

Global Environment Facility
Proposal for Project Development Funds (PDF)
Block B Grant

Country:	Ukraine
Project Name:	Biodiversity Conservation and Environmental Management in the Northern Azov-Black Sea Corridor
Requesting Agency:	World Bank
Executing Agencies:	World Bank working with Ministry of Environmental Protection and Nuclear Safety (MEP)
Estimated Cost:	US\$7.85 million
Financing Plan (tentative):	GOU - US\$ 750,000 GEF - US\$3.45 million Co-financing - US\$3.65 million
Project Duration:	Four years
PDF Block B Funds Requested:	US\$250,000
PDF Co-Financing:	30,000 (GOU) (in-kind) 100,000 (Danish Environmental Protection Agency)

Background

1. Ukrainian territory covers 37% of the Black and Azov Sea coasts and includes the most diverse and extensive coastal wetland and nearshore marine habitats in the Black Sea region. The coastal region contains a mosaic of globally and internationally significant wetland and marine communities, agricultural lands, factories, and major population centers, with an estimated 7 million inhabitants. The natural areas function as an ecological corridor along the northwestern border of the Black Sea. One element of the corridor is the flyway for millions of migratory waterbirds that overwinter there or pass through the Mediterranean en route to Africa. These wetland and marine ecosystems are threatened by habitat loss, pollution, and inadequate monitoring and protection.

2. **International and Global Importance of Biodiversity in the Corridor.** The diverse wetland communities found in the northwestern shelf are unique in the Black Sea. The shallow fresh and salt water communities and mudflats comprise one of the largest wetland complexes in Europe. They are also components of an ecological corridor that links natural communities in the northern Black Sea region and provide critical wintering and feeding habitat for over a million waterbirds migrating through the northwest shelf along various Eurasian-African flyways. Fifteen out of 27 European threatened bird species stopover or breed in the Black Sea, and the wetlands of the NW shelf support the majority of the world's populations of the white pelican and the red-breasted goose. The survival of some species depends on these wetlands. For example, an estimated 60% of the world population of the broad billed sandpiper use these wetlands for stopover and molting. In addition, the region contains areas of undisturbed steppe, Ukraine's most endangered habitat. These steppe communities are species-rich and support a large number of endemic plant and animal species. Together, the marine, wetland, and adjoining steppe communities support more than 100 species found in the Red Data Book of Ukraine and the IUCN Red List.

4. The terrestrial and marine biota of the project region have been impacted by human activities that have adversely affected other regions of the Black Sea. Steppe and wetland habitats have been converted to suburban development, fish ponds and other agricultural uses and undisturbed habitats are threatened with conversion. Some sites have been degraded by pollution from domestic, municipal, and industrial wastes and agricultural runoff, marine pollution from shipping industry, unsustainable land use practices and overharvesting. The *Phyllophora* algal fields, which support abundant and diverse benthic and fish communities, have been impacted by overharvesting and eutrophication. Some underlying causes of these impacts are inadequacies in many aspects of land and water use, planning and enforcement, and public involvement programs. The new government is committed to changing these practices and the policies that support them.

5. **Links with Regional Strategic Work.** The project would implement priority actions identified by recent strategic work¹, including the regional Black Sea Environment Program. It also complements two Bank loan projects in the region that are under preparation: the Odessa Municipal Infrastructure Project and the Southern Ukraine Environment Project. The Odessa Municipal Infrastructure and Southern Ukraine Environment projects focus on water and wastewater issues in urban environments, with limited proposed development objectives in natural communities. These projects address engineering investments in water infrastructure, utility and tariff reform, and training and equipment to strengthen programs in environmental regulation and water quality monitoring. Because these projects address sewage treatment facilities (in addition to water delivery systems), the quality of wastewater discharged into the Black Sea and its tributaries would be improved, a priority identified by the Black Sea Environment Program. The proposed project would complement the MEDWET program by conserving stopover/wintering/breeding sites used by birds that also utilize Mediterranean wetlands (e.g., in Albania and Tunisia).

