

PROJECT BRIEF

1. IDENTIFIERS

PROJECT NUMBER:

PROJECT NAME:

GEF Strategic Partnership on the Danube/Black Sea Basin, Element 1 - Regional (Bulgaria, Romania, Georgia, Russian Federation, Turkey, Ukraine): **Control Of Eutrophication, Hazardous Substances And Related Measures For Rehabilitating The Black Sea Ecosystem: Phase 1**

PROJECT DURATION:

2 Years (followed by 3 year Phase 2)

IMPLEMENTING AGENCY:

UNDP, in association with UNEP and the World Bank

EXECUTING AGENCY:

UNOPS

REQUESTING COUNTRIES:

Bulgaria, Romania, Georgia, Russian Federation, Turkey and Ukraine

ELIGIBILITY:

Eligible under para. 9(b) of GEF Instrument

GEF FOCAL AREA:

International Waters

GEF PROGRAMMING

OP#8: Waterbody-Based Operational Program

FRAMEWORK

SUMMARY

The long-term objective of the project is to assist the beneficiary countries *to take measures to reduce nutrient levels and other hazardous substances to such levels necessary to permit Black Sea ecosystems to recover to similar conditions as those observed in the 1960s*. This will be achieved through a process of adaptive management in which agreed common targets are pursued throughout the 17 country Black Sea Basin. The present project will assist the coastal countries to meet the agreed first target (maintenance of nutrient loads at their 1997 levels) and to set the subsequent target using the best available scientific information coupled with benefit/cost studies and political pragmatism. The current project will also help to reduce fisheries pressure on sensitive habitats and contribute towards rational fisheries management.

Major outputs will include a sustainable coordinating and consultative mechanism (with all 17 Basin countries); revision of the legal protocols governing management of pollution and resource use in the Black Sea; new sectoral policies and laws to be implemented nationally in each coastal State; objective State of the Black Sea reports including new information gathered from remote sensing and conventional measurements; a comprehensive system of indicators of process, stress reduction and environmental status; enhanced public participation, partly through a region-wide programme of small projects for nutrient control and support to environmental NGOs; enhanced economic instruments tailored to the realities of each coastal country; a new portfolio of investment projects; and a rational agreement on fisheries management that takes full account of the conditions necessary for habitat recovery.

This component of GEF Danube/Black Sea Strategic Partnership covers the Black Sea and its coastal zone and those river basins not included within the Danube or Dniro GEF projects. The three projects, together with the World Bank/GEF Partnership Investment Facility for Nutrient Reduction will coordinate their activities closely through regular joint planning sessions and consultations. The Strategic Partnership represents an innovation in project design that should be replicable in other regions and enhances the global benefits of the constituent projects.

3. **COSTS AND FINANCING (US \$):**

GEF Financing (Phase 1):

Project	US\$ 3,703,700
PDF-B	US\$ 349,920
Project Support Costs	US\$ 296,300
Sub-total GEF	US\$ 4,349,920

Co-financing:

National Governments	US\$ 1,150,000
EU-Tacis	US\$ [2,440,000]
UNDP	US\$ 240,000
Others	US\$ 115,000

Sub-total, Co-financing: US\$ 3,945,000

Total Project Cost (Phase 1): US\$ 8,294,920

4. **BASELINE (MILLION US \$):** ¹ **US\$ 10,149,920**

5. **GEF OPERATIONAL FOCAL POINT ENDORSEMENTS:**

Bulgaria: Neno Dimov, Deputy Minister, Ministry of Environment and Water, Bulgaria, September 1, 2001

Romania: Virgil Diaconu, Deputy Secretary General, Ministry of Waters, Forests and Environmental Protection, Romania, September 11, 2001

Georgia: Malkhaz Adeishvili, Deputy Head, Department of Economics, Ministry of Environment and Natural Resources Protection, September 20, 2000

Russian Federation: Alexey Poryadin, First Deputy Minister, Ministry of Natural Resources, Russian Federation, September 7, 2000

Turkey: Okan Ucer, Deputy Under-Secretary, Ministry of Environment, Turkey, September 15, 2000

Ukraine: Yaroslav Movchan, GEF Operational Focal Point, Ministry of the Environment and Natural Resources, Ukraine, September 20, 2001

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Baseline calculations are analyzed in the Incremental Cost Annex 1.

