic traits (co-financing/GEF);
- 4) develop market niche for autochthonous livestock breeds like Rhodope shorthorn cow (EU);
- 5) educate farmers in integrated pest management, minimization of fertilizers/chemical inputs, protection of crop pest predators, soil biota. (UNDP, Swiss, EU);
- 6) promote farmer-to-farmer information exchanges on solutions, lessons learned and best practices (UNDP).

Activity 7.4 Demonstrate model sustainable tourism initiatives under existing funding programs. Under this activity, municipalities will target proposals to the GoB/EU PHARE program in support of NP management plan priorities.

Tourism infrastructure in designated priority areas will be strengthened and developed in a biodiversity-friendly way. UNDP funding will support tourism vocational and business training, technical assistance targeted on those stakeholders impacting priority habitat areas. UNDP's Beautiful

Bulgaria program will finance trails, restoration buildings for visitor centers, parking areas and signage. Similar eco/cultural tourism activities will be financed under the PHARE program to be implemented by Ministry of Economy.

GEF resources will provide the expertise to evaluate the carrying capacity of priority areas and to establish management and monitoring guidelines for the sites in order to make the evaluation of tourism impact on biodiversity and habitat quality possible. The project will work closely with the USAID financed Local Government Initiative’s Regional Tourism Council in the Smolyan region of Western Rhodope. The purpose of the Council is to bring stakeholders together to harmonize tourism development strategies and to build specific action plans that recognize the relationship between the regional and local government plans, NGOs and businesses. GEF incremental resources will enable the Council use the biodiversity “story” as an important backdrop not only for the marketing of the products but also in the planning process, making this an important test area/pilot site for integrated tourism development within Nature Parks.

Note: Market development for sustainable products will be an important part of each one of the activities under Output 7. Market analyses will be commissioned for organic agriculture, certified wood, and native livestock products. Expert market consultants will be brought in to do these assessments. Workshops will be held as part of the SAPARD program to help people learn how to access the identified markets.

Output 8: Secure financing for sustainability of applied conservation and cross-sectoral coordination.

Activity 8.1: Finalize and approve plan for achieving sustainability for Nature Park operations and livelihood development. Under this activity, Nature Park Councils will further develop, discusses and approve a plan by end of year one for achieving NP sustainability by the end of the five-year GEF project and securing funding to meet the annual funding needs per table 1. Government will be providing funding through it normal channels: the national budget, the National Environment Protection Fund and the newly established National Parks Fund.

Table 1: Analysis of Annual Funding Needs to ensure the Sustainability of Effective Nature Park Management and Landscape Conservation.

Primary project-inspired activities to be sustained	Existing Annual Funding	Re-current Costs	Annual Funding Needs
1. Nature park management/administration			
⇒ A. Eastern	130,000	130,000	0.000
⇒ B. Western	145,000	145,000	0.000

2. Cross sectoral coordination	N/A	45.000	45.000
3. Education & awareness program	15.000	55.000	40.000
4. Capacity building and training	10.000	60.000	50.000
5. Monitoring,	N/A	50.000	50.000
6. Targeted research	50.000	50.000	0.000
7. Species conservation activities	50.000	110.000	60.000
8. Conservation area management	20.000	80.000	60.000
Total:	420,000	725,000	305,000

These sources are expected to be able to fund recurrent costs according to the following proportions: a) Annual allocation from national “Parks Trust Fund” supporting 35% or \$107,000/year by end of year 5; b) The National Environment Protection Fund supporting 5% or 15,000/year; c) Park entrance fees supporting 5% or 15,000/year by end of year 4; d) tourism tax supporting 10% or 30,500/year by end of year 5; e) forestry management fees supporting 10% or 30,500/year of re-current costs by end of year 5; f) EU support for rural development/agriculture and maintaining traditional & relict European landscapes supporting 35% of NP management costs by end of year 5 or 107,000/year.

Activity 8.1.1 Position the Eastern and Western Rhodope Nature Parks as key institutions for maintaining traditional landscape values under EU Common Agricultural Policy designed to maintain relict European landscapes. Under this activity, the project will engage decision makers among the key Ministries of the Bulgarian Government and the EU delegation in considering this option for ensuring the long-term sustainability of Nature Park management, conservation and sustainable development in the Rhodopes.

Activity 8.1.2 Develop specific fiscal and tax and policy incentives for resource users and managers. This activity will focus on developing economic, social and policy/tax incentives for: a) farmers to adopt ecological farming practices and maintain indigenous breeds of livestock, b) foresters to adopt multi-cropping and certified forest management practices, c) tourism operators to adopt low-impact practices, and d) municipalities to conserve biodiversity in local areas. The goal is for these incentives to be in place by end of year 5. The project will finance an environmental services-based financing options paper circulated by the end of year 3.

2 b iv. Incremental Cost Estimation based on the project logical framework.

Process used to jointly estimate incremental costs with Government of Bulgaria.

During the project development process the incremental concept was an integral part of the ongoing project development discussion in many meetings and brainstorming sessions. The concept helped the team to focus on securing non-GEF financing to strengthen the sustainable development baseline associated with the project. The IC concept also served to sharpen the focus of our preparatory thinking w/respect to conservation-related, incremental outputs and activities.

Project outputs, activities and costs that result in mostly GLOBAL benefits.

Output 1. Eastern & Western Rhodope Nature Parks established and collaborative management structure is operational.	594,000
Output 2. Completed information baseline.	527,500
Output 3. Landscape level conservation & management plans for Eastern & Western Rhodope.	498,000
Output 4. Priority conservation areas established and sustainable management regimes piloted within each Nature Park	689,000
Output 5. M&E, adaptive management, disseminate lessons learned.	392,960

Project outputs, activities and costs that result in GLOBAL and NATIONAL benefits.

Output 6. Strengthened institutional capacity to integrate conservation objectives into productive sector programs.	398,000
Output 8. Secured financing for sustainability of applied conservation and cross-sectoral coordination.	146,000

Project outputs, activities and costs that result in mostly NATIONAL benefits.

Output 7. Forestry, tourism, and farming practices re-oriented to support conservation while improving livelihoods.	300,000
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Total incremental costs: 3,545,460

c) Sustainability (including financial sustainability)

This project has been designed to enable the institutional and financial sustainability of project-inspired changes in practice in the years following the completion of the project period. Two assumptions underlie the project's approach to securing sustainability: 1) that the project's outputs and activities are largely (though not entirely) achievable with existing institutions, financial resources and personnel; and 2) that EU financing of sustainable development programs will be maintained and even increased in Bulgaria's future.

In considering sustainability, the project distinguishes three different areas in need of sustaining:

- 1) Institutional Nature Park management-related activities,
- 2) Sustainable development/mainstreaming activities, and
- 3) Conservation activities.

With respect to institutional sustainability of the Nature Parks, the GoB is committed to funding the operating/management costs of each nature park. Included in this project brief is a letter from the Ministry of Agriculture confirming US\$1 million in additional funds as to cover NP management costs. This kind of commitment ensures the sustainability of NP management and provides the sustainable institutional basis for supporting the long-term application of changed practices. A crucial supplement to this core commitment is the project's emphasis on developing and strengthening partnerships as a key part of the project's approach to sustainability. The project will strengthen existing or strengthen newly formed collaborative partnerships among national, regional and local officials across the traditional sectoral boundaries.

With respect to sustainable development/mainstreaming activities Bulgaria is in a particularly advantageous position vis-à-vis its future financial and institutional capacity. Bulgaria is eligible for and is receiving significant assistance from EU pre-accession programs such as SAPARD and PHARE. This EU financing complements Government financing to transform moribund and/or environmentally destructive economic sectors and practices into sustainable, viable generators of jobs. As agricultural policy and practice in Bulgaria evolves towards EU standards, it will eventually include policy incentives or financial dispositions for good farming practices and the promise of significant funding for the maintenance of traditional landscape integrity in the Rhodope. The project is designed to integrate biodiversity-based approaches to these EU-supported agri-environmental schemes, thus re-orienting them over the long term.

With respect to conservation, as highlighted in the table under Output 8, improved conservation work within the protected area and conservation area management, monitoring, and research, and mainstreaming will all be funded from a combination of sources to be secured during the five year lifespan of the project. PDF-B discussions deemed this approach to be realistic for two reasons:

- 1) As agricultural policy and practice in Bulgaria evolves towards EU standards, it will eventually include policy incentives or financial dispositions for good farming practices and significant funding for the maintenance of traditional landscape integrity in relict European landscapes like the Rhodope. This is already a priority in other EU member states. The project envisions securing 35% of its estimated recurrent costs from EU Agricultural Sector funds by the end of 2009.

Securing this support comprises important milestones during project implementation. These programs are crucial to the project's strategy of integrating conservation into ongoing development practice and fostering cross-sectoral planning and implementation while enhancing sustainability. Project preparatory work has carefully aligned project inspired activities with current and growing GoB and EU funding programs.

2) Bulgaria's Parks Trust Fund (PTF) is another import financing mechanism that will enable the continuation of project-inspired practices in Nature Park management and their recurrent costs. GoB has pledged US\$ 6 million to match the US\$ 6 million being raised in the international arena, giving the PTF a capitalization of US\$ 12 million. With a capitalization of \$12 million, and investment returns of approximately six and a half percent, the fund will be able to allocate at least \$780,000 /year, of which Rhodope NP would require only 13%. This would cover 35 % of the project's re-current costs. The additional Additional funding mechanisms are described under Output 8. .

d) Replicability

The key elements of this project have a significant potential for replicability first within Bulgaria and across the other pre-accession countries of Eastern Europe and secondly, for any country or program facing the challenge such as:

- 6) integrating biodiversity conservation into sectoral programs, or
- 7) making multi-stakeholder planning and decision making processes work;
- 8) applying landscape ecology theory to actual conservation practice
- 9) applying user fees and environmental services fees and effectively investing them in biodiversity conservation and management.

The codifying of the project's best and worst practices, and the effective sharing of these lessons will help people meet biodiversity conservation challenges in a complex conservation and productive landscape such as the Rhodopes. In a world where 95% of the land and water is not "protected" and never will be, there is a significant amount of replicability potential.

The project's approach to replicating results is described under Output 5 of the proposed alternative. First, baselines will be defined where they have not already been, particularly in terms of species and habitats and institution and individual capacities. Second, monitoring and evaluation of project progress and lessons learned will be treated as an ongoing priority and not something to worry about two or three times during the life of the project. Third, lessons learned will be disseminated to a learning portfolio of projects of a similar nature or with similar strategic challenges. Fourth, the project will use M&E outputs and project reports as inputs to larger cross-project learning and capacity building exercises. These exercises will be structured and will include

elements such as publication in Bulgarian and English of lessons learned papers, learning portfolio conferences, and a portfolio analysis of lessons learned across projects.

Particular effort will be made to link planning and finance institutions with pilot activities in sustainable resource use and livelihood development in order to maximize replication. Information will also be disseminated and shared through international initiatives like the European Centre for Nature Conservation, as well as regional NGO networks led by REC and WWF.

e) Stakeholder Involvement

2 e i. Describe how stakeholders have been involved in project development.

Stakeholder involvement.

The GEF project development has been almost exclusively stakeholder driven. Two Bulgarian environmental NGO's - Green Balkans and the Bulgarian Society for the Protection of Birds (BSPB) - developed the project concept. Subsequently, the Block B proposal and project brief were developed together with Green Balkans and BSPB and several other NGO's, academia, the MEW, MAF, and the Ministry for Regional Development.

In addition to the project development and formulation process, the Green Balkans and BSPB undertook a stakeholder consultation and information dissemination campaign in Eastern and Western Rhodope. This work provided important feedback to the project development process particularly in the latter stages of PDF B formulation.