7. **Links with National Biodiversity Conservation Priorities.** This proposal builds on the results and recommendations of previous and on-going dialogue with the GOU on Ukrainian conservation priorities. The project concept was the consensus of Ukrainian MEP staff, scientists, educators, and NGOs. The activities are identified as national priorities in the following documents:

- (i) *Ukraine National Biodiversity Strategy*: The National Biodiversity Strategy, now in preparation, identifies the project region as one of three centers of Ukrainian biodiversity, and as the highest national priority for improving the protection of threatened ecosystems.
- (ii) *Black Sea Strategic Action Plan (BSSAP)*: The 1996 BSSAP identifies the priority actions for achieving sustainable development in the Black Sea region. This biodiversity proposal

¹/UNDP. 1996. Black Sea Strategic Action Plan for the Rehabilitation and protection of the Black Sea. Black Sea Environment Programme. 19 pp.

_____. 1996. Black Sea Transboundary Diagnostic Analysis. Black Sea Environment Programme. draft report.

World Bank. 1994. Ukraine: Suggested priorities for environmental protection and natural resource management. 2 vols.

_____. 1996. Coastal and marine biodiversity of the Black Sea: a regional investment strategy. (October, 1996 draft).

Wilson, A.M. and M.E. Moser. 1994. Conservation of Black Sea wetlands: A review and preliminary action plan. International Waterfowl and Wetlands Research Bureau. publ. 33. 76 pp.

would directly address biodiversity and landscape protection objectives and indirectly address complementary Bank projects to control pollution and land use impacts through improved practices in monitoring, environmental management, and enforcement.

- (iii) *Biodiversity and Black Sea Wetlands Strategies and Coastal Zone Management Activities.* Biodiversity strategy and planning activities completed in the last two years have each established the priorities adopted in the Crimean wetlands proposal. These include the 1994 "Ukraine: Suggested Priorities for Environmental Protection and Natural Resource Management", the 1994 "Conservation of Black Sea Wetlands: A Review and Preliminary Action Plan"; the 1995 "Report on the Biodiversity of the Ukrainian Black Sea Area", and the 1996 "Coastal and Marine Biodiversity of the Black Sea: A Regional Investment Strategy" (RIS).

8. **Lessons Learned from Pilot Phase GEF Activities.** The lessons learned from other GEF-financed activities, including the Danube Delta project and the Black Sea Environment Program, and from other environmental projects in the region, include: *i)* Maintain support for building capacity in the MEP, but emphasize its regional offices. The MEP has been strengthened in recent years, in part through GEF-funded activities, which has yielded improvements in environmental management. The project would contribute to further strengthening the MEP and the Crimean State Committee for Environmental Protection, especially their regional offices. *ii)* Increase the involvement of NGOs. The project calls for extensive NGO participation, and the implementation of these components would be facilitated by an NGO representative working within the PCU. *iii)* Improve the connection of the project with socio-economic and regional development: Local resource users asked that sustainable development rather than strict protection be emphasized under the project, which has been incorporated into the project design for the protected areas; and *iv)* Emphasize social aspects of management planning and implementation. The management planning exercises in the GEF biodiversity projects in eastern Europe that are nearing completion left insufficient time for public participation, consensus building, and broader issues of management planning. Under this proposed project, the management plans would be drafted based on existing information, and would identify specific field studies needed for the final plan. This would allow focusing on the social aspects of management planning.

Project Objectives

9. The general objective of the project is to conserve biodiversity and assist with sustainable development on the Ukrainian coast and upland sites of the Black Sea and the Sea of Azov. The specific project objectives are to: (i) establish a network of regional and national protected marine, wetland, and upland areas within the Ukraine Azov-Black Sea coastal zone; (ii) strengthen the governmental and non-governmental organizations involved in environmental management of the region and improve the regulatory framework for environmental protection of flyway ecosystems; (iii) improve the knowledge and awareness of local communities on the ecologic and economic value of the wetlands, associated upland landscapes, and waterbird resources; and (iv) support international cooperation activities under the Agreement on the Conservation of African-Eurasian Migratory Waterbirds recently signed by Ukraine, including monitoring migratory waterbirds.

