

PROPOSAL FOR REVIEW

PROJECT TITLE: ROMANIA: INTEGRATED PROTECTED AREAS AND CONSERVATION MANAGEMENT

GEF FOCAL AREA: Biodiversity

COUNTRY ELIGIBILITY: Convention on Biodiversity ratified in August 1994

TOTAL PROJECT COSTS: US\$ 6.6 million

GEF FINANCING: US\$ 5.0 million

COUNTERPART FINANCING: US\$ 0.6 million

CO-FINANCING: US\$ 1.0 million (to be confirmed)

GEF IMPLEMENTING AGENCY: World Bank

LOCAL COUNTERPART AGENCY: Local forestry management authorities and NGOs through the National Regie of Forests (NRF), the national forest management authority of the Ministry of Waters, Forests and Environment

ESTIMATED STARTING DATE: January 1998

PROJECT DURATION: Four years

GEF PREPARATION COSTS: US\$ 300,000 (PDF Block B Grant)
US\$ 50,000 Austrian Global Environmental Trust Fund (estimated)
US\$100,000 Canadian GEF Trust Fund (estimated)
US\$ 50,000 UK Know-how Fund (estimated)

ROMANIA
INTEGRATED PROTECTED AREAS AND CONSERVATION MANAGEMENT

COUNTRY AND SECTOR CONTEXT

1. Natural or semi-natural temperate ecosystems, notably forests, alpine meadows and grasslands, cover 43% of Romania's land area. Given that nearly one-half of the nation's forests (13% of the country) have been managed for watershed conservation rather than production, Romania has the largest areas of undisturbed forest ecosystem in Europe. The natural integrity of Romanian forest ecosystems is indicated by the continued presence of the full range of European forest fauna, including 60% and 40% of all European brown bears and wolves respectively. The largest wetland in Europe, the Danube Delta, is also predominantly Romanian. Implementation of the Danube Delta Biosphere Reserve management plan is the focus of Romania's pilot phase GEF biodiversity project, which is being implemented under Bank supervision.

2. Following land nationalization after World War II, production farmland in non-hilly areas was developed for large-scale intensive agriculture. During this period, hedgerows and other ecological islands were destroyed. State-owned forests and pasture land were, however, relatively well-managed. Since the political and economic transition and the breakdown of former regulatory systems, Romanian ecosystems have been exposed to new threats, including introduction of unsustainable land use practices, such as overgrazing of alpine and hill forest meadows, ploughing under of contour bounds, and clear cutting of private forest land. In addition, there is pressure to exploit more forests in accessible areas on state land. Highly sensitive mountain ecosystems are also particularly threatened by uncontrolled and inappropriate forms of tourism and associated infrastructural developments. This trend is likely to greatly increase as economic conditions improve.

3. Romania ratified the Convention on Biological Diversity in August 1994. Concerns over increasing environmental threats to the country's biological resources prompted the Government of Romania to request World Bank assistance to: (a) prepare a National Biodiversity Conservation Strategy and Action Plan, and (b) prepare and implement a second GEF biodiversity project that would address priority issues identified by the National Biodiversity Strategy. The National Strategy affirms Romania's commitment to sustainable natural resource management and biodiversity conservation. The three principal biodiversity conservation priorities identified in the National Strategy are: (i) development of the legal framework and strengthening the institutional capacity for conservation of biological diversity; (ii) organization of the national systems of protected areas, and (iii) in-situ and ex-situ conservation of threatened, endemic and/or rare species, and those with a high economic value.

4. To ensure that sectors with the potential to spur economic growth (such as industry, tourism and agriculture) are developed in an environmentally sustainable way, the GoR is initiating a series of complementary interventions to build capacity for more effective environmental management at the national and local level. The proposed IBRD-funded Industrial Pollution Project would build capacity and address issues such as reductions in the industrial pollution which causes acid rain that impacts both on Romanian and other European forests as well as reduce pollutants in river basins. The EU/PHARE program will build local institutional capacity, including strengthening local NGOs, to contribute towards biodiversity conservation, environmental awareness and sustainable rural

development. The Romanian Integrated Protected Areas project will contribute towards this overall strategy of sustainable development through supporting land-use planning for biodiversity conservation and sustainable use in the Trans-Carpathian region, where Romania's forests adjoin and connect through the Carpathian mountain chain with those of Belarus, Czech Republic, Poland, Slovak Republic, and Ukraine. Devolution and decentralization of jurisdiction for land-use planning to the local level provides a window of opportunity for ensuring that conservation priorities are integrated in development planning at the local level.

5. In line with the priority needs identified in the National Biodiversity Strategy, the proposed project would strengthen capacity at field and central levels for planning and managing land-use appropriate for conservation and sustainable use of biodiversity, focusing both on protected areas and their buffer zones. The project would be focused primarily on building decentralized capacity to plan and implement conservation activities, including support for development initiatives that establish clear links between biodiversity conservation and economic benefits for local communities.

6. The project would develop mechanisms for biodiversity conservation and sustainable use among buffer zone communities adjacent to the protected areas. Promotion of biodiversity conservation and sustainable use in the broader production landscape away from protected areas is important but not feasible within the budget and scope of the proposed project. However, as the land privatization process is consolidated and farmer support services, public and private, are developed, it may be possible to address these elements. At that time, lessons learned at the project demonstration sites could assist in developing more broad-reaching conservation programs.

7. The institutional arrangements for natural resource management, nature conservation and protected area management in Romania are fragmented and often overlapping. In 1990, GoR issued an order identifying 11 National Parks and three biosphere reserves. In 1994, the number of potential protected areas was increased to more than 700 when MWFEP requested County administrations to identify sites for conservation management; however, the objectives and boundaries of the proposed protected areas have not been clearly defined, and agency responsibility and field capacity for protected area management have not been developed.