Public involvement continued into the implementation of the PDF B project where four different NGO's were subcontracted to conduct fieldwork needed for GEF Project Brief formulation. During this work more than 60 people were involved in the formulation process and more than 1,900 people from the Rhodope region were queried in a socio-economic survey. Valuable input from stakeholders to the project formulation process was also solicited on the project's objectives, possible outputs, and strategic approach during the nine meetings held in the Rhodope Region over the course of the Block B period.

2 e ii. Describe the approach for stakeholder involvement in further project development and implementation.

The project is designed to empower civil society to take a more active role in conservation and sustainable development of the Rhodope region. For example, a council comprised of representatives from the key public and private stakeholder groups across key sectors will govern each Nature Park. Stakeholder planning groups at the municipal level will draft the priority habitat conservation plans detailing conservation actions to be taken at the municipal

level within each Nature Park. The project will use existing municipal forums as review groups. For example, the draft conservation plans will then be put to the Municipal council for endorsement. The project will empower civil society to become more involved in protected area management by establishing stakeholder working groups for each priority protected area under the project. Management agreements will be developed with each one of these groups.

The project design recognizes that participation will increase the more it is in the interest of the stakeholders to do so. Therefore, the Nature Park institutions and related planning processes will occupy a pivotal role in the programming of development financing for the Rhodope region, providing a powerful incentive for active stakeholder involvement.

A series of other activities such as workshops, seminars and demonstration activities and an attractive website for public information and interaction will ensure a solid and transparent basis for public interaction. Such interactions will heighten public awareness of the project and enable the project to capture more public feedback, and incorporate it into the project development process.

f) Monitoring & Evaluation

2 f i. The project's M&E approach: how has the project's design incorporated lessons from other projects?

UNDP-GEF is learning from its portfolio of projects that M&E has been treated in the past too often as a marginal “enforcement” type of activity. We are learning that instead, M&E needs to be considered a vital element of smart project implementation and adaptive project management. M&E should provide inputs to better a project's performance and ultimately enhance stakeholder ownership.

2 f ii. Project monitoring and evaluation

The projects approach to M&E is described in more detail under Output 5. The project's M&E approach is designed to have two tiers. The first tier is on the day-to-day “reflective practitioner” level. This will entail primarily “before and after” evaluations of training and capacity building exercises. The project will also support annual round-tables on lessons learned and cross-project learning workshops. The project's three formal evaluations conducted by outside experts represent the second tier of the project's M&E approach.

Both tiers will refer frequently to the logical framework's indicators of success for outputs/activities and means of measurement and will more finely tune or hone indicators as appropriate. Intermediate benchmarks of progress and means of measurement will be established by the end of the first year of the project's operation.

The Project Steering Committee will meet annually to assess the project’s progress against planned outputs, to give strategic directions to the implementation of the project and to ensure the necessary inter-agency coordination.

The general project work plan and the annual project work plans will be drafted by the Project Manager in consultation with UNDP, and will be subject to approval by the Project Management Committee. Detailed monthly work plans, fully in line with the agreed general and annual project work plan, will be prepared by the Project Manager and approved by UNDP and the National Project Director. The PMU staff, the NPD and UNDP, will pay regular field visits to the Rhodope Region. Field visit reports may be requested by the MAF or UNDP.

Quarterly Progress Reports reflecting all aspects of project implementation will be prepared by the PM and submitted to the Project Management Committee for review and recommendations.

Annual Project Reports (APR) will be prepared by the PM and submitted to the Ministry of Agriculture and Forests and UNDP. The APRs (prepared in UNDP format) shall assess the performance of the project and the status of achievement of project outputs and their contribution to the relevant UNDP Strategic Results Framework Outcomes. The project will be subject to annual external audit. A government authority will conduct the audit or an independent auditor engaged by UNDP in consultation with the Executing Agency.

3. FINANCING

a) Financing Plan

3 a i Project costs:

Outputs	GEF	Co-funding	Total
1.E&W Rhodope Nature Parks established and collaborative management structure is operational.	599,000	785,000	1,384,000
2. Complete and strengthen information baseline.	527,500	1,325,000	1,852,500
3.Develop landscape level conservation & management plans for ER & WR	498,000	700,000	1,198,000
4.Priority conservation areas established and sustainable management regimes piloted in each NP	689,000	4,600,000	5,289,000
5.Project management/monitoring/evaluating/	392,960	0	392,960

sharing lessons learned.			
6.Strengthened institutional capacity to integrate conservation into productive sector programs	398,000	10.000	408,000
7 Productive practices re-oriented to support conservation while improving livelihoods.	295,000	7,236,246	7,531,246
8:Secure financing for sustainability of applied conservation and cross-sectoral coordination	146,000	0	146,000
Total (US \$):	3,545,460	14,656,246	18,201,706

b) Cost-effectiveness

Cost-effectiveness is something that is difficult to measure w/respect to biodiversity conservation, but in general terms, this project’s approach of seeking to maintain biodiversity within the wider productive landscape in existing substantial areas of forest *still present* outside protected areas, is considered to be a “cost-effective” approach. The most cost-effective aspect of this project can be found in how it is designed to leverage the resources of regional development being directed towards the Rhodope to achieve the goals of biodiversity conservation as well. The idea is to integrate biodiversity conservation objectives into the productive sector, thereby leveraging the resources of a much larger “productive sector” towards the goals of a much smaller (conservation) sector.

4. INSTITUTIONAL COORDINATION & SUPPORT

a) The project’s relevance to UNDP Country/regional/global/sector programs.

The role of UNDP resides within the context of Bulgaria’s accession to the EU and is guided by government priorities in the area of strengthening sustainable human development. The thematic areas established in the first CCF (good governance, job creation and environmental protection) continue to form the central pillars of the second CCF. In addition, UNDP Bulgaria takes a programmatic approach to their planning and project development, thus creating synergies between different UNDP projects. Presently three ongoing projects have linkages to the GEF Rhodope project. More interestingly, one concept currently under development specifically targets this project’s sustainable development component, thereby making the two projects highly complementary. The mentioned projects area as follows:

Chitalishte II. The project works with 300 Chitalishte (community centers) throughout the country to restore the traditional importance of Chitalishte in village and town-level civil society. Overall the project seeks to strengthen local development and civil society by reviving Chitalishte as vibrant community centers. Although there are no direct links to the Chitalishte project from the

GEF Rhodope project, the GEF project will be able to utilize the Chitalishte network as appropriate forums for the local discussion on the landscape management planning and process.

Beautiful Bulgaria. The project seeks to restore old Bulgarian architecture and create nodes of economic revival by working with local governments to refurbish old buildings and conduct vocational training in tourism skills, and training in entrepreneurial business skills such as business development and marketing. The project targets small municipalities, one third of which are in the Rhodope region. The Beautiful Bulgaria III project complements the GEF Rhodope project by focusing on the sustainable development of the tourism sector.

Job Opportunities Through Business Support Project (JOBS) The project aims to promote sustainable business development in rural areas (including the Rhodope region) and to help Bulgarian micro and small businesses to strengthen and to create sustainable long-term jobs. A network of 24 Business Centers/ Business Incubators / Business Information Centers have been established, to provide all-out support to start-up and existing local businesses and agricultural producers.

The GEF project will benefit from this project by utilizing the established business centers in the Rhodope region, as centers for promotion of environment-friendly income generating activities. In addition, these centers should be used as windows for locals applying to the SAPARD programme.

Sustainable Rural Development Project: The objective of the project is to enhance the sustainable development of rural areas in the Districts of Pernik, Blagoevgrad, Kurdjali and Haskovo, through support to participatory strategic planning and environmentally friendly jobs creation in ten selected municipalities. Activities will focus on sustainable agriculture and forestry, and alternative tourism. The project will strengthen the capacity of the municipal authorities and local stakeholders (farmers, forest owners, businesses, NGOs, extension services providers, professional associations, cooperatives) to become leaders in promoting sustainable rural development, through support to the establishment, training and operations of Local Leader/Action Groups. A Demonstration Initiatives Fund will finance employment generation and environmentally friendly initiatives at the local level in the period 2004-2005. The project will also promote the creation of a national organic agriculture and forestry green-seal certification capacity, which would increase the export potential of Bulgarian products. The exchange of best practices through twinning of municipalities will be a key part of the programme. The project was developed to co-fund the sustainable development baseline of the GEF Rhodope initiative.

b) GEF activities with potential relevance for this project & consultation, coordination and collaboration among Implementing Agencies, if appropriate.

Bulgaria is involved in seven GEF projects in the Biodiversity or International Waters Focal Areas. Two of these are regional International Waters projects relating to the Danube River and the Black Sea. These projects have little in common geographically with this Rhodope Mountains project. However, through its cross-project learning workshops, the Rhodope project places a priority on sharing relevant lessons learned with these projects in terms of their common challenges. Because UNDP is the IA for all three projects this sharing of lessons will be facilitated even more.

The European Conservation Farming Initiative (ECFI) is a regional IBRD/IFC project, which is currently in the PDF B phase. The project seeks to introduce practices towards conservation farming in targeted ecosystems in the Central and Eastern European region. The Rhodope is an area where the ECFI will not be active. However, the GEF Rhodope project is complementary to the ECFI in the way that it will seek to promote organic farming and other conservation farming methods within the Rhodope region as part of an overall landscape conservation approach. Again, the ECFI and this proposed project stand to learn useful lessons from each other through the planned cross-project learning workshops.

The IBRD Nutrient Reduction Investment Fund is a funding program/mechanism that supports the IBRD implemented Wetland Restoration and Pollution Reduction project. The project's main objective is to rehabilitate the ecological functions of three wetlands and flood plain sites along Bulgaria's Danube riparian zone. The project is on the other side of the country from the Rhodope Mountains, and will not have direct relevance. However, many of the challenges are arguably similar and communication with the Bulgarian project office is important and will be maintained. For example, the nutrient reduction investment fund could yield some interesting public-private partnership experiences.

Bulgaria is also conducting a GEF-supported National Capacity Self Assessment (NCSA) in partnership with UNDP. It is expected that this project will influence GEF Rhodope project activities, particularly those related to the Nature Park Directorates and other governmental entities. Thus feedback and communication between the two projects may play an important role in the cross project learning activities undertaken by the Rhodope project. The same is true for the GEF-supported Clearing House Mechanism project.

Most relevant for the Rhodope project is the new IBRD Forestry initiative under development in Bulgaria. The US\$ 30 million loan, complimented by an estimated US\$5 million GEF request and an estimated US\$ 2 million carbon finance facility investment, will have the following main components: 1)

Strengthen Public Forest Sector Management; 2) Strengthen capacities of private and communal forest owners for sustainable forest management; 3) Adapting state forest management to market economy and to new realities arising from forest restitution; 4) Promotion of biodiversity conservation in forest management (GEF Component) and 5) Enhancing carbon benefits from Bulgarian forests.

Once the IBRD project/Forestry program becomes operational, it will be of very great importance to the Rhodope project, especially components 2 and 4. The two projects are similar in their emphasis on strengthening private and communal forest managers and promoting biodiversity conservation in forest management. Despite these similarities, the two projects are quite different. The IBRD project will be a large, national, sectoral program focusing on strengthening the forestry sector of Bulgaria; the UNDP-Rhodope project is a much smaller, and more targeted (both geographically and strategically) intervention focusing on landscape-scale conservation of a specific geographic region of high biodiversity through cross-sectoral integration of biodiversity conservation objectives.

In the long-term, the effects and benefits achieved under the IBRD project will have very complementary and far-reaching implications for the Rhodope project's outcomes. This particularly will be the case with the development and implementation of the new policy and strategy for the Bulgarian Forestry sector. This is also the case because the IBRD project will most likely contribute to a national trust fund for protected areas, which in turn will bolster the Rhodope Project's prospects for achieving long-term sustainability of its project-inspired practices.