Project Description

10. The project components are as follows:

A. *Support Regional and Site-Specific Protected Area Planning* This component would define and implement a network of marine and terrestrial communities protected areas in the ecological corridor along the northwest shelf of the Black Sea. It would include: *i*) preparation of a "corridor plan" that introduces the concept of zoning into the region, starting with reserves and open space, building on the coastal zone management workshops provided through EU-TACIS; *ii*) a cadastre of significant wetlands that would be removed from consideration in the on-going land privatization process; *iii*) a plan of the expanded protection of Ramsar wetlands and associated uplands in order to create a functional network of protected wetlands and associated uplands that would function as a migratory waterbird refuge system; *iv*) preparation and implementation of management plans would be prepared for selected wetlands and upland sites; and *v*) restoration of natural water flows to selected wetlands.

B. *Strengthen Institutions and Regulatory Framework* Under the proposed project, equipment and training would be provided to relevant GOs and NGOs to strengthen their roles and capacities in managing biodiversity inside and outside protected areas. The project participants includes the following groups: NGOs and educators engaged in environmental protection and public education; oblast and Crimean governments, including regional MEP marine and land-based inspectorates and the Crimean State Committee for Environmental Protection; and protected areas management staff.

C. *Standardize Monitoring and Improve Dissemination of Results.* The water quality monitoring activities (training and equipment) would be funded through bilateral assistance rather than GEF. No PDF funds are sought for preparation of water quality monitoring activities. The project would support and expand existing waterbird monitoring efforts to ensure semi-annual migratory bird counts and applied ecological studies (habitat use, movements, banding studies, and pollution loading in tissues), and dissemination of information (i.e., journal publications) , both in country and internationally. Under the project, three activities would be undertaken to strengthen and coordinate the currently disparate water quality and biodiversity monitoring efforts: *i*) refine and standardize existing monitoring efforts to ensure their utility for analyzing long-term trends, and *ii*) support additional monitoring efforts of species and water quality as needed; and *iii*) provide technical assistance and equipment to implement the monitoring program..

D. *Expand Public Education and Awareness.* Under the project, the following activities would be undertaken to promote public education and awareness: *i*) Environmental education programs would be expanded and strengthened, mainly for elementary and secondary school students. Support would also be provided to develop environmental education training in the local teachers' college and development of a wetlands and waterbird management curriculum for two local colleges; *ii*) current efforts underway to develop greater public awareness of the economic and ecologic values of wetlands and waterfowl would be expanded to ensure that local communities are integrated into project management; and *iii*)

workshops on mainstreaming biodiversity conservation would be held, aimed at regional planners/policy makers.

E. Support international cooperation under the Agreement on the Conservation of African-Eurasian Migratory Waterbirds: The importance of international agreements and cooperation in the conservation of migratory waterbirds is recognized by Ukraine, which is a signatory of the Agreement on the Conservation of African-Eurasian Migratory Waterbirds. In addition to the wetland habitat conservation and restoration activities of the project (described above), additional priority elements of the action plan of the Agreement would be implemented. These include according and implementing strict protection for endangered migratory waterbirds and supporting international cooperation activities under the Agreement.

Description of PDF Activities

11. PDF grant funds are requested for project preparation, including a detailed assessment of the investment and technical assistance needed under each component of the project. The PDF grant would finance the costs for national and international consultants for the activities listed in Table 1 and described below. The key activities and outputs to be financed under the PDF Block B grant are:

a. Social Assessment

A Social Assessment (SA) that targets local populations which utilize priority project sites for hunting, fishing, grazing, and agriculture would be prepared and incorporated into the project to improve the effectiveness of project design and identify potential social risks. The Social Assessment would entail identification of: *i*) key stakeholders located near the protected areas demonstration sites, *ii*) their needs *vis-a-vis* likely impact on protected area ecosystems, *iii*) mechanisms and rural development options to address these needs in a manner that would also support project objectives, and *iv*) mechanisms for the involvement of key stakeholders in overall project preparation/ implementation and management of the protected area. This will entail socioeconomic assessment of key stakeholder communities living in the vicinity of the protected area sites, and the participatory preparation of a rural development plan that would link local community benefits with sustainable conservation of demonstration site natural resources. The team undertaking this activity should include expertise in participatory social assessment, stakeholder analysis, micro-enterprise and rural development in Eastern Europe.

b. Public Participation Plan

One of the project objectives, to promote support among the population in the corridor for wetland and waterbird conservation, will require preparation of a public participation plan. Efforts to ensure stakeholder involvement would include working with farmers to mitigate agricultural impacts on adjoining wetlands and managing upland habitats for waterfowl foraging habitat; working with the regional and national agencies responsible for protected areas management to coordinate and expand their management responsibilities with regard to wetland and waterbird conservation; and working with NGOs to raise public awareness and promote natural resources management. The Public Participation

Plan would work with key stakeholders identified in concert with the Social Assessment, and develop the steps for their participation in the project.