8. With the exception of the Danube Delta Biosphere Reserve, most land that is proposed for protected area management occurs in state forest land. At present, there is a confusing array of management responsibilities for protected areas and forest management shared by NRF, a semi-autonomous agency under MWFEP. With the current lack of clear responsibility for preparation and field implementation of management plans for biodiversity conservation, there is an urgent need to develop a unified and structured approach to the acquisition and management of protected areas, to identify lead responsibility for their management, and to further develop the field capacity to address the rapidly increasing and changing needs for protected area management and biodiversity conservation in Romania. The proposed project would take advantage of a window of opportunity to address these needs, with emphasis on demonstration of best practice in decentralized land use planning and field implementation at three important Carpathian mountain forest sites.

Links with National Development Priorities

9. In addition to addressing priorities identified in the National Biodiversity Conservation Strategy and Action Plan, the project will also address priority issues identified in the 1992

Environmental Strategy Paper; the 1994 Environmental Protection Strategy, and the 1995 National Environmental Action Program. Socioeconomic activities associated with protected area buffer zones (e.g., rural tourism, sustainable agriculture, community development) would support priorities identified in the 1996 Poverty Sector Study. Furthermore, agriculture and tourism have been identified by the Romanian State Ownership Fund as priority sectors for privatization, and agriculture is identified in the Country Assistance Strategy as one of the five main sectors in which reform should be targeted. The project provides a mechanism for integrating biodiversity conservation in agriculture and tourism development at the regional and local level.

Regional Context and Strategy

10. Links with international biodiversity conservation priorities: By focusing on the south and eastern Carpathian mountains, the proposed project would support conservation of some of the last and largest pristine and natural mixed forest ecosystems in Europe, and the greatest concentrations of large carnivores in Europe, i.e. brown bear, wolf and lynx. These and other mammal and bird species occurring at the proposed demonstration sites are listed by IUCN as threatened. All three sites include Important Bird Areas (IBAs) that are significant for endangered migratory species listed under appendix II of the Bonn Convention of 1979. The project would provide support for conservation of species listed under both the Bonn and Bern international conventions. The proposed project would also support implementation of the Pan European Biological and Landscape Diversity Strategy.

11. Links with GEF pilot phase activities in the region: Under the pilot phase, GEF and the World Bank have been active in supporting biodiversity conservation in other regions of the Carpathian mountains and the forests of adjacent East European countries (Belarus, Czech Republic, Poland, Slovak Republic, Ukraine, and the Carpathian Biodiversity Protection Project). More than half of the Carpathian mountains occur in Romania; however, GEF has not yet supported conservation of forest biodiversity in the Romanian Carpathians. The proposed project would establish conservation management of forest ecosystems in the south west, southern and north east Romanian Carpathian mountains. All three sites are connected with each other, and with forest conservation sites in adjacent countries, by a corridor of natural and managed forest ecosystems. The proposed project would develop mechanisms to support regional collaboration and information exchange, thereby consolidating GEF support for biodiversity conservation throughout the Carpathian chain.

PROJECT OBJECTIVES AND DESCRIPTION

12. **The overall goal** of the project is sustainable conservation of the biological diversity and ecological integrity of Romanian forest, alpine and meadow ecosystems at three separate, but linked, sites in the Carpathian mountain chain. (see Attachment 1). These sites, which were selected by the Romanian Biodiversity Steering Committee as national priorities, provide opportunities to apply several different conservation management strategies, including national park, biosphere reserve, and biodiversity-friendly sustainable forest management models.

13. **The objectives of the project** are to: (i) develop and implement protected area management plans, and integrated sustainable natural resource management /rural development plans at the three priority biodiversity conservation sites and buffer zones, and (ii) build capacity at the national and

local level to support the further development of decentralized conservation management. The project would develop conservation management strategies appropriate to local needs and conditions. Local stakeholders would participate in preparation and implementation of management and development plans. Investments, training and the development of decentralized institutional arrangements would address priority conservation planning and management problems that are common to many important and threatened biodiversity sites throughout Romania and elsewhere in Eastern Europe and would, therefore, provide models for replication in priority conservation sites in other parts of the country and region.

14. **The main components** of the project would build on the experience of the pilot phase GEF projects in Romania and the region, and would link with ongoing and planned Government NGO and regional initiatives. Preparation is still at an early stage but major components will include:

- (a) **Preparation and implementation of protected area management plans** (US\$3.35) This would entail definition of PA boundaries and zoning for appropriate use consistent with biodiversity objectives. Management planning will build on ecological and social assessments being undertaken as part of project preparation and be as participatory as possible to engage the support and involvement of local communities. The project would finance: (i) technical assistance for preparation and implementation of management plans, including zoning; (ii) additional site specific, ecological baseline surveys in PAs and buffer zones for boundary adjustments and zoning for biodiversity values and vulnerability to threat, visitor use and appropriate buffer zone activities; (iii) additional social assessments, as needed, to address specific constraints and threats to sustainable resource management (e.g., the impacts of tourism, local industry, agriculture, and the consumptive use of forest products); (iv) outreach and conflict resolution exercises to build consensus and involve local communities in PA management; (v) provision of field equipment, simple facilities, and information technology that is specifically needed for implementation of the proposed project; and (vi) development and application of wildlife monitoring and management techniques, including on-the-job training. A monitoring and evaluation plan is being prepared as part of project preparation. Financing for incremental costs of US\$2.75m is being requested from the GEF.
- (b) **Sustainable buffer zone development** (US\$0.9 million): This would support implementation of land use planning in buffer zones, and the preparation and implementation of plans for sustainable use of natural resources (grazing, forest products and tourism, etc.) Appropriate land-use and rural development options will be determined in consultation with local communities, other stakeholders and NGOs during preparation. Criteria for selection of alternative livelihoods and reciprocal conservation agreements would be determined to ensure that development supports protected area and conservation management objectives and that there are clear linkages between biodiversity conservation and economic benefits. Selection and support for sustainable microenterprises and alternative livelihoods for local communities would build on previous and ongoing Romanian experience, including GEF and EU/PHARE programs, and could include: (i) rural tourism and associated developments, such as technical advice and training for providing accommodation in rural homes; guiding and site interpretation; cottage industries for handicrafts (ii) microenterprises to support sustainable production and marketing of traditional products such as cheeses, tuika and medicinal plants (iii) sustainable harvesting of timber and non-timber forest products, such