Recognizing that cross project learning between these two projects will be critical, the project has specifically budgeted funds to cover the costs of round-table discussions and in-country learning visits between project actors. As has been the case during the Rhodope Block B project development phase, UNDP and IBRD will confer regularly during the IBRD/GEF project formulation process to avoid overlap and to maximize the synergies between the two projects. Furthermore, during implementation of the GEF Rhodope project, one of the Project Manager's priority tasks associated with cross-project learning will be to hold monthly information meetings with the IBRD team to exchange ideas and ensure on-the-ground coordination of project activities. In addition, the forestry project officer from WB-Bulgaria will be a member of the Rhodope Project Steering Committee. This person will serve as the focal point for cross project learning and cooperation.

c) **Project management, oversight and coordination**

Project management

The Ministry of Agriculture and Forests (MAF) is the project's Executing Agency and will appoint a Ministry official to act as National Project Director (NPD). The NPD will report to the Minister and oversee the project on behalf of the Executing Agency. The NPD will supervise the execution of the project and will represent the Executing Agency for the purposes of operational level decision-making.

A Project Management Unit (PMU) will be in charge of project activities (delivery of project inputs) including but not limited to: development and updates of the project's general, yearly and monthly work plans; record-keeping and reporting; drafting of terms of reference for consultants and sub-contractors; drafting of specifications for equipment and goods; identification and selection of consultants; collection of offers/proposals for goods and services; procurement of goods and services, preparation of contracts; coordination of consultants and sub-contractors schedules and assignments, handling of duty travel; organization of workshops, public information activities and other project events; liaison with project stakeholders at the central and local level.

During the first year of project operations, the PMU will be headed by an International Project Manager (IPM), responsible for setting up the project's infrastructure, the effective induction of national project staff and counterparts into the project implementation, as well as the effective, efficient and timely implementation of the project activities and the achievement of the planned project outputs.

A Project Manager (PM) will be appointed and will report to the IPM during the project's first year. During the second through fifth years of the project, the PMU will be headed by the PM, who will be responsible for the effective, efficient and timely implementation of the project activities and the achievement of the planned project outputs. Throughout years 2-5 of the project, the PM will report to UNDP and will coordinate the project activities with the NPD.

The project will use international, national and local consultants specialised in: monitoring and evaluation, biodiversity conservation, landscape planning, natural resources management, nature and environment economics, sustainable agriculture, forestry, alternative tourism, business development and other fields as required. The responsibility to identify the specific needs for consultants under the project, to search for consultants, and to coordinate their work plans and outputs will rest with the PMU.

Two Regional Support Centers (RSC) will be constituted: one in Eastern and one in Western Rhodope. The two RSCs will be responsible for implementation of the project activities at the local level. The RSCs will liaise daily with the PMU in Sofia and will be supervised by that PMU.

Project oversight and co-ordination

A Project Steering Committee (PSC) will be the inter-institutional strategic decision-making body for the project. The PSC will coordinate and monitor the implementation of the project. It will meet once per year to review the project's Annual Progress Reports (reflecting the status of achievement of the planned project outputs) and to take strategic decisions pertinent to the achievement of the project's objectives.

The PSC will consist of the following officials or their authorized representatives:

1. the Minister of Agriculture and Forests
2. the Minister of Environment and Water
3. the Heads of the Eastern and Western Rhodope Nature Park Directorates
4. Regional Forestry Board
5. Regional Forestry Board
6. The Rhodope Tourism Association
7. The Bulgarian Forest Certification Association
8. The Bioselena Foundation for Organic Farming
9. The East Aegean Sea River Basin Directorate
10. Rhodope Water Users Association
11. UNDP Resident Coordinator

The following will be invited and encouraged to be observers at SC meetings.

the Minister of Regional Development

the Minister of Economy

the Executive Directors of the Eastern and Western Rhodope Municipal Associations

the National GEF Focal Point

the World Bank Forestry Project

A Project Management Committee (PMC) will be established to oversee the project at the operational level. The PMC will report to the PSC and will hold quarterly, or if necessary, more frequent, meetings.

5. RESPONSE TO REVIEWS

a) Response to GEF Secretariat comments

Comment 1:

Private-sector: An integral part to meeting the objectives of the project is partnerships (public- private). In that context, the lack of mention of any private sector entities is of great concern. Please provide details on who the private

entities are, and information on the consultations that had been done with them through the PDF which reflect their buy-in.

Response:

This comment on private entities draws our attention to the fact that our discussion of private entities in the brief is diffused throughout the brief and therefore difficult for the reviewer to spotlight. Consequently, we improved and clarified the project's description of this in the revised brief.

Information on consultations: During the PDF B process more than thirty consultative meetings were held in the Rhodope Region with a total of more than 700 hundred participants representing government, NGO and private interests. While many individual farmer/forest owners and tourism operators took part in these discussions, these newly privatized interests are just becoming organized at local level. The incipient nature of private sector in the Rhodope means they don't have a lot of experience and so are not going to rush into agreements. But they're interested, as evidenced in the (ongoing) PDF consultations. In general, our experience with the private sector during the Block B leads us to expect that the private sector will be very dynamic for the next couple of years as land and resource use rights and property rights are sorted out.

The private sector in the Rhodope region is only very recently becoming more organized, as property and ownership is clarified and new owners begin to organize themselves into various associations. The project is very much in touch with this process. In fact, the Block B project manager met with the very recently formed 65-member Rhodope Tourism Association on March 26 to discuss this project and what it has to offer in helping to strengthen such associations and their collaboration within the larger socio-economic landscape of the Rhodope. Indeed, one of the aims of the GEF Rhodope Project during its initial phase is to encourage the formation of such stakeholder groups to facilitate the planning and implementation process (Output 1 public campaign).

Who are the private entities? The most important private entities w/respect to this project are: 1) the private landowners – forest and farm owners; 2) farming, forestry and tourism associations, 3) water user associations, and 4) private businesses in the project area eligible for and interested in pursuing SAPARD funding. Some of these entities include: the Union of Apiarists, Bulgarian Forest Certification Association, Bioselena Foundation for Organic Farming, the Bulgarian Association for Alternative Tourism, The Smolyan Tourism Association, and the Suitka Sport Tourist Complex Association.

In line with the new Water Act, water user associations are just beginning to be established in various watersheds across the country. At least one water users association for the Rhodope region is being formed and will be an important

partner for the GEF Rhodope Project. Again, the project is very much in touch with this process and is keen on involving these stakeholders.

Comment 2:

Capacity: Please provide some clarification on the existing institutional and enabling environment capacity as well as the absorptive capacity to undertake this project.

Response:

During the PDF B phase, we looked at issues related to absorptive capacity very carefully and concluded that, indeed, given the mix of government and NGO institutions involved and with the right sort of design and operational elements in the project, there is more than sufficient absorptive capacity.

The question of which Agency would be the executing agency for this project was discussed at length among project stakeholders and UNDP. The Ministry of Agriculture and Forests was designated as the executing agency due to the importance of its baseline programs to the project's incremental approach as well as the significant absorptive capacity in this institutional baseline. In addition, we designed the project to be implemented in a cross-sectoral manner, taking advantage of the relative strengths and capacities of range of different governmental and non-governmental institutions – increasing the absorptive potential for project inspired activities. With respect to the enabling environment, Bulgaria is developing an excellent enabling environment in terms of current and evolving law and policy framework – much due to the EU pre-accession process. As we point out in the brief, forestry sector policies and practice still require reform and strengthening. This is the rationale for close collaboration between this project and the Government's agenda for reform of the forestry sector, as evidenced by the development of the World Bank Forestry Sector Loan Programme.

Comment 3:

Please ensure that the Project Steering Committee is strengthened and includes relevant stakeholders.

Response:

Format confusion lead to the implementation arrangements being added to the brief only after the major reviews had been conducted, and so they escaped normal review. Indeed, the SC membership has been changed in the revised Brief and more closely represents the appropriate cross-section of stakeholders.

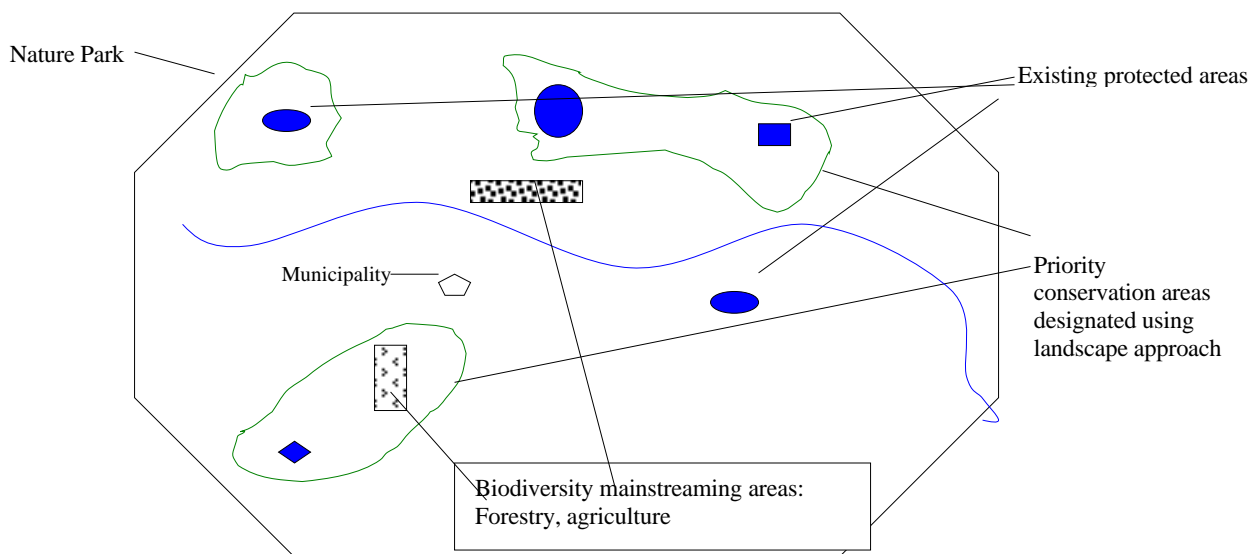
Comment 4:

Please provide information on the extent of the protected areas that will be supported through this project, and the extent of productive areas where biodiversity will be mainstreamed.

Response:

The extent of the Nature Parks is estimated to be approx. 2,500 km² in the Eastern Rhodope and approx. 4,000 km² in the Western Rhodope. The Nature Park designation is a multiple-use sustainable landscape management designation under Bulgarian Protected Area Law.

Illustrative Figure:



Above is a schematic diagram of an ideal Nature Park. It is within this policy and geographical context that the project’s conservation and sustainable use/mainstreaming activities will occur. From a conservation perspective, a Nature Park-wide plan will be developed as described under Output 3, that would, among several things, target and implement conservation actions for priority landscape species. Linked closely to this output and related activities is Output 4, the establishment of priority conservation areas (see above). The existing protected areas are currently embedded within the Nature Parks as small “islands” unto themselves with no resident management. Therefore the strategy is to nest the selected protected areas that are deemed to have worthwhile biodiversity values within the larger landscape context through the designation of the priority conservation areas.

These conservation areas will focus on the needs of biodiversity conservation from a landscape approach, and identify sub-units of the Nature Park as conservation areas. In some cases, these conservation areas will contain existing small, protected areas (see illustration above). These conservation areas will be comprised of a different mosaic of landownership and uses, depending upon the area. Most will almost certainly contain State and privately-owned forest, as well as small, “island” kinds of protected areas.

Mainstreaming areas will include public and private forests and farmlands that will be within these conservation areas or in close proximity. The areas themselves have not been identified b/c the specific foresters and/or forests have not been identified, pending the conclusion of Outputs 3 and 4, but the project will be working with up to 10 municipalities in mainstreaming biodiversity into their development plans and practices in forest, agriculture and water management. As the project brief describes under Output 7, mainstreaming activities will be integrated into the existing process of developing economic development plans for municipalities.

Comment 5:

Sustainability: Both the measures and institutional arrangements to assure sustainability should be clearly articulated. Also clarify the role of the trust fund in meeting sustainability.