ACRONYMS

AC	Activity Centre
APR	Annual Project Review
BSEC	Black Sea Economic Cooperation
BSEEP	Black Sea Environmental Education Project
BSEP	Black Sea Environmental Programme
BSNN	Black Sea NGO Network
CBC	Commissioner for the Bucharest Convention
CEC	Commission of European Communities (European Union)
CTA	Chief Technical Advisor
DP	Designated Person
FAO	Food and Agriculture Organisation of the United Nations
GEF	Global Environment Facility
IC	Incremental Cost as defined by the GEF
ICBS	Istanbul Commission for the Black Sea (the body responsible for implementing the Bucharest Convention)
ICPDR	International Commission for the Protection of the Danube River
IOC (of UNESCO)	Intergovernmental Oceanographic Commission
IMO	International Maritime Organisation
ISG	Ad-hoc International Study Group for eutrophication in the Black Sea (established by the PIU)
IW	International Waters
JMG	Joint Management Group (for the project between the ICBS and the IAs/donors)
JWG	Joint Working Group of the ICPDR and ICBS (may be extended to the Dnipro Comm. etc.)
LEARN	Learning Exchange and Resource Network
TRAIN-SEA-COAST	GEF TRAIN-SEA-COAST Programme
MARPOL	International Convention for the Control of Pollution by Ships
M&E	Monitoring and Evaluation
MoE	Ministry of the Environment (exact title and status varies between countries)
MPA	Marine Protected Area
NGO	Non-Governmental Organisation
OP	GEF Operational Program
PDF-B	Project Development Facility of the GEF
PIU	Project Implementation Unit of the Istanbul Commission (Black Sea Environmental Programme)
Sectoral Focal Point	Person or persons specifically responsible for this programme within a given national sector
Technical Focal Point	Person or institution responsible for providing national specialist input to a given Advisory Group
UNDP-COs	Country Offices of the United Nations Development Programme
PIR	Project Implementation Review
PPER	Project Performance and Evaluation Review
SAP	GEF Strategic Action Program
STAP	GEF Scientific and Technical Advisory Panel
TDA	Transboundary Diagnostic Analysis
UNDP-GEF	UNDP – GEF Unit
UNEP	United Nations Environment Programme
UNOPS	United Nations Office for Project Services
WB	World Bank
WHO	World Health Organisation
WMO	World Meteorological Organisation.
WWF	World Wide Fund for Nature
WWTP	Waste Water Treatment Plant

I. Background and Context (Baseline course of action)

Introduction

1. The Black Sea is one of the most remarkable regional seas in the world. It is almost cut off from the rest of the world's oceans but is up to 2212 metres deep and receives the drainage from a 2 million square kilometre basin, covering about one third of the area of continental Europe. Its only connection is through the winding Bosphorus Straits, a 35 Km natural channel, as little as 40 metres deep in places. Every year, about 350 cubic kilometres of river water pour into the Black Sea from an area covering almost a third of continental Europe and including significant areas of seventeen countries: Austria, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Georgia, Germany, Hungary, Moldova, Slovakia, Slovenia, Romania, Russia, Turkey, Ukraine, Yugoslavia. Europe's second, third and fourth rivers (the Danube, Dniro and Don) all flow to the Black Sea. The Bosphorus has a two layer flow, carrying about 300 cubic kilometres of seawater to the Black Sea from the Mediterranean along the bottom layer and returning a mixture of seawater and freshwater with twice this volume in the upper layer.

2. Isolation from the flushing effects of the open ocean, coupled with its huge catchment, have made the Black Sea particularly susceptible to eutrophication (the phenomenon that results from an over-enrichment of the sea by plant nutrients). Eutrophication has led to radical changes in the Black Sea ecosystem in the past three decades with a major transboundary impact on biological diversity and human use of the sea, including fisheries and recreation. The North Western shelf of the Black Sea for example, was converted from a unique system based upon rich and extensive beds of red algae and bivalves, to an anoxic "dead zone", the seasonal occurrence of which persists until present time. The nitrogen and phosphorus compounds triggering eutrophication come from all over the Black Sea Basin. The Black Sea Transboundary Diagnostic Analysis (1996) indicates that, in 1992, 70% of the nutrients were coming from the six Black Sea countries (three of which - Romania, Bulgaria and Ukraine - discharge much of their nutrient load through the Danube) and the remaining 30% comes from the non-coastal countries, mostly of the upper Danube. Studies by the Danube Basin Environmental Programme suggest that about half the nutrients discharged to the river are from agriculture, one quarter from industry and a similar proportion from domestic sources. The current loads of nutrients entering the Black Sea from the Danube has fallen in recent years due to the collapse of the economies of most lower Danubian and former Soviet countries, the measures taken to reduce nutrient discharge in the upper Danube countries, and the implementation of a ban in polyphosphate detergents in some countries. Current phosphate levels appear to be roughly the same as in the 1960s but total nitrogen levels are still at least four times as high as those observed during that period. There is evidence of some recovery in Black Sea ecosystems but these observations lack scientific rigour owing to the collapse of infrastructure to monitor and evaluate changes in the system. It is widely considered however, that nutrient discharges are likely to rise again with consequent damage to the Black Sea, unless action is taken to implement nutrient discharge control measures as part of the economic development strategies.

Previous response

3. Prior to the 1990s, little or no action had been taken to protect the Black Sea. Political differences during the Soviet era, coupled with a lack of general knowledge of the environmental situation resulted in an absence of effective response. Perestroika changed this. By 1992 the Black Sea countries were ready and willing to co-operate. They had just signed the Bucharest Convention. However they still lacked the policies which would enable necessary measures to protect the sea. Agenda 21 provided a good model for a first Black Sea Ministerial Declaration, the Odessa Declaration. Indeed, the Black Sea was the first region to take up the challenge of Rio. This inspired the GEF and other donors, particularly the European Union, to provide more than US\$17 million support to the region to help implement the Odessa Declaration and to formulate the longer-term Black Sea Strategic Action Plan. This new project, under the guidance of the United Nations Development Programme, was named the Black Sea Environmental Programme.