preparation of the component will be funded by the UK Know-How Fund. GEF support of US\$0.1m) is proposed to finance incremental costs of this sub-component.

PROJECT COSTS AND FINANCING

15. Total project costs, including incremental GEF financing are estimated to be US\$6.6 million. These will be further detailed during project preparation. The US\$5m requested from the GEF should be considered the ceiling, and will likely be revised downward during appraisal. This is due to two factors: (a) the current change in the Romanian government and ensuing reorganization of the institutions responsible for protected area management do not have precise data needed to complete a solid incremental cost analysis. Indications are, however, that the baseline scenario used in this document may be an underreporting of projected government allocations to the sector; (b) several donors have expressed interest in co-financing this project (see below). These contributions would displace GEF resources. Baseline costs reflect current Government expenditures on conservation management at the proposed demonstration sites, and for core staff at headquarters in Bucharest (approximately \$1 million annually). GEF support is sought for incremental costs totaling \$5 million needed to effectively achieve project goals. It is anticipated that local and national benefits will also derive from the proposed project, whose objective is conservation of biological diversity that is of international significance. Project preparation is examining the most cost effective ways of achieving effective protected area management. The incremental cost analysis and justification for the GEF grant are provided in Annex 1.

16. During project identification, a preliminary review of donor activities in related sectors and consultation with local representatives from potential co-financing agencies was undertaken with the support of the Austrian Global Environmental Trust Fund. In general, donors have indicated interest in increasing the effectiveness of their, relatively small, grant funded activities through participation in the proposed larger GEF/World Bank lead project. Specifically Canada and Austria have indicated that grant funds would be available to support project preparation, and the UK Know-How Fund have expressed an interest in funding preparation and implementation of the bison reintroduction component and associated protected area management and public awareness programs at Vanatori-Neamt. The project would build on the experience and integrate with training in participatory development techniques that is being provided to a variety of sectors under the national EU PHARE programs. Arrangements for provision of co-financing, the participation of other donors, and links with related Government, NGO and international initiatives will be further explored and detailed during project preparation.

RATIONALE FOR GEF FINANCING

17. Romania ratified the Convention on Biological Diversity in August 1994. The project is consistent with the GEF Operational Strategy and especially the Operational Programs on Forest and Montane Ecosystems. The project is also consistent with the Short Term Response Measures under the Operational Strategy in that a GEF intervention now would be opportune to address urgent needs associated with transition, which, since 1989, has resulted in increasing threats to biodiversity but has not yet generated sufficient capital to enable the Government of Romania to address these threats.

as fungi, fruits and wildlife in buffer zones (iv) angling and (v) sustainable arable farming and rotational grazing. Mechanisms and criteria for provision of this assistance will be developed as part of ongoing project preparation. GEF financing for incremental costs is proposed for US\$0.7m.

- (c) **Local capacity building** (US\$0.9m) within key government agencies, NGOs and communities involved in project implementation at the field level. Capacity building would involve technical assistance, training of local staff at the protected area and site levels, short term study tours and exchange work programs within the region. Training would include land use planning, working with local communities and conflict resolution, ecological monitoring and simple field monitoring techniques, interpretive guiding and wardening. In addition, the project would further support mechanisms for inter sectoral and regional collaboration (including exchange of regional expertise, shared training, etc.) to consolidate biodiversity conservation throughout the Trans-Carpathian region. GEF incremental cost financing is proposed for US\$0.7m.
- (d) **Capacity building at the national level.** (US\$0.6m) This component would provide support for (i) revision of protected areas and associated environmental legislation, based on recommendations from the project preparation team, to develop a legal framework and regulations consistent with rationalized management responsibilities and opportunities for community involvement in management; (ii) limited support to the development of the data base and information management needs to support implementation of the National Biodiversity Conservation Strategy and Action Plan, specifically focusing on protected area coverage and management. (This component would build on capacity established under the GEF pilot project "Danube Delta Biodiversity Project"); (iii) provide support for institutional strengthening in key implementing agencies (government and NGO) to strengthen protected area planning and prioritization and monitoring capacity and (iv) implementation of a financial mechanism to cover PA recurrent costs (options, including user fees, are being reviewed as part of preparation). GEF support of US\$0.4m is proposed to finance incremental costs of this sub-component.
- (e) **Public awareness and education** (US\$0.4) would support technical assistance, production of educational and interpretive materials and simple facilities for site interpretation to visitors at the three protected areas. The project would also provide support for consultants and materials to support a multimedia (newspaper, radio, drama) national awareness campaign aimed at all sectors of society from decision-makers and school children. A detailed conservation awareness plan is being developed during preparation and would be implemented through involvement of national and local NGOs, local community based organizations; and links with local, national and international media. GEF support of US\$0.35 is proposed to finance incremental costs of this sub-component.
- (f) **Bison Reintroduction.** (US\$0.45m) In association with the establishment of biodiversity forest resource management at the Vanatori Neamt demonstration site, the project would support captive breeding and reintroduction of European bison. This species, which was hunted to extinction in the area during the last century, provides the natural mechanism for maintaining a balance of forest and meadow ecosystems, and will be a flagship species for public awareness programs. Bloodstock is to be provided free of charge by private zoos and