Response:

Please see Output 8 on pages 44-45 (in particular Activity 8.1.2 on p. 45) and the Sustainability Section of the Project Brief on pages 46-48, for revisions to the Brief that clarify institutional arrangements and the role of the trust fund.

Comment 6:

Replicability: This should be linked to output 5, and be made more explicit in terms specific outcomes to be achieved.

Response:

Please see Output 5 on pages 37-38 (in particular Activity 5.3 on page 38) and the Replicability Section of the Project Brief on pages 48-49.

Comment 7:

M&E: This component should have a clear and defined process to collect baseline data; greater ownership through co-financing; and linkages to replication following successful lessons.

Response:

Information management, M&E, and Replicability are inextricably intertwined in the project alternative. Information management is described under the project's Output #2. This in turn will provide a lot of the information, baseline data useful for Output #5, Monitoring and Evaluation, which in turn will generate the analysis and sharing process through which replication of lessons learned will occur.

A clear and defined process to collect baseline data will be undertaken under Output #2, Activity 2.1. Data collection will follow the methodology developed for the Bulgarian Natura 2000 initiative, thus also providing valuable data for the overall Bulgarian Natura 2000 efforts. More importantly Activity 2.2 will establish a monitoring scheme again applying standard methods within Bulgaria and the EU.

While the project budget summary shows no co-funding for M&E, this is actually not correct because the co-funding figures under Outputs 1, 2, and 7 have built-in monitoring and/or evaluation costs of approximately 2%. For example, the Ministry of Agriculture and Forestry undertakes program evaluations and the forestry and agriculture programs operating as part of the GEF Rhodope Project would be no exception. This means that project monitoring and evaluation in principle terms would be co-financed (in-kind) by the Ministry.

Comment 8:

Financing: (i) Is this co-financing firm and committed? (ii) Please provide additional information on the co-financing from MAF? (iii) Cofinancing from the private sector needs to be presented.

Response:

The project's co-financing is firm and committed. The Block B project team invested a significant amount of effort in consulting with key Ministries and bi-lateral and multi-lateral partners to ensure co-funding was secured to complement GEF's incremental funding in a real and meaningful way. The signed letters from the Ministry of Agriculture and Forestry (MAF), Ministry of Environment and Water, the Swiss and UNDP should be sufficient verification of the co-financing commitment. The MAF's letter also clarifies the breakdown of the Ministry of Agriculture and Forestry.

Co-financing from the private sector is not yet firm or committed. This is due to the incipient nature of the private sector in the Rhodope and the sector's unwillingness to commit and confirm co-funding to an international project that itself has not been confirmed or approved. This is why we did not have any private sector co-financing in the brief. However, we can make a very

reasonable estimate of private sector co-financing based upon a calculation of the private sector money to be leveraged by the:

UNDP Sustainable Development of Rural Areas Project:	50,000
Ministry of Agriculture's confirmed SAPARD funding for the Rhodope region:	<u>1,133,000</u>
Total estimated private sector co-financing:	1,183,000

In addition, the UNDP JOBS project will be working with entrepreneurs to create sustainable businesses in organic farming in the Rhodope as part of activities conducted under Output 7 of this project. While we cannot have any specific figures as to private sector co-financing of this, we will be able to measure impact as well as private sector buy in. This will be one of the areas monitored on a regular basis under Output 5.

In addition to above, private sector might be part of the development of the respective strategies like the forestry sector strategy and the ecotourism strategy. Private sector would most likely also adhere to the developed strategies and their subsequent action plans. But they are not seen as providing financial input into such a scenario (except in-kind).

The co financing we have listed is what we are sure of (or what is expected) and by doing this we have erred on the conservative side. Part of the project is to continue the search for project partners and identify new project initiatives from donors and other entities. For instance, one of the small (not mentioned in the brief) task during the project is to engage bigger Bulgarian companies in providing funding for conservation activities in the Nature Parks. Some of these companies or enterprises could, for example, be the big development projects like the Suitka Sports Complex. It should be remembered that there is no tradition for private involvement in conservation efforts. NGOs can be considered private but most of their funding comes from either the Government or from donors.

Comment 9:

Mandatory annexes: The full incremental cost annex needs to be in the document.

Response:

The Incremental Cost Annex has been attached to the document, as requested, under Annex 2G on pages 85-90.

b) Response to comments from the World Bank

Comment:

We have reviewed the above proposal and apologize for the delay in providing our comments, which we hope are still of use:

The Project Proposal seems over-optimistic on what can be achieved in the few years and considering the existing economic situation both the country, as a whole, and the local communities face.

The two land masses tentatively set for Nature Park designation (Eastern and Western Rhodope Mountain Nature Parks) are huge, and cover a mosaic of different land ownership and land use. Increased understanding and incentives for both governmental agencies (e.g., Ministry of Agriculture and Forests, etc) and individual actors will be a key but difficult task. This leads to our two main comments about the project design:

Appropriately, the Project Proposal recognizes the need to partner with other rural development (GoB or other donor) programs, in particular for the activities that promote ecotourism, organic agriculture, and integration of biodiversity principles into forest management. Are these partnerships already confirmed, or just listed as potential partners for collaboration? If Project stakeholders are not able to access some of these funds (SAPARD measure #1.3, or GoB/Phare or GoB/SAPARD projects to finance private eco-enterprises, for example), would the Project be able to achieve its objectives?

Response:

Project proponents and UNDP/Bulgaria have working relationships with major partners in the areas of ecotourism, organic farming and forest management.

Ecotourism: Project proponents have been active in ongoing NGO and donor discussions regarding the development of ecotourism in Bulgaria and the link between ecotourism and biodiversity conservation. In this connection proponents have worked closely with the Biodiversity Conservation and Economic Growth Project (USAID), which is currently a primary driving force regarding this issue. Proponents have also been actively participating in the formulation of the draft national ecotourism strategy, currently under development. While this work in ecotourism has not been focused solely on the Rhodope region, many of the actors participating in this process are also active in the Rhodope region.

Currently, the partnerships entered into by proponents are informal as no Memorandum of Understanding or any other form of legal agreement has been

signed between the parties. More formal partnership agreements will be established prior to the start of and during the Rhodope project.

Forestry: Within the forestry sector, proponents have excellent working relationships with the Swiss Government, which, aside from the Bulgarian-Swiss Biodiversity Conservation Project, is also implementing the Bulgarian-Swiss Forestry Project. UNDP is a partner in the donor committee supporting development of the “National Forest Policy and Strategy in Bulgaria” – other institutions include the World Bank, GTZ, and the Swiss Cooperation.

In addition, as a result of project development, Rhodope project proponents have initiated a working relationship with the Bulgarian Forest Certification Association. As well, project proponents and UNDP have working level relations with the World Bank Bulgaria office, the project implementation office of the World Bank “Forestry Project,” and with World Bank project task manager Mr. Gerhard Dieterle. While partnerships are informal in scope at this time, formal partnership agreements can be established prior to or once implementation begins.

Organic Agriculture: Project proponents have very good working relations with the Swiss, who have been one of the primary proponents for organic agriculture in Bulgaria. UNDP is currently promoting organic farming via its JOBS project primarily in the Rhodope region. Furthermore, the UNDP project Sustainable Development of Rural Areas also looks towards organic farming as an option for ensuring additional income to rural municipalities.

UNDP/New York and UNDP/Bratislava been in contact with project proponents of the WB/GEF European Conservation Farming Initiative (Avalon/IUCN) on how to ensure coordination between the two projects. In addition representatives from Avalon held initial discussions with UNDP on their first visit to Bulgaria at the start of March 2003. More formal partnerships will be established prior to project inception.

Comment:

In the past, and we assume this still continues, some of these programs have been extra-ordinarily difficult for the average farmer to access -- if only because they do not meet the basic co-financing requirements to access the SAPARD funds, for example. The GEF Wetlands Restoration and Nutrient Reduction Project has been exploring these options since preparation, and while it still hopes to help Project stakeholders access these funds, we feel that it is not guaranteed.

Response:

It is true that SAPARD funding has proven difficult to access by the smaller farmers given its different requirements. The Bulgarian Government is

cognizant of these difficulties and has taken steps to rectify them, for example, by entering into agreement with 21 commercial banks aimed at leveraging co-funding for SAPARD projects.

One of the principal hurdles to obtaining SAPARD funding is the development of eligible project proposals. Municipalities and Oblasts (regional governments) are currently taking steps to address the issue of project formulation and, in general, better tap available sources of funding, including SAPARD.

The project is aimed at integrating biodiversity sensitive measures into farming and forestry operations that are larger than typical small holdings of, say, one hectare or less. Groups of small farms can also be candidates for funding.

Over the past year SAPARD has approved a significant number of projects, and the number is expected to increase with institutional learning and concomitant improvements in transaction costs.

In November 2002, a plan for Alternative Agriculture in the Rhodope Mountains was presented by the Ministry of Agriculture and Forestry to the Council of Ministers. The plan, which totals US\$ 50 million, relies heavily on SAPARD funding for its implementation. It is under discussion in Government but has a strong focus on the Rhodope region

Comment:

While the Project has components dedicated to data collection and management, and a Total Economic Valuation exercise, this will probably need to be complemented by a strategy on how to truly integrate the environmental concerns into local perspectives and actions, planning, policy dialogue, and the development of constituencies for the PA, and incentives for behavioral change. This more comprehensive approach ensures that the project doesn't just do a public education/ information campaign, which works on the assumption that once a target audience becomes "educated" about the issue, they will act accordingly. This would require methodologies that combine social assessment findings with communication strategies to identify how to promote behavioral change within individual stakeholder groups

Response:

Outcome Six in the Brief alludes to the suggestion, as described above. The project will develop a strategy to integrate environmental concerns into actions, planning and policy. The Project Document will reflect this issue in greater detail.

Comment:

Institutional analysis: Within such a large conservation landscape area, numerous local and national entities are already involved in land management. The creation of the NPCs will help to coordinate, but the Project would probably benefit from a detailed institutional analysis, covering the roles that existing institutions play (their mandates), their capacity to fulfill their mandates, what gaps and/or overlaps exist, and how this would change in the future. Which entity, for example, would be responsible for the enforcement of any new regulations under the new management plans?

Response:

A detailed institutional analysis detailing the roles and mandates of the different agencies active in the Rhodope region, as well as capacities and trends, will be provided in the Project Document.

Comment:

Isn't mining an issue and a potential threat to biodiversity in the Rhodope Mountains?

Response:

Mining is not perceived to be an immediate threat to the biodiversity of the proposed project areas. Mining is not permitted inside Nature Parks. As in many countries, in Bulgaria proposals for mineral exploration and extraction are subject to environmental impact analysis.

Again, as in many countries with a greater tradition of conservation, long-term protection of a particular area depends greatly on the ability of protection advocates to generate public support. This project will strengthen NGO and other stakeholder capacities to lobby for the conservation of biodiversity in the Rhodope region on a sustained basis.

Comment:

Before promoting the endemic stock, have market feasibility studies been done to ensure that a market exists? What are the financial benefits of the individual farmer / herder?

Response:

The project will carry out market feasibility studies and determine potential financial benefits to farmers as part of project implementation.

Please note that economic benefits of conserving endemic breeds are not intended to come solely from marketing but also from other forms of support,

including incentives provided by the EU through the GoB. It is anticipated that as markets develop, financial incentives may decrease.

Comment:

In terms of financing --- the expectation that the Rhodopes will be financially secure after year one seems overoptimistic. What are the estimated operational costs of the two Rhodopes (can this be estimated before management plans are completed?). How politically feasible are park entrance fees, tourism taxes? How were revenues from entrance fees estimated? Has the Parks Trust Fund (PTF) actually been capitalized to \$12 million yet? How much of the annual income has been allocated to the Rhodopes? What EU support for rural development/agriculture and landscapes will provide 40% of annual management costs by the end of the year?