4. The GEF Black Sea Environmental Programme (BSEP) was formally launched in June 1993. Its first task was to help create a strong international network of institutions, specialists and other stakeholders. The BSEP established its headquarters in Istanbul with the support of the Government of Turkey. The Programme was governed by a *Steering Committee* that included senior government officials from all Black Sea countries, the sponsoring organisations (the GEF and other donors), and representatives of the Black Sea NGO forum (as observers). In order to spread the technical responsibilities of the programme throughout the region and to make best use of the excellent specialists in the region, a system of *Regional Activity Centres* and *Working Parties* was devised. Each country agreed to sponsor one of its existing institutions as a regional centre for a particular field of expertise. The regional centres in turn organised Working Parties, specialist networks involving institutions from all six Black Sea countries. Using this structure, it was possible to bring

together specialists who had sometimes not been able to co-operate previously. All of the institutions were provided with equipment (computers, analytical instruments, etc.) and specialist training and a new and productive dialogue began.

5. The BSEP Working Parties completed a series of background studies that enabled a Transboundary Diagnostic Analysis to be finalized in June 1996. On the basis of this comprehensive report senior government officials negotiated the Black Sea Strategic Action Plan (BS-SAP), signed on October 31st at a Ministerial Conference in Istanbul. The consensus on the BS-SAP was very broad. It provides a very modern approach to environmental policy making and agrees on the following key matters:

- That the principle cause for the decline of the Black Sea ecosystem is eutrophication;
- That without full co-operation with riparian countries of the main tributary rivers (Danube and Dniro) this problem cannot be addressed;
- That the institutional structure of the BSEP should be incorporated into that of the Istanbul Commission for the Bucharest Convention;
- That an adaptive management approach should be adopted for the control of pollution in the Black Sea;
- That biological diversity and fisheries concerns should be part of the future agenda of the Commission;
- That greater stakeholder participation and transparency should be ensured (in line with the provisions of the Aarhus Convention).

6. Following the signature of the BS-SAP, GEF funding was sustained, albeit at a lower level, in order to enable countries to complete National Black Sea Strategic Action Plans and for the negotiations on the institutionalization of the Istanbul Commission's Secretariat to be completed. This was a very protracted three-year process as countries struggled to overcome technical and legal issues of establishing the Secretariat. In the meantime however, progress was made in implementing part of the BS-SAP thanks to GEF seed money (see Annex 5) and considerable support from the European Commission by Tacis or direct support. Main achievements were:

- Establishment of the ad-hoc technical working group with the ICPDR and joint analysis of the problem of eutrophication in the Black Sea, including recommendations for target for nutrient control;
- Continued support the BSEP Activity Centres and real progress through demonstration projects in the areas of data quality control, oil spill response, coastal zone management, aquaculture and biological diversity;
- Strengthening of the programme for public participation, particularly through the Tacis small grants initiative, largely focussed on actions around Black Sea (as a reminder of commitments to the BS-SAP);
- Publication of the State of Pollution in the Black Sea report (see summary in Annex 7) and the Black Sea Red Data Book;
- Agreement on a new set of water quality objectives to propose to the ICBS as required by the BS-SAP.

7. In April 2000, a breakthrough was finally made in the negotiations for establishing the Commission's Secretariat (see Annex 8). The Secretariat became operational in October 2000, following the selection of its senior officials at an extraordinary session of the ICBS on September 10-11, 2000. Four countries (Bulgaria, Romania, Turkey and Ukraine) already made their financial contributions to the Commission. In addition, the Republic of Turkey is providing the facilities for the Secretariat, to be shared with the PIU.

II. Rationale and Objectives (Alternative course of action)

8. The objectives, expected outputs and activities of this project have been driven by the results of the TDA and the SAP that were developed by the countries as part of their work under the previous GEF projects. They are also driven by the recently published Pollution Assessment of the Black Sea (Black Sea Technical Series No. 10, UN Publications New York – see executive summary in Annex 7), the work of the ad hoc working group between the ICPDR and the ICBS, and the results of the studies published during execution of the PDF-B. These studies clearly demonstrate the overriding significance of eutrophication as the transboundary issue having greatest long-term impact on the Black Sea. It is also the issue involving more stakeholders distributed over a wider geographical area than any of the other issues impacting the Black Sea. There are a number of other transboundary issues requiring attention however, some of which may be the subject of action by other donors:

- A major decline in Black Sea commercial fish stocks and non-optimal harvesting of living resources;
- Introduction of opportunistic species by ships and releases from aquaculture;
- High accident risk of tankers, especially in the Turkish Straits;
- Deterioration in beach and nearshore habitat quality due to marine-based sources of oil and garbage as a result of tanker operations and disposal of garbage at sea;
- Physical destruction and alteration of coastal habitats and landscapes;
- Lack of full understanding of the distribution of toxic organic compounds (heavy metals do not appear to be a transboundary problem);

Short term objectives

9. The main focus of the current proposal is the issue of eutrophication. This requires co-ordinated actions to achieve three objectives:

- Reduction of the nitrogen and phosphorus loads to the Black Sea;
- Enhancement of the service function of wetlands and benthic (seabed) plant communities for the assimilation of nutrients;
- Improved management of fisheries to permit their economic recovery in parallel with improvements to the ecosystem.