18. The project would implement priority actions identified in the National Biodiversity Conservation Strategy and Action Plan. It focuses specifically on *in situ* conservation and thus supports implementation of Article 8 of the Convention by strengthening support for protected areas and sustainable use in adjacent buffer zones. The project would ensure the sustainable conservation of some of the last and largest remaining stands of pristine and natural old growth temperate mixed forest ecosystems in Europe, which support the full range of Central European forest fauna, including Europe's greatest concentrations of large carnivores (wolf, bear and lynx), species with large range needs. The project would foster international and transboundary cooperation in the Carpathian mountains and provide support to three important protected areas that are linked by forest corridors with other reserves in eastern Europe.

19. The project is consistent with Agenda 21 and guidance from the Conference of the Parties since it will promote conservation, management and sustainable use of forest and alpine ecosystems and endemic species; strengthen the involvement of local communities and build partnerships at the local, national and regional levels, and promote cost effective measures to conserve biodiversity, including economic incentives and alternative livelihood opportunities for local communities. It responds to guidance from COP3 by addressing capacity building, especially among local communities, encouraging intersectoral cooperation and by providing support to activities that are consistent with, and supportive of, other international conventions (Bonn and Bern Conventions).

PARTICIPATION AND SUSTAINABILITY

Participation

20. Participation in project identification: Preparation of the National Biodiversity Conservation Strategy was done with the involvement of all key institutions, including Department of Environmental Protection (DEP) and the Department of Forests (DoF) of the Ministry of Waters Forests and Environmental Protection (MWFEP); the National Regie of Forests (NRF), the Ministry of Agriculture (MoA); the Forest Resources Research and Management Institute (ICAS); the Commission for the Protection of National Monuments; the Institute of Biology; the Danube Delta Institute; the local NGO community; and IUCN. This has led to increased intersectoral cooperation and the formation of the Romanian Biodiversity Steering Committee. Government commitment is demonstrated through identification of the major elements of the proposed project as top priorities in the National Biodiversity Conservation Strategy and Action Plan. The Project Concept document was finalized in collaboration with Government counterparts and NGOs, in March 1996, who are continuing to actively pursue options for co-financing and establish links between the proposed project and national and international initiatives. In two of the proposed demonstration sites (Retezat and Bucegi-Piatra Craiului), the local NRF forest service have recently (April 1996) collaborated with local authorities, communities, NGOs and relevant national institutions to prepare the way for establishment of local collaborative administrative structures for protected area management. A national NGO, which is active at Retezat, is the recipient of a \$12,000 grant from the SOROS Foundation for a one year public action and awareness program in support of conservation of the site. At the third proposed conservation management demonstration site, there is considerable local community and land owner (NRF and the Church) enthusiasm for the proposed bison reintroduction and management program that the project would implement.

21. Participation in project preparation and implementation: Experience elsewhere in Romania and other countries has shown that input of local level stakeholders early in the process results in a **high level of ownership and accountability for project activities**. Through social assessment activities, local level stakeholder input into project activities will be ensured. The social assessment will ensure that local communities have been able to analyze their priorities vis-à-vis the protected area, and have identified acceptable options for involvement in protected area management. A framework for ongoing dialogue between local communities, NGOs and government agencies will also be developed as a mechanism for systematic feedback on project activities. Social assessment will also reveal training and capacity building needs at the local level, which will be addressed as part of project implementation. Any social issues that are identified will also be addressed in implementation activities.

Sustainability

22. **Financial sustainability.** Experience from implementation of the GEF Danube Delta Biodiversity Project has shown that the Government of Romania has provided counterpart funding in a timely manner, and has funded additional biodiversity conservation project related activities as needed. Government contribution to the proposed project, and financial support for protected area management after completion of the project would be provided by central Government and NRF. Additional mechanisms to support sustainable conservation and public awareness will be explored during the project. These could include recycling revenues raised from protected area users (recreational and educational), and eco-labeling to provide for higher priced markets for forest products derived from forest ecosystems managed in a biodiversity friendly manner (notably at the Vanatori-Neamts demonstration site). Elements in project design that contribute to **institutional sustainability** are rationalization of protected area management responsibilities and capacity building and institutional strengthening at the local level (both government agencies and NGOs) to meet the new challenges of decentralization. Initiatives to engage local communities and other local stakeholders, including the Church and other private landowners, in project preparation and implementation should contribute to **social sustainability**.

LESSONS LEARNED AND TECHNICAL REVIEW

23. While the proposed project would be the first Bank/GEF operation to focus on conservation and protected area management in forest ecosystems in Romania, the project would benefit from experience gained in implementation of the Danube Delta Biodiversity Project, and from other pilot phase GEF biodiversity projects focused on protected area and conservation management of forest ecosystems in Belarus, the Czech Republic, Poland, Slovakia, and Ukraine. In addition, the Bank has provided support to more than 125 projects and programs worldwide with significant forest management components during the FY90-96 period.

24. Experience from similar initiatives in Eastern Europe and around the world, suggest that: (a) the early involvement in project preparation of key stakeholders, specifically local communities and influential decision makers, is essential in order to ensure ownership and successful project implementation; (b) conservation management strategies should establish a clear link between the objectives of conservation and tangible benefits and reciprocal responsibilities for key stakeholders, especially local communities; (c) conservation activities should be integrated within regional development and land-use plans; (d) conservation strategies must be site specific and address local

issues, threats and needs in order to achieve environmental, social and financial sustainability; (e) the benefits and objectives of the project should be made known to key stakeholders, both through active participation and effective public awareness programs; (f) where consumptive use of natural resources is an issue (e.g., grazing, hunting, fishing, and use of other forest products), effective monitoring and control mechanisms need to be developed and applied, and (g) applied research and monitoring programs should be site specific and targeted to provide direct support for effective conservation management.