Response:

The reviewer mistakenly refers to “the expectation that the Rhodopes will be financially secure after year one.” The text reads “Under this activity, Nature Park Councils will further develop, discuss and approve a plan for achieving NP sustainability by end of year one.” The sentence is changed to read, “Under this activity, Nature Park Councils will further develop, discuss and approve by end of year one a plan for achieving NP sustainability.”

The questions raised by the reviewer are very relevant to the issue of financial security of the Nature Parks and will be addressed during the course of the first year, as part of preparation of the NP sustainability plan.

Comment:

The section regarding the GEF Wetlands Restoration and Nutrient Reduction Project must be revised. The WRNRP Project has absolute parallels with this Rhodope's Project, which the Project Proposal misses. The WRNRP supports the management of two protected areas (Persina Nature Park and Kalimok/Brushlen Protected Site) -- both are protected areas at a landscape scale with a wide diversity of ownership and land use patterns. The similarities between the two projects is striking, and in fact the Rhodope Project design is remarkably similar to the design of the protected area components of the WRNRP. The relevance of the WRNRP to the Rhodope Project is very large. The Proposal suggests that the WB-Officer serves on the Project Steering Committee -- but we would also recommend that the park directors for Persina and Kalimok/Brushlen are also included in any opportunity to cross-fertilize lessons learned.

Response:

The project would welcome the participation by Park Directors for Persina and Kalimok/Bruslen in annual project review meetings in which lessons learned are identified and discussed.

c) **Response to comments from UNEP**

No comments received.

d) **STAP review and Resoponse to STAP review**

See annexes 2C and 2D

¹¹ STAP Roster Review, and IA response, is a required annex of the project brief.

Project Annexes

Annex 2 A: Logical Framework Matrix

Annex 2 B: Endorsement Letter and Co-financing letters

Annex 2 C: STAP review

Annex 2 D: Response to STAP review

Annex 2 E: Response to GEFSEC and Council comments at work program inclusion.

Annex 2 F: Map of the project area

Annex 2 G Incremental cost analysis

ANNEX 2A: LOGICAL FRAMEWORK

PROJECT	VERIFIABLE SUCCESS INDICATORS	MEANS OF VERIFICATION	RISKS AND ASSUMPTIONS
<p>Goal: The biodiversity of the Eastern and Western Rhodope landscape is conserved.</p>	<ol style="list-style-type: none"> 1) Beginning year 4, stabilization and/or reduction in levels of threat to landscape biodiversity in priority habitat areas and in priority protected areas compared to project start levels. 2) At the fifth year, declining incidence of destructive forestry and agricultural practices; increasing usage of traditional breeds, increasing use of techniques to maximize habitat heterogeneity. 3) At the fifth year, populations of selected landscape species (e.g. bats, vultures, raptors, bears, wolves) within boundaries of Nature Parks remain constant or increase from project start levels. 4) Diversity within the Rhodope's baseline habitat mosaic conserved/remains unchanged, or is increased in priority sites by end of year 5. 5) Biodiversity conservation objectives fully integrated into agricultural and economic development programs, policies and practice as compared to the same at project start. 6) Water quality is maintained or improved from baseline. 7) Natural composition and structure of aquatic and riparian ecosystems through river flow management; Diversity of pool and riffle habitat and open gravel bars measurably increased; Diversity of riparian plant communities increased; Natural hydrograph components replicated by water managers on a seasonal/annual basis by end of year 4. 	<ol style="list-style-type: none"> 1) Field interviews/ most appropriate wildlife survey techniques. 2) Forestry and agricultural policy and practice field review and interviews. 3) Biannual biological surveys. Visual sitings, scat/track surveys, other methods as appropriate. 4) Biannual ecosystem health surveys. 5) Policy documents from GoB's SAPARD, regional development strategies. 6) Monitoring records/evaluation results. 7) Riparian & aquatic surveys on demonstration rivers; Interviews with water managers; water release records. 	<p>⇒ Continued GoB support for conservation. Biodiversity conservation will continue to be a government priority.</p> <p>⇒ Natural factors/disasters will not unduly harm local communities.</p> <p>⇒ Current economic development trends will continue or not significantly worsen, thereby affecting budgetary processes or stakeholder aspirations</p> <p>⇒ Natural conditions could alter baseline level of diversity and ecosystem health.</p>
<p>IMMEDIATE OBJECTIVE 1 LANDSCAPE-SCALE CONSERVATION IS EFFECTIVELY OPERATIONALIZED IN EASTERN AND WESTERN RHODOPE NATURE PARKS</p>			
<p>Output 1: E&W Nature Parks are established and collaborative management structure is operational</p>	<ol style="list-style-type: none"> 1) Nature Parks are established by law and staffing begins by middle of second year. Full staff contingent assigned to each Park by end of project's second year. 2) Awareness of Nature Park concept increases 50% by end of year 3 from baseline Bock B level. 3) Boundaries of two parks demarcated geographically and institutionally within 6 months of project start. 4) Collaborative management process determined among MoA, MoE, Municipalities, Private land owners and NGOs by middle of second year; Working group meeting bi-monthly by middle year 2. 5) Modest NP infrastructure established at an appropriate, 	<ol style="list-style-type: none"> 1) Official documentation; staff interviews. 2) Survey of awareness levels before and after. 3) Maps of Parks; institutional plans for NP involvement. 4) Expert reports; collaborative management agreement; working group minutes. 5) Field visit 6) Expert report; field visit records; student tests results. 	<p>⇒ Institutional walls blocking cross-sector collaboration can be overcome.</p> <p>⇒ NGOs will maintain support for outreach and education objectives.</p> <p>⇒ Funding for additional staff will be made available by GoB.</p>

PROJECT	VERIFIABLE SUCCESS INDICATORS	MEANS OF VERIFICATION	RISKS AND ASSUMPTIONS
	<p>sustainable level/office finalized in collaboration with Beautiful Bulgaria by end of year 2.</p> <p>6) At least two field visits/year by local school groups to two different sites in E&W R organized from year 2 give students introductory understanding of NP ecosystems.</p> <p>7) Interpretation center and displays produced by year 4.</p> <p>8) Natural resource management process in NP modified by MoA to incorporate cross-sectoral objectives from forestry, biodiversity, protected areas, tourism, and agriculture.</p> <p>9) NP working group meets bimonthly by middle of second year.</p>	<p>7) Field visit; display materials</p> <p>8) Policy documents; meeting minutes; interviews;</p> <p>9) Working group minutes; interviews</p>	
<p>Output 2: Information baseline established and strengthened as a basis for adaptive management.</p>	<p>1) Information gathered and stored in simple database on an ongoing basis by end of year 1 on parameters such as: status/condition of species, plant communities and ecosystem health parameters such as water quality and forest stand heterogeneity</p> <p>2) Targeted research conducted on specific LM questions such as species ecology and habitat usage.</p> <p>3) Local knowledge captured in traditional forms of mapping and documentation by end of year 4.</p> <p>4) Upgraded GIS in private partner or government is operational and accessible by end of year 3 and sustainable by end of year 4.</p> <p>5) Network of at least three field monitoring sites in each NP established and utilized regularly by year two (2).</p> <p>6) MoA's/MoEW/NGOs able to access and apply information electronically -- the participatory monitoring of basic parameters is integrated into normal "business practice" of Ministries.</p> <p>7) Research, monitoring, and information exchange linkages with international programs like Bat Conservation International, Birdlife International, WWF.</p>	<p>1) GIS survey/inventory records.</p> <p>2) Research framework/program & research reports,</p> <p>3) Technical report; Field visits with local knowledge leaders;</p> <p>4) Technical report; field visit.</p> <p>5) Technical report; monitoring agreement between NGOs, municipalities, and MoEW and MoA.</p> <p>6) Review of data/information available; interviews w/users.</p> <p>7) Cooperative agreements with germane institutions; interview with data managers.</p>	<p>⇒ Stakeholders willing to share information.</p> <p>⇒ Stakeholders will begin to utilize the adaptive management approach.</p>
<p>Output 3: Landscape-based approach to conservation planning established and operational.</p>	<p>1) Definition of "Conservation landscape" elaborated in terms of species, ecosystems/ processes and land-uses by end of year 1. Landscape atlases for E&WR published end of year 3.</p> <p>2) Management plans for each nature park developed and</p>	<p>1) Maps, summary report; atlases</p> <p>2) Management plan; documentation of planning process; interviews.</p> <p>3) Habitat-level species</p>	

PROJECT	VERIFIABLE SUCCESS INDICATORS	MEANS OF VERIFICATION	RISKS AND ASSUMPTIONS
	<p>approved by Working Group by end of year 2 and revised on an ongoing basis.</p> <p>3) Species and landscape ecology define/identify priority habitats and species. Conservation plans for priority species underway by middle of year 2 and under implementation by beginning year 3.</p> <p>4) Municipal habitat conservation plans devised as modular component of the NP management plans by end of year 2 and under implementation by middle year 3.</p> <p>5) Priority protected area management plans.</p>	<p>conservation plans; sustainable development planning documents; interviews.</p> <p>4) Municipal plans and reports from planning process</p> <p>5) Planning documents; interviews with stakeholders to assess impact of plan.</p>	
<p>Output 4. Priority conservation areas established and sustainable management regimes piloted. .</p>	<p>1) Community-based management approach in four priority protected areas, including mechanisms for community/NGO/Government partnership in managing areas by end of year 3.</p> <p>2) Four-year management plans and participatory planning process for four protected areas established by middle of year three.</p> <p>3) Academics and NGOs establish partnership to conduct long-term habitat and species surveys and monitoring.</p> <p>4) Infrastructure of priority protected areas strengthened in a modest, practical, and financially sustainable manner.</p> <p>5) Habitat for Rhodope Partnerships formed in ER and WR among MoA, at least 4 municipalities, private landowners & NGOs by year 3.</p> <p>6) Priority habitats identified and conservation plans developed and integrated into development plans for forestry, agriculture and tourism by end of year 3.</p> <p>7) Pilot wild and scenic river management plan and new water management regime adopted by MOEW for two river sites by middle of year 3.</p> <p>8) Cross-sectoral hunting enforcement/poaching prevention agreements established and adopted by year 4.</p>	<p>1) Conservation agreements; interviews with local and national actors.</p> <p>2) Stakeholder agreements Management plan documents; local river-keeper reports, local resource user committee</p> <p>3) Partnership agreement; Interviews.</p> <p>4) Staff records; field visits</p> <p>5) Partnership agreements; maps and materials; Field visits.</p> <p>6) Development planning documents; Maps</p> <p>7) Management plan; Field reports; Field visits</p> <p>8) Work programs in MoA and MoE; x-sectoral enforcement agreements.</p>	<p>Communities will maintain their interest and support of habitat conservation and sustainable development.</p>

IMMEDIATE OBJECTIVE 2: STAKEHOLDERS INTEGRATE BIODIVERSITY CONSERVATION INTO RESOURCE MANAGEMENT AND ECONOMIC DEVELOPMENT POLICY AND PRACTICE IN EASTERN AND WESTERN RHODOPE.			
<p>Output 5. Project lessons and successes and failures evaluated and disseminated.</p>	<ol style="list-style-type: none"> 1) Best practice approaches to ecosystem management and conservation fine-tuned by end of year 5. 2) Annual lessons learned retrospective involving stakeholders from all relevant sectors summarizes the year's issues in short, simple lessons learned updates. 3) Project monitoring conducted annually beginning end of year 1. 4) Round table discussions held semi-annually in the Rhodope years 1-3 link planning and financing people and institutions in the forestry, agriculture, tourism, and environment sectors. Held annually 3-5. 5) Information shared internationally (e.g. with WWF's European Landscape program) 	<ol style="list-style-type: none"> 1) Best practice documents. 2) Meeting notes/summary; lessons learned updates. 3) Monitoring reports 4) Summary report of discussions. 5) Correspondence; Memoranda of Agreement for Cooperation. 	<p>The key aspects of adaptive management; questioning, analyzing; and re-orienting – will be successfully adopted by stakeholder partners.</p>
<p>Output 6: Institutional capacity to integrate biodiversity and ecosystem management objective into productive sector programs is strengthened.</p>	<ol style="list-style-type: none"> 1) Values and benefits of biodiversity and ecosystem health in two NPs quantified and qualified beginning end of year 1 by environmental economists. 2) Thirty (30) staff from MoFA, MoEW, and MoRD, complete in-country information use and adaptive management training and improve their capacity significantly as defined by evaluation. 3) Diversity maintenance guidelines, codes of practice and criteria are adopted/applied by DoF, DoA, municipalities, private forests, and cooperatives to development planning and resource use practice. 4) Forest, tourism, agriculture, and planning policy and practice reflect ecosystem management principles by year 2 5) MoRD and municipal officials apply EM principles to development planning by end of year 4. 6) Tourism policy and regulatory mechanisms oriented to provide incentives to support EM. 7) MoA integrates biodiversity into productive sector programs in NP: a) LE principles reflected in natural resource use zoning and management plans for E & W Rhodope; b) Agricultural planning considers landscape maintenance as key objective. 8) NP Working Group's capacity to act as effective ecosystem managers is strengthened through training and partnership building. 	<ol style="list-style-type: none"> 1) Economic reports; study documentation 2) Survey B&A of staff capacity and effectiveness of training of MoFA, MOEW, MoRD; 3) Guidelines & codes of practice; Interviews w/officials. 4). Process records; interviews w/MoRD & municipal officials 5&6) Policy and procedure materials; Development plans –. 7). MOA policy & planning docs. 8) Knowledge/skill assessments before and after ecosystem management/participatory training exercises. 	<ol style="list-style-type: none"> 1. Institutional walls blocking cross-sector collaboration can be overcome. 2. Incorporating conservation objectives into development planning will proceed with minimal resistance.