In addition to the above, and where appropriate, attention will also be given to transboundary contamination by hazardous substances, particularly where these have similar sources to nutrients. In the case of oil pollution (a significant problem in the Black Sea), attention will also be given to measures that may reduce the risk of spillage by ships.

10. The actions identified in the current proposal are far-reaching and involve activities by the national and local governments, regional organizations, the GEF, other donors, the private sector, NGOs and the public in general. Eutrophication on the Black Sea results from the failure of a wide range of sectors to understand the relationship between their activities and the decline of remote marine and coastal ecosystems. Reversal of this situation requires: (a) better understanding of the situation at all levels; (b) common environmental objectives; (c) a reappraisal of values, both economic and ethical; (d) the availability of cost-effective practical alternatives to current practices; (e) their institutionalization in education, policy and law, (f) effective structures for implementation; and (g) statutory procedures for monitoring compliance, trends and emerging issues. The current project seeks to address each of these requirements in order to control eutrophication in a sustainable manner.

11. Effective reduction of eutrophication in the Black Sea requires the full co-operation between all 17 countries within the Basin. The present proposal builds on the co-operation already established between the ICBS and the ICPDR, extending this further to include the proposed Dnipro Commission. The cooperation builds on a process of joint goal setting based upon the adaptive management approach. It will enable the Basin countries to complete the first iteration in this process and to set new targets for the future, based upon objective technical information and pragmatic economic considerations.

Long-term project objective

12. The long-term and intermediate objectives of the project are those established by the Joint ad-hoc Working Group between the ICBS and the ICPDR (1999), namely:

The long-term objective is for all Black Sea basin countries to take measures to reduce nutrient levels and other hazardous substances to such levels necessary to permit Black Sea ecosystems to recover to similar conditions as those observed in the 1960s.

As an intermediate objective, urgent control measures should be taken by all countries in the Black Sea basin, in order to avoid that discharges of nitrogen and phosphorus to the Black Sea exceed those levels observed in 1997. This will require countries to adopt and declare strategies that permit economic development whilst ensuring appropriate practices and measures to limit nutrient discharge, and to rehabilitate ecosystems which assimilate nitrogen and phosphorus. This target, monitored and reported annually, shall be reviewed in 2007 with a view to considering further measures which may be required for meeting the long-term objective.

This project has been developed and coordinated in parallel with the World Bank/GEF Partnership Investment Facility for Nutrient Reduction to help stimulate investments towards these goals (see paragraph 57).

III. RATIONALE FOR GEF FINANCING

13. The projected outputs, activities, and relationship of those outputs and activities with those of the countries, regional entities, and other donors are seen as compatible with the three elements of the GEF-funded International Waters activities to meet the incremental costs of:

- a) assisting groups of countries better understand the environmental concerns of their international waters and work collaboratively to address them;
- b) building capacity of existing institutions, or through new institutional arrangements, to utilize a more comprehensive approach for addressing transboundary water-related environmental concerns; and
- c) implementing sustainable measures that address priority transboundary environmental concerns.

The GEF has been involved in the earlier stages of support to the Black Sea and Danube Basin. The project on the "Control of Eutrophication, Hazardous Substances and Related Measures for Rehabilitating the Black Sea Ecosystem" represents the second stage of support and is part of an "International Waters Strategic Partnership" (see Annex 13) agreed between the GEF and its implementing agencies. This Approach has been developed to accelerate on the ground implementation of policy, institutional and legal reforms, and facilitate priority investments. Additionally it is intended to simplify implementation, ensure collaboration according to IA comparative advantage and to involve other donor organizations. Based on the decisions reached between the GEF Secretariat and IAs in consultation with the participating countries following the November 2000 Meeting of the GEF Council, where inclusion of the comprehensive 5 years project proposal submitted had to be deferred due to resource constraints, the project was split into two phases. The present proposal constitutes the 1st phase of the comprehensive project proposal that has been designed with a view to provide the critically needed support to the Black Sea coastal states in addressing the transboundary problems specified above.

IV. PROJECT OUTPUTS/COMPONENTS AND EXPECTED RESULTS

14. This project which constitutes the 1st phase of the Black Sea regional project is divided into five components encompassing a total of eight specific objectives. They are summarized below and additional information is given in Table 1. This Table also includes a list of relevant activities, responsibility (lead agency and partners) for implementing these activities and indicative costs. Table 1 refers to GEF funded activities only and does not incorporate the additional activities funded by Tacis and other partners. Attention is drawn to the role of the ICBS Activity Centres in the implementation of specific project components. The network of Centres and associated Advisory Groups is one of the strongest elements of previous interventions that will be sustained by governments throughout the implementation of the present project. GEF support will be given to them for specific tasks related to project implementation. While an indicative list of objectives, activities, outputs, target dates and resource requirements for the second phase is provided in Annex 6A, the logical Framework for the suggested full project (Phase I and Phase II) is given in Annex 6B).