25. The STAP Reviewer's technical comments are attached as Annex 3.

ISSUES, ACTIONS, AND RISKS

26. The major risks are associated with: (a) weak institutional capacity and inter-agency coordination mechanisms at the national level, including lack of coherent policy for managing and conserving biodiversity throughout Romania, (b) lack of experience of participatory mechanisms for community development, the sustainable management of natural resources, and the development of small scale rural enterprises. Preparation of the National Biodiversity Conservation Strategy and Action Plan has resulted in the initiation of interagency collaboration that would be extended to support project preparation and implementation. Further more the project would directly support improvement of management and monitoring arrangements for biodiversity conservation at the national level. However, the main focus of project activities would be on demonstration of best practice in protected area and conservation management in the field. While the project would take the lead in developing participatory mechanisms for natural resources management and rural development at the protected area demonstration sites, training in participatory development techniques is already being provided to a variety of sectors under the national EU/PHARE programs. The proposed project would build on this experience and integrate with these initiatives.

INSTITUTIONAL FRAMEWORK AND PROJECT IMPLEMENTATION

27. Interagency coordination: Overall coordination for Project preparation and implementation, among Government and other stakeholders at the national level, would be ensured through the interagency Biodiversity Steering Committee (BSC), originally formed to direct preparation of the National Biodiversity Strategy. The BSC would provide guidance to the lead agency in preparing and executing the proposed project.

28. Project Implementation: The DEP is responsible for legislative and regulatory aspects, and the Romanian Academy is nominally responsible for scientific supervision of protected areas. However, NRF with a field staff of 2,500 engaged in the management of protection forest has, in practice, been responsible for ensuring the conservation of Romania's important natural forests and associated ecosystems. Given present serious budget limitations, which would preclude the creation of an entirely new institution for protected areas management, and the project's focus on forests, a small unit within NRF will provide guidance in the preparation of plans for field management of protected areas, and also serve as lead agency for the proposed project. If appropriate, such a unit could form the nucleus for an independent agency in the future.

29. Core staff for the unit are currently based at ICAS, Department of Wildlife and Ecology headquarters in Pipera, Bucharest, and at NRF. These include wildlife biologists, forest engineers

involved with wildlife management, protected areas management planning, biological control, a soil scientist, a GIS specialist and a veterinarian. The unit would also have access to specialist skills available within other relevant Government Agencies (e.g. Institute of Meadows, Institute of Biology, Universities, etc.). Additional training and staffing needs will be assessed during project preparation. There would be close coordination with the activities of county Environmental Protection Agencies (EPA), which are responsible for enforcement of environmental regulations at the Project's three demonstration sites.

30. **Field implementation:** Preparation and implementation of protected area management plans at the three demonstration sites would be coordinated by Project Implementation Committees--similar to local management committees--which would include representatives from local County offices of NRF, local Government, local communities, relevant NGOs and other key stakeholders. Field implementation of management plans would be undertaken by the agency responsible for the land and/or natural resources. For example, NRF would have primary responsibility for field activities in demonstration site core areas, whereas community development among buffer zone communities would be undertaken by NGOs and/or local government agencies with relevant expertise.

Romania: Integrated Protected Areas and Conservation Management				
Project Costs (\$US '000) and Financing Plan				
Project component	GEF	GOR	Co-financing	Total
a. Preparation and implementation of protected area management plans	2,750	200	400	3,350
b. Sustainable natural resource management	700	100	100	900
c. Local capacity building	700	100	100	900
d. Capacity building at the national level	400	100	100	600
e. Public awareness and education	350	50		400
f. Bison reintroduction	100	50	300	450
Total:	5,000	600	1,000	6,600

Conservation Demonstration site Descriptions

- 1. Pristine mountain forest and alpine ecosystems** - Retezat National Park, South Western Carpathians (54,400 ha), which includes a core area of approximately 13,000 ha of pristine mixed and coniferous forest and alpine meadows that are under increasing threat from the impacts of tourism and unsustainable use of natural resources in adjacent buffer zone areas. Retezat IBA is important for 5 bird species listed under appendix II of the Bonn Convention on migratory species. The Retezat massif includes 42 endemic plant species, and the area is also the center of genetic diversity for two important groups of grasses, i.e., *Hieracium* and *Poa* spp.
- 2. Natural/pristine mountain forest and alpine ecosystems and large carnivores** - The proposed Bucegi-Piatra Craiului Biosphere Reserve, Southern Carpathians (150,000 ha), which includes approximately 3,391 ha of pristine mixed and coniferous forest. Application of the biosphere reserve and ECONET concepts would provide guidance for the sustainable development of ecotourism and agriculture, while controlling further fragmentation of natural forests that currently support Europe's greatest concentrations of brown bear, wolf and lynx. Bucegi IBA is important for four bird species listed under appendix II of the Bonn Convention, and 33 listed under appendix II of the Bern Convention.
- 3. Mixed hill forest and meadows** - e.g., forest management for indigenous biodiversity in Vanatori-Neamt, North Eastern Carpathians, including ecosystem rehabilitation. The reintroduction of European bison in production/conservation mixed forest would provide an ecological mechanism, and focus for popular support and for maintenance of the natural ecological diversity of 300,000 hectares of hill forest and meadows. (The bison features on the flag and is a heraldic symbol of the province.) The natural fauna of the area formerly included bison until they were hunted to extinction at the beginning of the century. The site includes virgin, natural and managed mixed forest (predominantly oak, beech, fir and spruce), some of which has been maintained as a hunting reserve since 1475. There are 86 endemic plant species, 16 of which are endemic to the site. The two IBAs that occur in this demonstration site are important for 7 bird species listed under appendix II of the Bonn Convention on Conservation of Migratory Species, and 30 listed under appendix II of the Bern Convention.