<p>Output 7: Forestry, tourism, and farming practices re-oriented to support conservation while improving livelihoods.</p>	<p>1) <i>Farmers, foresters, tourism business people conceptualize and pursue development options within the context of the natural landscape and its conservation priorities.</i></p> <ul style="list-style-type: none"> ⇒ Organic agriculture adopted by at least 10 farmers in E & W Rhodope by end of year 3. ⇒ Increase in 25% the number of farmers utilizing indigenous breed of cattle or sheep for grazing and milk production by end of year 4. ⇒ Certified forestry being initiated in at least four forest plots by end of year 4. ⇒ Viable commercial markets for organic crops/agriculture products and certified timber identified by end of year 2. ⇒ Level of awareness for and appreciation of best practice behavior among tourism operators increased by 30% over Block B baseline survey levels. ⇒ Twenty-five entrepreneurs, farmers and forest owners accessing PHARE and SAPARD funds for business development, organic agriculture, and certified forestry. ⇒ Five municipalities and five private entrepreneurs apply their own resources in partnership with Gov't/UNDP to establish sustainable tourism ventures in the E&W Rhodope. ⇒ Organic agriculture adopted by at least 10 farms in E & W Rhodope by end of year 3. ⇒ Increase in 25% the number of farmers utilizing indigenous breed of cattle or sheep for grazing and milk production by end of year 4. ⇒ Certified forestry being initiated in at least four forest plots by end of year 4. ⇒ Viable commercial markets for organic crops/agriculture products and certified timber identified by end of year 2. ⇒ Level of awareness for and appreciation of best practice behavior among tourism operators increased by 30% over Block B baseline survey levels. 	<ul style="list-style-type: none"> 1) SAPARD Program data on funding granted; field interviews; surveys of attitudes before and after. ⇒ Field visits; interviews with participants. Project/SAPARD records. ⇒ Project records/field interviews/financial records. ⇒ Interviews w/Gov't, UNDP and stakeholders. Project records ⇒ Project field records; field visits; interviews with local people; ⇒ Project records/field interviews; MoAF records ⇒ Sales records for goods shipped to market. ⇒ Surveys before and after 	<ul style="list-style-type: none"> ⇒ Communities and central Gov't collaborate effectively in project-inspired activities. ⇒ Targeted levels of funding will be realized ⇒ External factors do not inhibit the development of tourism in site areas. ⇒ Local residents are willing to change resource use practices given certain benefits.
<p>Output 8: Sustainable financing secured for applied conservation and cross-sectoral coordination.</p>	<p>1) NP working group discusses and approves a plan for achieving NP sustainability, key components of plan: a) Park entrance fees, b) tourism tax, c) forestry management fees; c) incentives for sustainable behavior; d) innovative environmental services-based financing; and e) evolving EU agriculture support for maintaining traditional</p>	<ul style="list-style-type: none"> 1) Sustainability plan 2) Mechanism policy docs; revenue deposit records. 3) Review of report 4) Meeting minutes; ongoing reports on individual discussions 	<ul style="list-style-type: none"> ⇒ GoB and private tourism sector will be able to work collaboratively. ⇒ EU agricultural policy will evolve to encompass the

	<p>landscapes by middle year 3.</p> <p>2) Specific fiscal and tax incentives recommended for farmers to adopt organic practices and foresters to adopt certified practices and tourism operators to adopt low-impact practices recommended by end of year 4.</p> <p>3) Options paper for environmental services-based financing mechanism circulated and discussed at round-table middle year 4.</p> <p>4) Begin discussion for option for long term funding of Nature Park coordination under EU-funded agriculture programs to maintain “relict” European landscapes in annual evaluation meeting beginning year 1.</p>	<p>regarding this topic.</p>	<p>evolve to encompass the maintenance of traditional landscapes as a legitimate agricultural practice.</p> <p>⇒ Economics will maintain a dominant influence over environmental action.</p> <p>⇒ GoB and partners will succeed in fully funding the protected areas trust fund.</p>
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ANNEX 2B: ENDORSEMENT LETTER

Annex on files at UNDP GEF Secretariat

ANNEX 2C: STAP REVIEW

Project Reviewer:

Stale Navrud, Associate Professor in Environmental and Resource Economics, Department of Economic and Social Sciences, Agricultural University of Norway.

1. Scientific and technical soundness of the project

The conceptual framework of the project follows current conservation biology, landscape ecological knowledge and principles, and participatory stakeholder and community involvement management combined with a monitoring, evaluation and enforcement regime to ensure conservation and sustainable use of biological diversity in the Rhodope Mountains of southern Bulgaria. Creating “buffer zones” in term of two landscape-scale Nature Parks (NPSs), Eastern and Western Rhodope NPs, that “embeds” 55 small-scale and scattered protected areas and ensures a high degree of connectivity between them through production landscapes.

The approach proposed has a high probability of achieving the goal and objectives of the project, and the indicators proposed in the logical framework (Annex 2A) will help guide the process. The success will also be ensured by cross project learning from other ongoing and planned projects in Bulgaria, especially the European Conservation farming Initiative (EFCI) (an IBRD/IFC project introducing practises towards conservation farming in targeted ecosystems; but not active in the Rhodope Region), the UNDP Sustainable Rural Development Project; and the new IBRD Forestry initiative under development in Bulgaria (strengthening private and communal forest managers and promoting biodiversity conservation in forest management). Of special importance for the success is also the possibility of utilizing Chitalishte (i.e. community centres) network established under the UNDP project “Chitalishte II”, which aims at strengthening local development and civil society by reviving Chitalishte as vibrant community centers. These community centres will be used as forums for the local discussion on the landscape management planning and process.

There are, however, risks; which are closely linked to the ability of the project to develop proper incentive mechanisms for the stakeholders to integrate diversity conservation objectives in a new multifunctional approach to agricultural, forestry and other productive practises, and make it beneficial for the stakeholders to incur the opportunity costs this involves. The proposal is strong on the description of institutional and capacity building measures, but should discuss possible direct regulatory measures, and especially indirect (market) incentive mechanisms, for farmers more in detail.

Highlighting the values and benefits of biodiversity is very important in terms of documenting the rational for regulatory measures and methods for quantification and economic valuation of social benefits of biodiversity and ecosystem functions should be described more in detail. Original valuation studies (e.g. contingent valuation surveys, which would also capture the non-use/passive use values involved here), constructed using state-of-the-art methodology and with the aim of providing values that could be used for benefits transfers (which will also increase the replicability of this project; see point 5) should be conducted. The existing stock of economic valuation studies for biodiversity, ecosystems and agricultural landscapes /

cultural heritage in this part of Europe is very scarce, and worldwide there are very few studies of the use and non-use values of endemic livestock. Estimating the benefits of this project using benefit transfer (i.e. transferring values from valuation studies of similar type resources in other parts of the world) would therefore be highly uncertain, and should be discouraged. Conducting original valuation studies is also the best way to contribute to capacity building in environmental valuation and economics among young researchers by involving universities and NGOs.

The estimates of social benefits of the project should be used in a cost-benefit analysis to document the cost-effectiveness of the project. There are also risks in terms of whether the enforcements of regulatory measures will be effective. Stakeholder involvement in councils governing each Nature Parks and stakeholder planning groups will be very important, but not sufficient, in term of securing compliance. Further measures to ensure enforcement should be described.

2. Identification of global environmental benefits

The global benefits of the project are well presented and clear. The region represents one of only five examples of Mediterranean shrubland and woodland in the world that together are home to 20% of the Earths plant species. The level of endemism is high and documents well the uniqueness of the region. Seven plant species are endemic to Eastern Rhodope, 39 are endemic to Bulgaria, and 85 are endemic to the Balkans (out of which 55 are listed in Europe as rare or endangered). Four fish species found are endemic to the Balkans. Globally important is also the high concentration of raptor and bat species in the area, with the Eastern Rhodope being one of the two natural European refuge areas for raptors. The area also contain four globally threatened bird species, and two globally threatened amphibians. Two reptiles are on the global IUCN-2000 red list. In addition to the wild species, the Rhodope is also home to unique domestic breeds such as the endemic Rhodope “Karakachan” shorthorn cow and the Sredddnorodopska sheep, which are especially adapted to the region but in danger of abandonment.

3. How does the project fit within the context of the goals of the GEF?

The project focuses on natural and cultural landscapes in a mountain range with very high biodiversity. The project covers a geographic space of sufficient range to preserve the biodiversity of cultural landscapes (including in-situ conservation of animal genetic resources), and ensures the conservation of biodiversity in the many small scale protected areas that the project area embeds and helps to connect.

4. Regional Context

The geographical area of the proposal lies within Bulgaria. Thus, there are no immediate international dimensions of the projects (see, however, point 5 below).

5. Replicability

From the replicability point of view, the implications of the project as a model have very significant importance in enabling other regions in Bulgaria to address habitat fragmentation increase sustainability and meet biodiversity conservation challenges in complex landscapes. However, the lessons learned in this project will also be important for other Central and Eastern European mountain regions, facing the same threats and challenges in integrating biodiversity conservation objectives into agriculture, forestry

and other productive sectors in management of complex landscapes, and help develop sustainable tourism as a new sector in these areas.

6. Sustainability of the project

The project will be a very important contribution to economical, ecological and social sustainable management of the Rhdope Mountain, as it will provide a significant contribution to re-orienting the current trends in farming, forestry and tourism practises to support conservation and improve livelihoods of the local population.

ANNEX 2D: RESPONSE TO STAP REVIEW

The project team is grateful to the STAP reviewer for comments to strengthen the contents and presentation of this proposal. Below is a description of specific actions taken in response to the STAP comments (answers in red following the original STAP comment).

Project Reviewer:

Stale Navrud, Associate Professor in Environmental and Resource Economics, Department of Economic and Social Sciences, Agricultural University of Norway.

1. Scientific and technical soundness of the project

The conceptual framework of the project follows current conservation biology, landscape ecological knowledge and principles, and participatory stakeholder and community involvement management combined with a monitoring, evaluation and enforcement regime to ensure conservation and sustainable use of biological diversity in the Rhodope Mountains of southern Bulgaria. Creating “buffer zones” in term of two landscape-scale Nature Parks (NPSs), Eastern and Western Rhodope NPs that “embeds” 55 small-scale and scattered protected areas and ensures a high degree of connectivity between them through production landscapes.