The plan would be produced in cooperation with the MEP and selected national and local NGOs.

c. Institutional and Management Needs

An assessment would be made of the institutional arrangements and management framework required for implementation of the activities supported under the grant and for the longer term management of the protected areas network. This assessment would identify the roles of the project participants, evaluate the needs for achieving project success (e.g., professional development and training and equipment), and recommend the management structure for project implementation. The main components of the project may be implemented separately by the key players (e.g., public education and awareness, protected areas network planning and management, and international collaboration). The management structure for the project would be designed to minimize 'capacity bottlenecks' by allowing for its implementation by key institutions (including NGOs), at the same time allowing for the integration of project activities.

The output would be a scheme for the institutional and management structure to implement the project, which identifies the professional development and training needs of the project. This would be produced with the MEP, oblast governments, NGOs, and the Academy of Sciences.

d. Development of a Regional Protected Area Master Plan and a Model Management Plan

Because developing a network of coastal protected areas is a central component of the project, a preliminary regional protected area master plan would be developed during project preparation. This plan would identify the key wetlands and associated upland sites in the corridor that are necessary for a biologically and socially sustainable refuge system for migratory waterbirds. Two additional activities planned under this component for PDF funding are: revise as needed the existing proposals for creation of two national parks in the project region; and preparation of a model management plan for one protected area. One of the lessons learned from the management planning exercises in other GEF biodiversity projects in eastern Europe is that more time is needed for public participation, consensus building, and broader issues of management planning. Under this project, the management plans would be drafted based on existing information, and would identify specific field studies needed for the final plan. This would allow focusing on the social aspects of management planning. In order to expedite preparation of these management plans, a model management plan would be drafted for one wetland that would serve as an example to be followed for other management plans to be prepared under the project.

The output would be a protected area strategy for the project region, and a framework management plan for one site. These would be prepared with MEP, Academy of Sciences, and oblast governments.

e. Public Awareness and Education

This activity would involve the identification of the conservation awareness and education needs and opportunities in the priority protected area sites, and preparation of a plan for public awareness and educational activities that will support project implementation. NGOs and other organizations active in environmental education would be identified and consulted, and arrangements to ensure ongoing collaboration under the project would be established.

The output would be a public awareness and education plan to be implemented under the project. This would be prepared with the Ministry of Education, the Azov-Black Sea ornithological station (which is already engaged in related activities), and local/National NGOs.

f. Biodiversity Monitoring and International Cooperation Plan

The existing biodiversity monitoring activities would be assessed in order to identify areas in need of standardization, technical assistance, and investment under the project. A detailed plan for ongoing assessment and monitoring under the project would be developed. PDF resources would also be used to explore opportunities to establish mechanisms for collaboration and information exchange among organizations involved with conservation along the Azov-Black Sea coast, as well as with other signatories of the Agreement on the Conservation of African-Eurasian Migratory Waterbirds and other partner institutions concerned with the conservation of migratory species in the region. This component would also fund preparation of the monitoring and evaluation plan that would be used to evaluate the project itself.

The output would be concise plans for monitoring key biodiversity parameters within the project region and for achieving specific objectives in international cooperation of flyway management, and for monitoring and evaluation of the project itself. The plan would be prepared with the Academy of Sciences (especially the Azov-Black Sea ornithological station) and the regional MEP offices.

g. Full GEF proposal

In addition to the elements described above, the full GEF proposal would include detailed cost estimates and specifications for project implementation. This activity would involve the preparation of detailed cost estimates and procurement specifications for all project activities, together with a financing and investment plan needed to implement the project. The plan will include incremental cost analysis to identify expenditures that would be financed by GEF, and will identify alternative sources of co-financing to support other portions and "non incremental" aspects of the project.