ROMANIA: INTEGRATED PROTECTED AREAS AND CONSERVATION MANAGEMENT

INCREMENTAL COSTS AND GLOBAL ENVIRONMENTAL BENEFITS

Context and Broad Development Goals

1. Romania's rich natural and biological resource base is coming under increasing pressure in response to the country's need for agricultural development. In recent years, following the political and economic transition and the breakdown of regulatory frameworks, the nation's ecosystems have been threatened by a variety of unsustainable land use practices. These include overgrazing of alpine and hill forest meadows, plowing under of contour bunds, and clear cutting of private forest land. Overexploitation of state forests and uncontrolled and inappropriate forms of tourism and associated infrastructural developments in highly-sensitive mountain ecosystems have likewise had a significant impact upon biological diversity.

2. Concerns over increasing environmental threats to the country's biological resources prompted the Government of Romania (GoR) to prepare a National Biodiversity Conservation Strategy and Action Plan. The National Strategy affirms Romania's commitment to sustainable natural resource management and biodiversity conservation and identifies three principal biodiversity conservation priorities: (i) development of the legal framework and strengthening the institutional capacity for conservation of biological diversity; (ii) organization of the national systems of protected areas, (iii) in-situ and ex-situ conservation of threatened, endemic and/or rare species, and those with a high economic value and (iv) protection and conservation of biodiversity outside protected areas through minimizing inappropriate land-use practices, restoring altered ecosystems and habitats, and promotion technologies which favor sustainable agriculture.

Baseline Scenario

3. *Scope.* Over the next decade, the GoR's economic transition will likely lead to increased industrial output as well as expansion of the agriculture and forestry sectors. Recognizing that these activities have not always been highly sensitive to protection and sustainable use of biological resources, the GoR will endeavor to stimulate and carry out such activities in an environmentally sustainable manner. Under the Baseline Scenario, it is expected that the GoR will concentrate its scarce resources on biodiversity conservation through regulating natural resource exploitation in state forests and strengthening the capacity of natural resource management agencies, including the National Regie of Forests (NRF), the national forest management authority of the Ministry of Waters, Forests and Environment.

4. At present, Romania has identified a number of national parks, biosphere reserves, and potential protected areas. However, with the exception of the Danube Delta Biosphere Reserve, most land that is proposed for protected area management occurs in state forest land that is

frequently encroached upon for various economic activities. NRF is charged with overseeing Romania's national parks and protected areas, yet lacks clear responsibility for preparing and implementing management plans for biodiversity conservation. Out of NRF's annual budget of US\$ 140,000, approximately US\$ 80,000 is allocated per year for protected areas management at the national level. It is expected that under the Baseline Scenario, expenditures will continue at this modest level. In this preliminary analysis, only direct expenditures by NRF on protected areas management are included in the Baseline. Other activities are considered to be entirely incremental. However, this analysis will be revised during appraisal and estimates of incremental costs possibly revised downward. A \$5 million GEF grant, then, is considered to be a ceiling. Downward adjustment is also likely due to co-financing..

5. **Costs.** The GoR has limited financial resources for protected areas management. Total expenditures under the Baseline Scenario are estimated at US\$ 0.3 million. These funds, through NRF, are generally directed towards environmental protection and biodiversity conservation. During project preparation, efforts will be made to identify additional Baseline activities.

6. **Benefits.** Implementation of the Baseline Scenario would result in limited protection at existing protected areas and limited public sector capacity to manage Romania's natural resource base. However, these activities are unlikely to ensure protection of globally significant biological resources due to the lack of an explicit focus on biodiversity values as well as institutional, financial, and legal constraints.

Global Environmental Objective

7. The global environmental objective is to conserve the biological diversity and ecological integrity of the largest remaining undisturbed forest ecosystem in Europe. Romania is a meeting point between biogeographic regions—between arctic, alpine, west and central European, pannonic, pontic, balkanic and submediterranean regions. The high level of geographic diversity in Romania, including components that are eastern (Caucasian/pontic), northern (boreal), southern (Mediterranean and Balkanic) and western (continental European and panonic), and the consequence of its local as a biological meeting place has produced a large number of endemic and subendemic plants and a territory through which many species spread their distribution. The largely unbroken Carpathian mountain chain is particularly important in providing a corridor for the spread of biodiversity.

GEF Alternative

8. **Scope.** The GEF Alternative would build on the Baseline Scenario by developing and implementing protected area management plans and integrated sustainable natural resource management plans at three priority biodiversity conservation sites and buffer zones, and building capacity at the national and local level to support decentralized conservation management. The GEF Alternative would make possible activities and programs that would not be undertaken under the Baseline Scenario, including strengthening capacity at the field and central levels for planning

and managing land-use for conservation and sustainable use of biodiversity in protected areas and surrounding buffer zones, supporting an education and awareness program, and establishing a long-term financing mechanism for recurrent cost financing. GEF funds would also be critical for leveraging additional donor co-financing for long-term funding of the protected areas system and bison reintroduction component, both from bilateral and multilateral sources.