COMPONENT I. CO-ORDINATION, INSTITUTIONAL CAPACITY BUILDING AND LEGAL REFORM

Objective 1. Support the integration of a sustainable Secretariat for the Bucharest Convention

Rationale:

15. The meeting of the Istanbul Commission held on 25-26 April, 2000 agreed on a mechanism for institutionalising its Secretariat (see Annex 8) and for co-operating with the GEF Implementing Agencies in order to sustain the work of the Black Sea Environmental Programme. The current Project Implementation Unit will continue to operate within the framework of the Commission as the "body to provide support for specific projects and processes related to the implementation of [the Black Sea] Strategic Action Plan" as defined in the Action Plan itself. For the duration of the current project, administrative arrangements will include the Istanbul Commission with executive functions, a Joint Management Committee to regularly oversee project management, and a Project Implementation Unit for the day-to-day co-ordination of project activities. The PIU will be an integral part of the Secretariat of the Commission (the relationship is described below). Regional Activity Centres will continue to operate in the manner described in the BS-SAP, in most cases supported by a blend of National and collateral donor

funding. GEF support will focus on enhancing the work of Commission to address the key issues that are the subject of the present proposal and to help it achieve long-term sustainability.

Outputs

- 1.1** A management regime capable of coordinating regional actions to overcome the key transboundary issues facing the Black Sea, primarily the control and abatement of eutrophication and hazardous substances but also the improved management of fisheries (see component V).
- 1.2** A permanent mechanism for co-operation with the ICPDR (Danube) and other emergent river basin commissions in the Black Sea Basin.
- 1.3** Publicly accessible programme materials in all Black Sea languages

Success criteria

- Programme Implementation Unit (PIU) fully staffed and operational
- Joint Management Committee established and operational
- Advisory Groups and Activity Centres operational and engaged in addressing transboundary issues
- Istanbul Commission able to raise funding for transboundary projects
- Inter-Commission Working Group operating and setting common management objectives
- Information in the public domain throughout the Black Sea coastal region regarding the transboundary problems and solutions offered.

Description of approach (see also paragraph 56 for details of basin-wide co-ordination)

16. Good coordination is a prerequisite for solving transboundary environmental problems. The nascent core Secretariat of the Istanbul Commission will have insufficient capacity to manage a large international project in addition to its legal and administrative responsibilities. For this reason, the ICBS has encouraged the creation of a Project Implementation Unit, working within its structure in a semi-autonomous manner. It will share the facilities of the Secretariat and be linked to the ICBC through the Joint Management Committee (JMC). The JMC will consist of the Black Sea Commissioners (or their designated representatives), representatives of the GEF implementing agencies and other major donors, the Executive Director of the Secretariat and the Project Co-ordinator. Two NGO representatives and a representative of UNOPS (the Executing Agency) will be invited as observers. The JMC will meet twice annually, review progress and set the workplan and timetable for the project. Staff of the PIU and the Secretariat will liaise closely on a day-to-day basis and be mutually supportive but with clearly defined individual responsibilities. The PIU will provide technical support to the Secretariat of the ICBS for establishing basin-wide consultative groups (see table 1, Activity 1.2), National Intersectoral Bodies (Activity 1.3) and for assisting with the administration of the Activity Centres and Advisory Groups (Activity 1.4). The working procedure for this support will be agreed at the JMC.

17. A particularly important facet of the coordinating role of the PIU will be diffusion of project outputs through newsletters, posters, technical reports, public information bulletins and update and maintenance of the existing BSEP web site. The target audience should include the general public and local administrations. Translation of the public information material into local languages is essential. Another key product for diffusion should be one or more TV clips on the issues behind eutrophication, to be made freely available to local TV stations.

Objective 2. Regional actions for improving LBA legislation to control eutrophication and for tackling emergent problems.

Rationale

18. Work conducted during the PDF-B phase of the project by UNEP has shown that (see Annex 12) there is a significant gap between the existing Protocol for the Control of Land Based Sources of Pollution of the Bucharest Convention and the requirements for (a), meeting the goals of limiting nutrient loads to the Black Sea to their 1997 levels and (b), implementing the Global Programme of Action for Land-Based Activities (GPA-LBA), embodied in the 1995 Washington Declaration. This objective will assist the Commission and Contracting Parties to close this legislative gap.

19. The need for action concerning emergent problems responds to the prerogative for a more proactive and

precautionary approach. Long-term planning strategies for emergent transboundary issues will be identified, modelled and prioritised using the methodology created for the GEF Global International Waters Assessment

Outputs:

- 2.1 A new and more comprehensive protocol for the control of land-based activities in the Black Sea. This will pay particular attention to the integral control of eutrophication.
- 2.2 A detailed study of emergent problems in the Black Sea and their social and economic root causes based on application of the GIWA methodology.

Success criteria:

- New LBA Protocol approved and endorsed
- Black Sea Futures report approved by the Istanbul Commission and published.