12. The items to be financed and the expected preparation costs are summarized in the table below.

Biodiversity Conservation and Environmental Management in the Northern Azov-Black Sea Corridor Preliminary Financing Plan US\$				
Project Component	GEF	GOU	Co-financing*	Total
Social Assessment	35,000			35,000
Public Participation Plan	25,000	5,000		30,000
Institutional/ Management Needs	25,000			25,000
Protected Area Master Plan, Model Management Plan	60,000	10,000	50,000	120,000
Public Awareness and Education	25,000	5,000		25,000
Biodiversity Monitoring and International Cooperation Plans	25,000	5,000	50,000	80,000
Full GEF proposal	30,000			30,000
Project Coordination/Travel Costs	25,000			25,000
Total	250,000	30,000	100,000	380,000
* Danish Environmental Protection Agency				

Project Implementation

13. Ukraine recently adopted a new Constitution that has resulted in uncertainty over which ministry or agency is authorized to sign international agreements. There is no timeframe for the resolution of this question, and under this interim condition, the MEP has experienced substantial delays in signing grant agreements. While the Bank will be the executing agency for the PDF, project preparation will be the responsibility of the MEP through its existing Project Management Unit (InterEcocentre). Because the project requires substantial commitments from the Academy of Sciences, Ministry of Forestry, NGOs, and oblast governments, a project steering committee comprised of representative of each of these will coordinate project implementation.

Expected Date of Project Preparation Completion

14. Project preparation is expected to be completed by December, 1997.

Eligibility and Country Commitment

15. Ukraine ratified the Convention on Biodiversity in December 1994 and is a signatory of the 1992 Bucharest Convention on the Protection of the Black Sea Against Pollution, the Bonn and Berne Conventions, CITES, and the Agreement on the Conservation of African-Eurasian Migratory Waterbirds. Ukraine has committed substantial environmental management resources for pollution control and biodiversity conservation in the region of the proposed project.

Justification for PDF Support

16. The proposed project supports the objectives of the GEF operational program for biodiversity conservation and the operational strategy for coastal, marine, and freshwater ecosystems. The wetlands and coastal zone targeted by the project contain a rich diversity of globally important benthic communities, fish stocks, and waterfowl, making support for the protection of these areas consistent with the objectives of the biodiversity operational strategy.

17. The project is consistent with Article 8 (*in-situ* conservation) of the convention on biological diversity as it will support protection, management and extension of protected areas in a region of internationally important biodiversity; promote environmentally sound and sustainable development in areas adjacent to protected areas, with a view to assuring protection of these areas; promote recovery of threatened species through the development and implementation of plans and management strategies; and will support maintenance of viable populations of threatened and endangered species within and beyond protected area boundaries. The project is consistent with CoP3's emphasis on intersectoral cooperation in natural resource biodiversity conservation, building capacity in local institutions and communities, strengthening the involvement of local peoples, promoting environmental awareness, and improving the dissemination of information.

18. The project is consistent with Agenda 21 and guidance from the CoP since it will promote conservation, management and sustainable use of threatened and endangered 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.

Potential Sources of Co-financing for Implementation

19. The Danish Environmental Protection Agency and the National Forest and Nature Agency will provide \$100,000 for project preparation, and indicated their intention to provide US\$1M co-financing for the project. Co-financing will also be sought from the Netherlands, Sweden, Norway, Sweden, and Italy. Co-financing may also be sought from the Southern Ukraine Environment Project, which is developing investments in air and water pollution control, water resources management, and coastal zone management.

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March 1, 1997

Ms. Jocelyne Albert
GEF Coordinator, Europe and Central Asia
World Bank
1818 H Street
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Dear Ms. Albert

I am pleased to submit for your consideration the attached PDF application for \$250,000 to assist Ukraine in preparing the proposed project "Biodiversity Conservation and Environmental Management in the Northern Azov-Black Sea Corridor". The Ministry for Environmental Protection and Nuclear Safety (the GEF Focal Point), strongly supports this biodiversity protection project, which addresses priority actions for wetlands conservation, migratory waterbird conservation, and environmental management.

Thank you for your consideration of this request.

Sincerely,

Mr. Yaroslav Movchan
Ministry of Environmental Protection and Nuclear Safety
Kyiv, Ukraine