9. **Costs.** The total cost of the GEF Alternative is estimated at US\$ 6.6 million, detailed as follows: (i) preparation and implementation of protected areas management plans - US\$ 3.4 million (*GEF financing - \$2.75 million*); (ii) sustainable buffer zone management - US\$ 0.9 million (*GEF financing - US\$ 0.7 million*); (iii) strengthening local capacity to support biodiversity conservation - US\$ 0.9 million (*GEF financing - US\$ 0.7 million*); (iv) strengthening of institutional capacity at the national level (including reform of the policy and legal framework, support for information management, and implementation of a financial mechanism to cover protected area recurrent costs) - US\$ 0.6 million (*GEF financing - US\$ 0.4 million*); (v) public awareness and education for biodiversity conservation - US\$ 0.4 million (*GEF financing - US\$ 0.35 million*); and (vi) reintroduction of the European bison - US\$ 0.4 million (*GEF financing - US\$ 0.1 million*).

10. **Benefits.** Implementation of the GEF Alternative would give the GoR the ability to take a comprehensive approach to natural resource management issues, including biodiversity conservation, protection, and sustainable use. Benefits generated from this comprehensive approach would include those classified as "national" -- increased sustainability of natural resource use, greater stability in long term revenues from the natural resource base, and increased public awareness of environment and natural resource issues -- as well as those considered "global" in nature. Global benefits would include the conservation of Romania's endemic flora and fauna in three priority areas; protection of the ecological integrity of critical ecosystems and habitats, including important corridors for endangered species; outreach to and involvement of local communities and local governments; and development of viable approaches to natural resource use in buffer zones, thereby reducing pressure on protected areas.

Incremental Costs

11. The difference between the cost of the Baseline Scenario (US\$ 0.3 million) and the cost of the GEF Alternative (US\$ 6.9 million) is estimated at US\$ 6.6 million. This represents the incremental cost for achieving global environmental benefits through the establishment of three protected areas which would conserve globally significant biodiversity and development of mechanisms for biodiversity conservation and sustainable use among buffer zone communities adjacent to the protected areas. Discussions are on-going with interested donors regarding co-financing of US\$ 1.0 million; it is anticipated that GoR will be able to mobilize about US\$ 0.6 million to complement and GEF funding. Consequently, a GEF grant of US\$ 5.0 million is requested at this time; the Bank will report on the success of the co-financing mobilization effort at the time of final CEO endorsement.

Component Sector	Cost Category	US\$ Million	Domestic Benefit	Global Benefit
Preparation and Implementation of Protected Area Management Plans	Baseline	0.3	Limited protection at existing protected areas; limited public sector capacity to manage natural resource base.	
	With GEF Alternative (with other donors)	3.7	Same as above.	Integrated protection programs in three areas of high biological diversity; strengthened management and protection of globally significant protected areas; increased understanding of threats to globally significant biodiversity; meaningful participation of local stakeholders in protected areas management activities.
	Incremental	3.4		
Sustainable Buffer Zone Management	Baseline	0		
	With GEF Alternative (with other donors)	0.9		Increased understanding of the role biodiversity plays in sustainable development.
	Incremental	0.9		
Local Capacity Building	Baseline	0		
	With GEF Alternative (with other donors)	0.9		Increased capacity to manage buffer zones surrounding protected areas
	Incremental	0.9		
Capacity Building at the National Level	Baseline	0.0		
	With GEF Alternative (with other donors)	0.6		Increased public sector capacity to manage critical habitats and protected areas; establishment of information management system to support implementation of the National Biodiversity Strategy and Action Plan; establishment of trust fund to ensure financial sustainability for protecting areas of global significance.
	Incremental	0.6		
Public Awareness and Education	Baseline	0		
	With GEF Alternative (with other donors)	0.4		Increased public awareness of issues related to biodiversity conservation and participatory schemes for sustainable natural resource management in buffer zones.
	Incremental	0.4		
Bison Reintroduction	Baseline	0		
	With GEF Alternative (with other donors)	0.4		Reintroduction of rare species which plays an important role in maintaining ecosystem integrity.
	Incremental	0.4		
Totals	Baseline	0.3		
	With GEF Alternative	6.9		
	Incremental	6.6		

LETTER OF COUNTRY ENDORSEMENT
BY DESIGNATED OPERATIONAL FOCAL POINT



GOVERNMENT OF ROMANIA
MINISTRY OF WATERS, FORESTS AND ENVIRONMENTAL PROTECTION
Cabinet of the Minister

40290

17 OCT 1996

Mrs. Michele de Nevers
Chief
Agriculture and Environment Operation Division
Europe and Central Asia
Fax: 210 2021

Dear Mrs. de Nevers

I am writing to reaffirm the Government of Romania's commitment to preparation and implementation of the proposed GEF Biodiversity Project "Integrated Protected Areas and Conservation Management" and, on behalf of the Government of Romania, to request World Bank assistance in making available GEF PDF Grant funding to support project preparation at the earliest possible date.

Sincerely yours,


Aurel Constantin Ilie
Minister

TECHNICAL REVIEW
ROMANIA: INTEGRATED PROTECTED AREAS AND CONSERVATION MANAGEMENT

Melbury, Wardour Castle
Tisbury, Salisbury
Wiltshire SP3 6RQ, UK
Tel/fax: 01747 870158
e-mail: julianc@gn.apc.org

13th July 1996

John Fraser Stewart
Environment Division
Technical Department
Europe & Central Asia, Middle East & North Africa
Dept/Div 298/60, Room H-8013
The World Bank, Washington DC, USA

Fax to: 00 1 202 477 0711

email to: jstewart1@worldbank.org@internet

Dear John:

Thanks for sending me the Project Information Document on the Integrated Protected Areas and Conservation Management project in Romania, on which I can offer the following comments.