Description of approach

20. Activities regarding the LBA Protocol (2.1) and the study of emergent transboundary problems (2.2) will be carried out in cooperation with UNEP. The PIU will provide local support to these activities in all instances. Work on the LBA protocol will consist of technical assistance to the ICBS to help prepare a new draft protocol to the Bucharest Convention in order to make it fully compatible with the GPA and the prerogative for controlling eutrophication. Close co-operation will be maintained with the GPA Secretariat during this work. In the case of the study of emergent transboundary problems, the work will build on the study planned by the Global International Waters Assessment but will enable it to conduct a complete analysis of environmental and socio-economic impacts and their root causes for all relevant GIWA issues.

COMPONENT II. SECTORAL LEGAL AND POLICY REFORMS, MONITORING AND EVALUATION OF NUTRIENT CONTROL MEASURES AND REVIEWING TARGETS FOR ADAPTIVE MANAGEMENT

21. This is one of the core elements of the project. The PDF-B studies have clearly demonstrated that: (a) existing information on the nutrient load to the Black Sea and the response of the system is insufficient to enable more concrete goals to be set, and (b) the countries do not have a mechanism for monitoring and evaluating indicators that will enable the measurement of achievement of eutrophication control targets (including nutrient reduction measures).

Objective 3. Assist countries to improve their knowledge of the process of eutrophication in the Black Sea

Rationale

22. Despite compelling evidence of eutrophication and the degradation of marine habitats and communities, there have been no system-wide studies of this problem in the Black Sea. Evidence has been pieced together from fragmentary studies but there are huge gaps and uncertainties. This makes it difficult to convince non-coastal states of the need for response or to measure future changes. Joint studies at the beginning of the five year period will correct this situation and better define subsequent monitoring needs (Objective 4). Work will focus on the most impacted areas (e.g. the NW Shelf) and will make extensive use of remote sensing.

Outputs:

- 3.1 State of the Black Sea report (as required by the SAP), focusing on eutrophication and hazardous substances, in May 2003 (to coincide with the tenth anniversary of the signature of the Odesa Declaration). This activity will enable the report to be made despite the absence of a functional monitoring network (see Objective 4).

Success criteria:

- Integration of international study group on Black Sea Eutrophication.
- Peer reviewed study plan.
- Completion of 4 surveys in 2001-2002, and studies of nutrient sources, sinks and fluxes.
- Publication of State of the Black Sea Report, 2003

Description of approach

23. In order to make rational management decisions in the region it is necessary to count on a sound basic knowledge of the current environmental situation in the Black Sea. The ICPDR/ICBS joint ad-hoc Working Group recognised that the existing gaps in knowledge are very large (much larger than any other comparable system in the world) and must be filled in order to make better management decisions. The integrated monitoring system that will be developed within Objective 4, will not produce results early enough in the project to influence the development of the project itself or to guide the investments of the World Bank Partnership Investment Facility for Nutrient Reduction. This is why an initial intensive study is proposed.

24. In order to implement this objective, an “International Study Group” will be formed on an ad-hoc basis in order to consolidate the best available expertise. Specialists (maximum 10) will be appointed to the group by the Project Coordinator (in consultation with the Executive Director of the ICBS) on the basis of their scientific merits and institutional capacity (this is not a capacity building exercise) and will be drawn from government institutions, academies of science and overseas institutions with a proven track record of studying the Black Sea. The initial work will consist of consolidating existing information and formulating a one year study plan. This will be peer reviewed and approved by the JMC.

25. The study itself will include four seasonal surveys focussing on the most impacted areas. An example of the need for this work is that there is no information as to whether the massive Zernov red algal field (the “keystone” species in the NW Black Sea benthic system) has shown any recovery as a result of decreasing nutrient loads and accurate information is lacking on the loads themselves. In addition to the surveys, a regional satellite tracking station will be used to download interpret and freely distribute colour scan data regularly over the entire project period. This will enable real-time analysis and decision making regarding seasonality and exceptional algal blooms.

Another large gap in existing knowledge is that regarding airborne nutrient inputs. Existing meteorological observation networks will be capacitated to conduct these studies and an estimate of the total annual load and its distribution will be made.

26. The results of all of these observations will be employed for the preparation of a new State of the Black Sea Report to be completed by May 2003. This will also include information on hazardous substances.

Objective 4. Introduce new sectoral policies and a system of process, stress reduction and environmental status indicators for monitoring the effectiveness of measures to control eutrophication (and hazardous substances where appropriate)

Rationale

27. Currently there are few coordinated sectoral plans for nutrient reduction (see PDF-B report in Annex 9). Effective legal and policy instruments are needed at a sectoral level but the work must extend beyond this to consider the issue of implementation and enforcement. During the PDF-B, inter-sectoral committees including representatives from all ministries or central structures involved in the management of the Black Sea resources and nutrient control, as well as local authorities and other stakeholders were established in each country . These committees which have contributed in the drafting of the national action plans for nutrient reduction during the PDF-B, will be extensively involved in the technical/consultative process aiming at adoption and implementation of the sectoral master plans. There are almost no regularly monitored indicators of success or failure of the measures taken to protect the Black Sea (see Annex 10). This is particularly evident for indicators related to eutrophication and hazardous substances. A system of process and stress reduction indicators would help to facilitate intersectoral negotiations, ensure greater transparency and raise the level of priority for nutrient control. Environmental status indicators would enable the achievement of objectives to be properly tracked and eventually replace the need for ad-hoc studies (Objective 3) with a more permanent and sustainable mechanism. Work conducted in the PDF-B phase has led to a detailed proposal for indicators and is the basis of the activities indicated under this objective.