The approach proposed has a high probability of achieving the goal and objectives of the project, and the indicators proposed in the logical framework (Annex 2A) will help guide the process. The success will also be ensured by cross project learning from other ongoing and planned projects in Bulgaria, especially the European Conservation farming Initiative (EFCI) (an IBRD/IFC project introducing practises towards conservation farming in targeted ecosystems; but not active in the Rhodope Region), the UNDP Sustainable Rural Development Project; and the new IBRD Forestry initiative under development in Bulgaria (strengthening private and communal forest managers and promoting biodiversity conservation in forest management). Of special importance for the success is also the possibility of utilizing Chitalishte (i.e. community centres) network established under the UNDP project “Chitalishte II”, which aims at strengthening local development and civil society by reviving Chitalishte as vibrant community centers. These community centres will be used as forums for the local discussion on the landscape management planning and process.

There are, however, risks; which are closely linked to the ability of the project to develop proper incentive mechanisms for the stakeholders to integrate diversity conservation objectives in a new multifunctional approach to agricultural, forestry and other productive practises, and make it beneficial for the stakeholders to incur the opportunity costs this involves. The proposal is strong on the description of institutional and capacity building measures, but should discuss possible direct regulatory measures, and especially indirect (market) incentive mechanisms, for farmers more in detail.

1. Changes have been introduced to Activity 6.3.2: *Heighten the effect of existing environmental policy on development practice as well as its ability to integrate biodiversity objectives* (see page on page 35 of the Brief). The activity now includes capacity strengthening for enhanced enforcement of regulatory measures by Ministries and local officials affecting all sectoral actors. Enforcement will form part of a strategy that encompasses incentives and capacity building of sectoral actors to take advantage of incentives and avoid violations of regulations.

2. Activity 7.3 on page 37 (*Demonstrate model sustainable agriculture initiatives under existing funding programs*) describes incentives to farmers in a general way. More detail will be provided in the Project Document submitted for CEO endorsement after approval by May Council, but it should be noted that a primary activity of the project is to “identify and demonstrate incentives for farmers,” based on the preliminary pre-feasibility assessment carried out during the PDF B.

Highlighting the values and benefits of biodiversity is very important in terms of documenting the rationale for regulatory measures and methods for quantification and economic valuation of social benefits of biodiversity and ecosystem functions should be described more in detail.

3. *The methods for quantification and economic valuation of social benefits of biodiversity and ecosystem functions will be described in more detail in the Project Document submitted for CEO endorsement after approval by May Council.*

Original valuation studies (e.g. contingent valuation surveys, which would also capture the non-use/passive use values involved here), constructed using state-of-the-art methodology and with the aim of providing values that could be used for benefits transfers (which will also increase the replicability of this project; see point 5) should be conducted. The existing stock of economic valuation studies for biodiversity, ecosystems and agricultural landscapes /cultural heritage in this part of Europe is very scarce, and worldwide there are very few studies of the use and non-use values of endemic livestock. Estimating the benefits of this project using benefit transfer (i.e. transferring values from valuation studies of similar type resources in other parts of the world) would therefore be highly uncertain, and should be discouraged. Conducting original valuation studies is also the best way to contribute to capacity building in environmental valuation and economics among young researchers by involving universities and NGOs.

4. Original valuation studies will be conducted using state-of-the-art methodology will be conducted during the project. While Activity 6.1 Quantify values and benefits of biodiversity and ecosystem health describes the studies in a general way, more detail will be provided in the Project Document. The studies will be original valuation studies, using previous experience and information as appropriate, but focusing on generating site- and context specific information for decision makers.

The estimates of social benefits of the project should be used in a cost-benefit analysis to document the cost-effectiveness of the project.

5. *Section 3. b., on page 43 includes text indicating that cost-effectiveness of this project will also be assessed post-implementation based on information gathered during the project (e.g., Activity 6.1) on its social benefits.*

There are also risks in terms of whether the enforcements of regulatory measures will be effective. Stakeholder involvement in councils governing each Nature Parks and stakeholder planning groups will be very important, but not sufficient, in term of securing compliance. Further measures to ensure enforcement should be described.

6. *See comment 1, above.*

2. Identification of global environmental benefits

The global benefits of the project are well presented and clear. The region represents one of only five examples of Mediterranean shrubland and woodland in the world that together are home to 20% of the Earth's plant species. The level of endemism is high and documents well the uniqueness of the region. Seven plant species are endemic to Eastern Rhodope, 39 are endemic to Bulgaria, and 85 are endemic to the Balkans (out of which 55 are listed in Europe as rare or endangered). Four fish species found are endemic to the Balkans. Globally important is also the high concentration of raptor and bat species in the area, with the Eastern Rhodope being one of the two natural European refuge areas for raptors. The area also contains four globally threatened bird species, and two globally threatened amphibians. Two reptiles are on the global IUCN-2000 red list. In addition to the wild species, the Rhodope is also home to unique domestic breeds such as the endemic Rhodope "Karakachan" shorthorn cow and the Sredddnorodopska sheep, which are especially adapted to the region but in danger of abandonment.

3. How does the project fit within the context of the goals of the GEF?

The project focuses on natural and cultural landscapes in a mountain range with very high biodiversity. The project covers a geographic space of sufficient range to preserve the biodiversity of cultural landscapes (including in-situ conservation of animal genetic resources), and ensures the conservation of biodiversity in the many small scale protected areas that the project area embeds and helps to connect.

4. Regional Context

The geographical area of the proposal lies within Bulgaria. Thus, there are no immediate international dimensions of the projects (see, however, point 5 below).

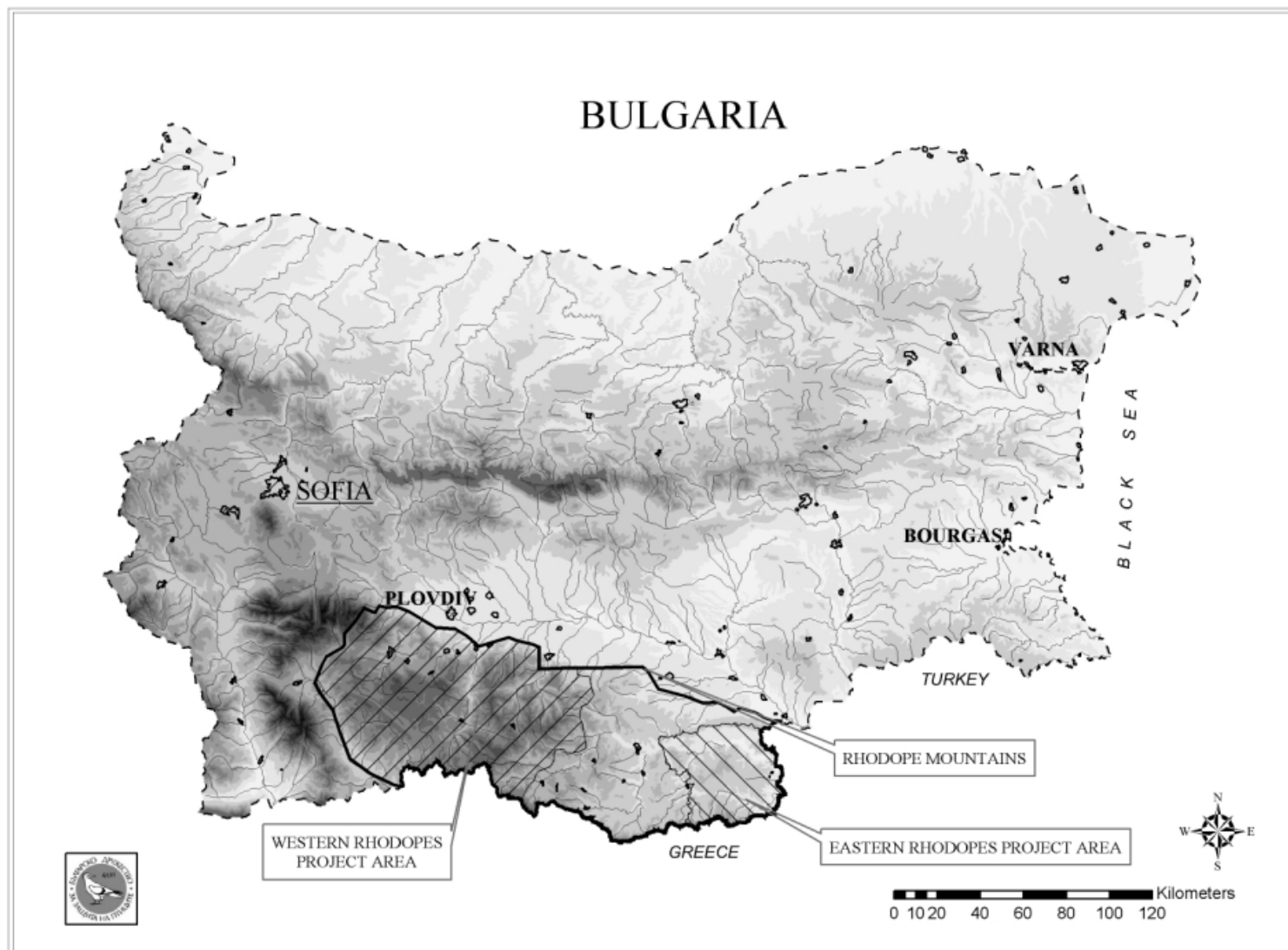
5. Replicability

From the replicability point of view, the implications of the project as a model have very significant importance in enabling other regions in Bulgaria to address habitat fragmentation increase sustainability and meet biodiversity conservation challenges in complex landscapes. However, the lessons learned in this project will also be important for other Central and Eastern European mountain regions, facing the same threats and challenges in integrating biodiversity conservation objectives into agriculture, forestry and other productive sectors in management of complex landscapes, and help develop sustainable tourism as a new sector in these areas.

6. Sustainability of the project

The project will be a very important contribution to economical, ecological and social sustainable management of the Rhodope Mountain, as it will provide a significant contribution to re-orienting the current trends in farming, forestry and tourism practises to support conservation and improve livelihoods of the local population.

ANNEX 2F: MAP OF THE PROJECT AREA



ANNEX 2G: INCREMENTAL COST ANALYSIS

1. Broad Development Objectives:

1.1. Rhodope is the poorest region in Bulgaria and poverty alleviation in Rhodope is a top development priority of the Bulgarian Government. The forest and agricultural lands as well as the increasing tourism potential make these sectors important vehicles for this. At the same time, the Government has been committed to utilizing these resources wisely and is supporting significant new investments to bolster the development of these three sectors in an environmentally responsible way. Bulgaria is committed to protecting the global environment and particularly its biological diversity, having ratified the CBD in 1996.

2. Global Environmental Objectives:

2.1 Global environmental benefits include significant indirect use (option and insurance) and passive use (existence) values. The global option and insurance values spring from Rhodope's relict European landscape and related biodiversity. The global existence value arises from nontrivial per capita existence values multiplied by the hundreds of millions of developed country citizens who hold these values and live outside of Bulgaria.

2.2 These global values will be preserved by integrating diversity management objectives into existing productive sector programs and by conserving species and habitats across the Rhodope landscape. The project will integrate global environmental objectives into Rhodope's commercial forestry, agriculture and tourism management. Diversity conservation policies, programs and practice will be developed for eventual application across other agri-environmental landscapes. The project will demonstrate them under a range of management regimes in two Nature Parks encompassing a representative sample of the full spectrum of species and habitat diversity within the Eastern and Western Rhodope.

3. Overview.

3.1 The costs for the project have been estimated over the full project period of five years. Only ongoing project relevant activities within the Eastern and Western Rhodope region constitute the baseline. Some of these baseline activities will not run for the entire project period and although it is expected that new projects financed by NGOs, Government and donors are to develop new activities within the region, estimates of such support has not been considered in calculation of the baseline. The total project incremental cost is associated with the proposed additional activities needed for securing the biodiversity conservation objectives within the Eastern and Western Rhodope Region.