This is a very well prepared and clear project brief, which provides ample justification for a comprehensive programme of biodiversity work in Romania, which clearly deserves special global priority for assistance. It also seems to be very cost-effective, in the sense that large and unique portions of Europe's biological heritage are involved at low initial cost, and there appear to be many opportunities for complementary investment by and cooperation with other European national and regional governments and the private sector. It appears to be feasible to make progress quickly by working as proposed with the existing, experienced agency ROMSILVA, and the Government of Romania seems to be adequately committed to the project to ensure its successful operation and maintenance. Thus, there is little I can add to the content as written, since my main reservations concern the overall strategy that it is proposed to adopt rather than the details. I feel that there may be a need to reconsider and perhaps to think about some changes of emphasis as the project is developed further.

The project information document argues that Romania possesses excellent biodiversity resources, mostly in the form of intact forests (though the Danube Delta is more heterogenous). These forests are mostly state land, implying that they are little inhabited and little used by local people. The parastatal agency ROMSILVA has presided over this arrangement, which is largely left over from the former system of government. Transitional pressures are threatening the old system of land management, so it is proposed to build on the existing

J.O. Caldecott to J.F. Stewart, EMTEC Room H-801J (12th Jul 96)

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resources of ROMSILVA, to strengthen its capacity to manage biodiversity, and to allow participation to give some local 'flavour' to the management strategy for each protected area.

I do wonder, however, if this is going in entirely the right direction. It seems to me that current trends are towards promoting the management of local resources by local stakeholders in collaboration with those of other localities, rather than the strengthening of direct central government involvement. The role of central government is increasingly seen as being to help localities protect their own interests (e.g. by resolving conflicts among stakeholders that cannot be solved locally), and by providing information services, support and common standards for environmental management, rather than by managing natural resources directly. The Romanian people may not now have much practice in asserting local rights and in exercising local management capacities, and may still be rather 'feudal' in their outlook, but one must ask how long this will last as their contacts with the rest of Europe multiply and deepen.

An alternative would be for the project to invest primarily in the County level of Romanian society. In this context, it is important that the Counties identified some 700 sites for protection in 1994. From this point of view, it may make sense to make use of the 2,500 expert staff of ROMSILVA mainly to train and assist the Counties in managing biodiversity. The biodiversity resources involved would then ultimately be seen as local assets rather than as central government ones, thus promoting a genuine political consensus in favour of conserving them at the local level. The desirability of this the key message from the experience of countries like Costa Rica, the Philippines and Zimbabwe, where real progress in biodiversity conservation only started once local people begin to own their resources, with central government falling into a more supportive role (see for example *Decentralization and Biodiversity Conservation*, edited by Ernst Lutz and I. for publication by the Bank).

In this view, strengthening ROMSILVA as a central reserve management agency would not be viable in the long term, however valid it may be as an interim measure to resist the kind of emerging threats described in the PID. Instead, investment in ROMSILVA might be seen as taking two forms. The first would strengthen its ability to protect biodiversity while a longer-term solution emerges (a lesson learned from the chaos in Russia). The second would help ROMSILVA to strengthen County-level ability to manage biodiversity, by enabling and encouraging local people to do it, and by teaching them how.

J.O. Caldecott to J.F. Stewart, KMTEN Room H-8013 (12th Jul 96)

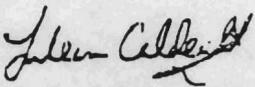
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Other measures would then also be needed to promote managed decentralization of certain kinds of authority over natural resources to the County level, to establish local forums and other vehicles for permanent dialogic, to strengthen County-level financing and other forms of capability, and to provide services to the County level in the areas of spatial planning, mapping, EIA, etc. The latter would mainly be where the DEP comes in, as a provider of complementary government services rather than as a competitor of ROMSILVA. Similarly, central mechanisms to inventory national biodiversity assets would be designed to provide data management services to the County level, thus meeting the needs of local users - schools, ecotourists, farmers, etc.

In summary, I think that the underlying strategy of the project may need to be modified on the assumption that the role of local stakeholders will become more important in future, and that the role of central government will inevitably be redefined as a consequence of this. The project should therefore aim to prepare both groups for their future roles, rather than to focus only in continuing and upgrading the previous management system. This need not add greatly to the budget at this stage, although in the longer term a more disseminated process of County-level training and dialogue may make management arrangements more complex. The three pilot areas proposed seem to be well chosen as sites where the implications of a more devolved management strategy can be explored in practice.

I do hope these comments will be helpful to you in the further development of this very important project in a country where international support for biodiversity is so manifestly needed. If you have follow-up questions please do not hesitate to contact me by e-mail in Indonesia, from where I shall endeavour to reply promptly.

Best regards,



Julian Caldecott

INVOICE

Julian Caldecott BSc PhD, consultant:
biodiversity, conservation, environment

Melbury, Wardour Castle, Tisbury
Salisbury, Wiltshire SP3 6RQ, UK
Phone & Fax: ++ 44 1747 870158
email: julianc@gn.apc.org

Service performed: Review of Project Information Document concerning the proposed Integrated Protected Areas and Conservation Management project in Romania.

To the account of: Environment Division, Technical Department, Europe & Central Asia, Middle East & North Africa, Dept/Div 298/60, Room H-8013, The World Bank, Washington DC, USA.

Charge now due: Four Hundred and Seventy-Five United States Dollars (US\$475.00)

Explanation: One day fee.

Payable to: Dr J.O. Caldecott
A/C 10 18 95 26
The Cooperative Bank (08-93-00)
PO Box 48, 1 Balloon Street
Manchester M60 1CP, UK

This account is now due for immediate payment. I certify that I am self-employed with Schedule D reference number 132/56306, and request that the whole sum be paid free of tax or other deductions at source.

Signed Dated 13th July 1996
Julian Caldecott