Outputs:

- 4.1 Sectoral nutrient control master plans and associated indicators (agriculture, industry, municipalities) for each country.
- 4.2 Amended laws and policies, as appropriate.
- 4.3 National nutrient reduction strategies.
- 4.4 An Istanbul Commission information base, initially managed by the PIU.

- 4.5 A pilot environmental status monitoring programme will be carried out with possible integration of process and stress reduction indicators in the 2nd phase.

Success criteria:

- Agreement of the agricultural, industrial and municipal sectors in each country to cooperate on specific indicators and to help to develop and implement measures within their area of responsibility.
- Use of the information base by all six countries.
- Indicator data employed for drafting and gradually implementing new policies.

Description of approach

28. This objective is focussed on achieving the participation of all relevant sectors in nutrient reduction. It seeks to bring together managers from the key sectors (agriculture, industry, municipalities), in separate regional workshops in order to stimulate participation. Each sector will then develop national sectoral masterplans of pragmatic priorities. These may involve adjustments to policy and law (e.g. legislation against phosphate detergents). The sectoral masterplans which will have to be reviewed every two years together will form national nutrient reduction strategies. This work will require considerable co-ordination and a full-time specialist will be engaged in the PIU for this purpose. He/she will also work closely with the UNDP-COs.

29. The work envisaged within this objective also requires the development and implementation of an effective M & E programme based upon process, stress reduction and status indicators, its pilot and full scale operation in the 2nd phase, official status reports and an ICBS nutrient information base. Further details of the approach are as follows:

Point sources

30. Develop a simple cost-efficiency approach (US\$/kg of N, P, etc. removed) to compare the costs of tackling different point sources of pollution. Use this approach to prioritise capital and maintenance budgets for pollution control. Review and where appropriate update funding of environmental enforcement bodies to ensure that monies raised from prosecuting polluters are used to fund these agencies. Similarly, review funding of regulatory monitoring of industrial plants/WWTPs. Fines should be set at an appropriate index-linked level to prevent repeated offences. Where possible, move towards a system of increased self-monitoring by dischargers (preferably using composite samples rather than spot samples), with greater regulatory agency involvement in QA/QC. Where possible, discharge consent conditions should be based on chemical loads (not concentration). The revision of consent conditions should involve all interested parties.

A. *Municipalities.* Review/revise discharge consent conditions and consent compliance data for WWTPs. Improve specifications for the development/construction of future landfill sites. Improve prosecution rates for illegal dumping of waste. Increase the use of sewage sludge as an organic fertiliser, particularly for forestry.

B. *Industry.* Review/revise conditions for trade waste discharge to sewer and direct discharge to surface waters. For the food processing/chemical industries, discharge consent conditions should include limits on total P, total N and total ammonia. Where appropriate, industrial discharge consents should include heavy metal conditions. For discharges containing high levels of toxic substances, COD consent conditions should be applied in addition to/instead of BOD conditions.

Diffuse sources

C. *Agriculture.* Develop guidance and educate farmers on cost-effective fertiliser application levels based on crop requirements. This guidance should be for total (organic and inorganic) nutrient application rates, including livestock manure. The guidance will promote the use of organic fertiliser and the development of mixed livestock/arable farms and will complement the investment projects to be implemented under the World Bank- GEF Nutrient Reduction Investment Facility. Where possible, the project will develop maximum livestock densities for farms, dependent on waste handling/disposal strategies, provide advice/education to farmers on good agricultural practice to minimise land erosion.

D. *Forestry.* Develop and implement a strategy for sustainable development of forestry.

Indicators

32. Use currently available information to develop indicators of process and stress for nutrient use/export from the agricultural, industrial and municipal sectors. Design and implement an environmental monitoring programme, using the results to develop environmental stress indicators. Develop indicator targets and assess compliance with these targets in the status reports. Use target compliance to monitor the success of the Regional Action Plan and, if necessary, review/revise the plan on both a national and sectoral basis.

Objective 5. Support the Commissions in their periodic review of Adaptive Management objectives.

Rationale

33. By the end of the two phases, the 1997 nutrient 'cap' should be replaced by goals based on results of the present project and its Danube counterpart. During the 1st phase environmental status indicators will be developed and implemented while information from the two Black Sea system response studies and the Danube and Black Sea M & E indicators will provide the basis for discussions on setting new adaptive management targets in the 2^d phase. The initial forum for these discussions will be the ICBS and ICPDR Joint Working Group (JWG) set up on the basis of the MOU of 2000. This may be extended to incorporate emergent Commissions for the Dnipro, Dniester and other major tributary basins (see Obj. 1). The present objective is to support the necessary technical discussions. Obj. 6 will help assess the most cost-effective ways of implementing the new targets.