3.2 Baseline and Incremental costs have been assessed temporally, over the planned five-year time frame of the GEF intervention, and geographically by the boundaries of the two project sites and by the administrative borders crossing those sites. Thematically, the analysis covers the range of interventions necessary to ameliorate the proximate threats to biodiversity, based on the diagnostic assessments performed during project formulation.

4. Baseline Scenario

4.1 In the Rhodope region, biological diversity is being diminished through the loss and degradation of habitat and the direct exploitation of species. Five primary anthropogenic threats contribute to this problem. In the three major habitats of the Rhodope (forest, grassland, aquatic/riparian), these threats,

along with their myriad root and underlying causes, interact, thereby diminishing the long-term viability of individual species, communities of species and habitats.

4.2 Anthropogenic threats like environmentally unfriendly forest, water, and grassland management contribute to the threats to biodiversity in the Rhodope. Current forest and water management practices treat forests and water as commodities to be maximized without regard to biological diversity and ecosystem health. For instance current forest plantation management is weak to non-existent, resulting in vast tracts of uniform forest stand age structure and species composition, and a corresponding reduction in habitat heterogeneity and biological diversity. River flow management has been conducted with little to no regard for protecting or renewing the ecological processes upon which aquatic and riparian biodiversity depends, resulting in a significant alteration of the natural river systems and riparian habitats

5. Baseline cost analysis

5.1 The baseline cost for the full project comes primarily from the Bulgarian Government, which provides support to ongoing administration and on the ground activities in the forestry and agricultural sectors. The Bulgarian Government also provides extensive financing for enforcement, monitoring research etc. In addition the Government of Bulgaria provides substantial funding to sustainable development activities under the SAPARD programme. Sustainable development activities are also funded by UNDP mostly through job creation projects. Finally the Swiss Government provides funding to biodiversity conservation related projects.

5.2 The baseline cost does not directly go towards the obtaining the GEF projects proposed components. However, the listed baseline cost all cover activities that influences and directly impact the GEF Project outcomes. For instance forest management under the baseline scenario does not fully take biodiversity conservation issues into account, however current forestry activities such as protection and maintenance of forest are none the less of value even without such considerations.

Project component 1: Landscape-scale conservation is efficiently operational in Eastern and Western Rhodope Landscape Nature Parks. Baseline cost 24,870,000 US \$

5.3 Approximately 80 % of the baseline cost is financed by the Ministry of Agriculture and Forestry of this little over 59 percent goes towards maintenance cost such as salaries equipment maintenance etc. 19 percent goes towards reforestation and erosion prevention and 6 percent towards management and protection of forest. Of the overall total only little over 1 percent is financing protected area management.

5.4 Sixteen percent is provided by the Ministry of Environment and Water and covers the cost of enforcement monitoring research and specific conservation activities with in the Rhodope region. The remaining baseline cost is provided by the SWISS Government (0.3 percent) via their project, Bulgarian Swiss Biodiversity Conservation Programme and through UNDP implemented projects Beautiful Bulgaria, JOBS and the Sustainable Development of Rural Areas project.

Project component 2: Stakeholders integrate biodiversity into resource management and economic development policies and practice. Baseline cost 72,763,316 US \$

5.5 Approximately 41 % of the baseline cost is financed by the Ministry of Agriculture and Forestry of this little over 3 percent goes towards forest planning and technical assistance. An additional 3 percent

supports the hunting and fishing economy. Again the largest proportion of the baseline cost goes towards maintenance cost such as salaries equipment maintenance etc.

5.6 The Government of Bulgaria also provides approximately 9 percent in governmental support towards the implementation of the SAPARD programme and its measures, of which 6 are of relevance to the GEF Project. The Bulgarian Government have also pledged a financial support of 6,100,000 US \$ to a Bulgarian Trust Fund equaling a little over 8 percent of the baseline cost.

5.7 The European Union via the SAPARD programme provides a funding support of approximately 40 percent. The remaining baseline cost is provided by the SWISS Government (65,000 US \$) via their projects Establishment of Bulgarian Organic Certification Agency, Bulgarian Swiss Biodiversity Conservation Programme, Rare Indigenous breeds project, and Bulgarian Swiss Forestry Project and through UNDP implemented projects Beautiful Bulgaria, JOBS and the Sustainable Development of Rural Areas project.

6. Global Environmental Objective

The goal of the GEF assistance will be to ensure that globally significant biodiversity is protected by conserving the biological and cultural mosaic of habitats, species and land uses that comprise the Eastern and Western Rhodope landscapes.

7. GEF Alternative

7.1 By financing the incremental cost of the activities proposed under the GEF alternative the Bulgarian Government would be able to address the main threats and their underlying causes hereby ensuring the long-term and sustainable protection of biodiversity of global importance in Eastern and Western Rhodope. This would be done through:

- **Establishing Eastern & Western Rhodope Nature Parks and making their collaborative management structure operational.** More specifically the project will i) Undertake public consultations on Nature Park designation and management issues. ii) Establish Eastern Rhodope & Western Rhodope Nature Parks under IUCN's Category V "protected landscape" including two Nature Park Directorates and iii) Strengthen capacity of NPDs to facilitate collaboration among sectoral agencies and integrate biodiversity into sectoral program implementation.
- **Establish the Information baseline and strengthened as basis for adaptive management.** More specifically the project will i) Conduct biodiversity surveys and targeted research to support proactive management. ii) Design and establish participatory monitoring protocols for data gathering, and analysis. iii) Upgrade information management and geographic information system (GIS).
- **Establish a landscape-based approach to conservation and making it operational.** More specifically the project will i) Develop management plans for Eastern and Western Rhodope Nature Parks. ii) Develop conservation actions for priority "landscape species" and "landscape processes".
- **Established priority conservation areas and piloted sustainable management regimes within each Nature Park.** More specifically the project will i) Designate biodiversity priority areas in each Nature Park. ii) Develop simple and practical management plans and participatory management agreements for

each priority area. iii) Pilot aquatic ecosystem conservation in priority river systems through wild and scenic river designation and management. iv) Build capacity at the regional and municipal levels for participatory conservation and natural resource management. v) Strengthen enforcement of conservation policies and regulations.

- **Apply Monitoring/evaluation as tool for capacity building of stakeholders.** More specifically the project will i) Monitor and evaluate project activities and outputs on an annual basis. ii) Sharing lessons learned
- **Build Institutional capacity to integrate biodiversity and ecosystem management objective into productive sector programs is strengthened.** More specifically the project will i) Quantify values and benefits of biodiversity and ecosystem health. ii) Train technical staff in how to integrate biodiversity and ecosystem management objectives into productive sector programs. iii) Enhance technical capacity for biodiversity conservation and ecosystem management. iv) Strengthen the implementation of existing laws to integrate biodiversity into productive sectors (forestry, agriculture, water) v) Formulate clear, integrated natural resource management and biodiversity conservation policies and implementation procedures. vi) Heighten the effect of existing environmental policy on development practice as well as its ability to integrate biodiversity objectives.
- **Re-orient Forestry, tourism, and farming practices to support conservation while improving livelihoods.** More specifically the project will i) Align municipality and private sector development priorities with landscape conservation priorities. ii) Demonstrate model sustainable forestry under existing funding programs. iii) Demonstrate model sustainable agriculture initiatives under existing funding programs. iv) Demonstrate model sustainable tourism initiatives under existing funding programs.
- **Secure financing for sustainability of applied conservation and cross-sectoral coordination.** More specifically the project will i) Finalize and approve plan for achieving sustainability for Nature Park operations and livelihood development ii) Position the Eastern and Western Rhodope Nature Parks as key institutions for maintaining traditional landscape values under EU Common Agricultural Policy iii) Develop specific fiscal and tax and policy incentives for resource users and managers.

7.2 The design of the proposed alternative reflects a strategic choice to ensure a greater involvement of the private and civil sector in the management and management planning of biodiversity conservation in the Eastern and western Rhodope region. The alternative also take the strategic approach to make the municipality and regional planning more biodiversity sensitive in order to protect the existing natural areas on which the region depends. However, the Government of Bulgaria can not at present cover all costs associated with the management and conservation of the regions biodiversity of global importance.

7.3 As there is call for an intergraded landscape approach to ensure the preservation of the globally important biodiversity the project seeks to establish strategic partnerships with the regions stakeholders within the civil society organizations, private commercial sector, academia and Government. Without the integrated approach facilitated by the GEF project the Government of Bulgaria would not be in a position to implement the far reaching planning exercise, which is needed for an integrated landscape approach to biodiversity conservation. Nor would the Government be in a position to integrate a biodiversity sensitive agenda into its productive sector activities in the region..

8. Incremental cost

8.1 The matrix below summarizes the baseline and incremental cost expenditures during the full project period. The total cost of the GEF project is 18,201,706 US \$ (excluding the PDF B financing) with a GEF contribution of 3,545,460 US \$ (19.5%). This figure is divided between the two main components of the project in the following manner.

- Landscape-scale conservation is efficiently operational in Eastern and Western Rhodope Landscape Nature Parks. Cost 9,723,500 US \$ with a GEF contribution of 2,313,500 US \$ (23.8%).
- Stakeholders integrate biodiversity into resource management and economic development policies and practice. Cost 8,478,206 US \$ with a GEF contribution of 1,231,960 US \$ (14.5%).

Incremental Cost Matrix

Components, Outputs, Activities	Baseline	Alternative	Increment
Output 1. Eastern & Western Rhodope Nature Parks established and management structure is operational.	1,420,000 , of which MAF: 940,000 (NFB) UNDP: 480,000	2,804,000	1,384,000 of which: MAF: 540,000 SDRA: 125,000 UNDP: 120,000 GEF: 599,000
Output 2. Completed information baseline.	9,480,000 of which MAF: 5,800,000 (NFB) MOEW: 3,650,000 SWISS: 30,000	11,332,500	1,852,500 of which, MAF: 660,000 MOEW: 645,000 SWISS: 20,000 GEF: 527,500
Output 3. Landscape level conservation & management plans for E & W Rhodope.	6,340,000 of which, MAF: 6,150,000 (NFB) SWISS: 30,000 UNDP: 160,000	7,538,000	1,198,000 of which MAF: 650,000 SWISS: 10,000 UNDP: 40,000 GEF: 498,000
Output 4. Priority conservation areas established and sustainable management piloted within each NP	7,630,000 of which, MAF: 7,100,000 (NFB) MOEW: 350,000 SWISS: 20,000 UNDP: 160,000	12,919,000	5,289,000 , of which MAF: 4,150,000 MOEW: 325,000 SDRA: 75,000 SWISS: 10,000 UNDP: 40,000 GEF: 689,000
Output 5. M&E, Adaptive management, disseminate lessons learned.	\$0	392,960	392,960 of which GEF: 392,960
Output 6. Strengthened institutional capacity to integrate conservation objectives into productive sector.	SWISS: 20,000	428,000	408,000 of which SWISS: 10,000 GEF: 398,000
Output 7. Forestry, tourism, and farming practices re-oriented to support	66,643,316 , of which MAF: 30,000,000 (NFB budget) MAF: 6,160,000 (Govt. SAPARD) SAPARD: 29,000,000 SWISS: 65,000 UNDP: 1,418,316	74,174,562	7,531,246 , of which MAF: 5,276,750 SDRA: 643,180 SWISS: 23,000 UNDP: 1,293,316 GEF: 295,000
Output 8. Secured financing for sustainability of applied conservation and cross-sectoral coordination.	6,100,000 of which, 6,100,000 GoB	6,246,000	146,000 , of which GEF: 146,000
Totals:	97,633,316	115,835,022	18,201,706 of which: MAF 11,276,750 MOEW: 970,000 SDRA: 843,180 SWISS: 73,000 UNDP: 1,493,316 GEF: 3,545,460