Outputs:

5.1 A benefit/cost study of the application of the recommendations (to be conducted jointly with the ICPDR)

Success criteria:

- Publication and positive reception of the Benefit-cost study

Description of the approach

34. This activity will be managed by UNDP in close co-operation with the ICPDR, World Bank, UNEP and the CEC and builds on the results of objectives 3, 4, 7 and the WB/GEF Partnership Investment Facility for Nutrient Reduction. It will provide the ICBS and ICPDR with basic information to set new targets for nutrient control. The activities will include a benefit/cost analysis of the actions proposed in the sectoral master plans and National Strategies and the preparation of technical documents to the Commissions for recommending new targets.

COMPONENT III. SUPPORTING PUBLIC INVOLVEMENT IN NUTRIENT CONTROL.

Objective 6. Assist the public in implementing activities to reduce eutrophication through a programme of grants for small projects and support to regional NGOs.

Rationale

36. Environmental protection of the Black Sea depends not only on international agreements, but also on the daily actions of the coastal population. The PDF-B provided support to develop a portfolio of small public initiatives contributing to nutrient reduction in the Black Sea (see Annex 11). These were submitted, evaluated and prioritised through a competitive process including peer review. Selected NGO proposals are directed at minimising eutrophication in the Black Sea through: (1) restoration of wetlands (Ukraine, Russia, Moldova), (2) promotion of cost-effective water treatment facilities (Ukraine), (3) constructed wetlands (Bulgaria), (4) development of organic farming (Georgia, Bulgaria), (5) production of educational materials for schools and general public (Bulgaria, Romania, Russia, Turkey, Ukraine), (6) public awareness and involvement campaigns (Turkey, Romania). Based on the outcome of these initiatives, a second tranche of small projects is proposed after a two-year period. Project implementation will be monitored from the PIU. Additionally activities to strengthen the regional network of NGOs are included. The strengthening of WWF's role in wetland management in the region is also foreseen.

Outputs:

- 6.1 Reports describing 29 completed actions in the first tranche (e.g. wetlands restored, videos produced, farms converted to organic production, etc.)
- 6.2 Proposals for the second tranche.
- 6.3 Regional NGO newsletter 'Black Sea Shared' produced and distributed quarterly (mainly electronically)
- 6.4 Regional report on wetland protection and restoration and recommendation for local actions (WWF)

Success criteria:

- Full implementation of first tranche of 29 projects (independent review).
- Successful second call for proposals.

- Effective contribution of NGO evinced by the establishment of a regional NGO WG on nutrient reduction, media reports and presence at significant regional open meetings.
- Increased number of wetlands protected and/or restored (WWF)

Description of approach

37. The PDF-B process has already resulted in a portfolio of peer reviewed projects that will enable this activity to get underway immediately after project approval. A public participation specialist from the region will be appointed to coordinate this initiative and ensure reporting and evaluation. She/he will also develop a regionally based evaluation mechanism for a second tranche of proposals, to be submitted early in 2003. The specialist will also ensure that the entire GEF project respects the provisions of the Aarhus Convention (Convention on Access to Information, Public Participation in Decision-Making and Access to justice in Environmental Matters).

In addition to the small projects initiative, some support will be given to the Black Sea NGO network for a region-wide project and for publication of their newsletter. Training of the general public and target groups will be facilitated through close collaboration with the Black Sea component of the GEF Train-Sea-Coast Programme as well as the recently initiated Black Sea Environmental Education Project, mostly funded by independent donors and by Tacis. In order to extend to the Black Sea the excellent work of WWF in the Danube and in other European Seas, funds will be made available to this organisation for work on wetland restoration and on fisheries conservation and policy. This will enable the participation of Black Sea countries in these important Europe-wide initiatives.

COMPONENT IV. INNOVATIVE ECONOMIC INSTRUMENTS FOR THE CONTROL OF EUTROPHICATION

Objective 7. Formulate proposals for market-based or alternative economic instruments for limiting nutrient emissions and establish private-public sector partnerships for environmental protection in the Black Sea.

Rationale

38. For the current project to be successful, it must assist the ICBS to take measures that are financially sustainable. The lack of funding for environmental protection has been a perennial problem in the Black Sea region. Innovative approaches cannot simply be imported from the West as the circumstances of countries in transition are unique and complex; they must be created with full understanding of the priorities and economic realities of the region. Currently, environmental protection is not high on the political agenda though it is becoming increasingly important for the three countries seeking accession to the EU (Bulgaria, Romania, Turkey). It is important to have closer dialogue with the economy sector (treasuries, ministries of finance and economy), the private sector and with the national and regional financial institutions such as the Black Sea Regional Development Bank. The following outputs will enable the ICBS to examine pragmatic options for improving financing, especially in the period following the implementation of the Strategic Partnership (i.e. after GEF funding has expired):

Outputs:

- 7.1. 'Gap analysis' published, showing difference between the current use of economic instruments and those that would be required for the effective implementation of national nutrient reduction strategies.
- 7.2. Letters of agreement and other practical arrangements with regional/national funding institutions.

Success criteria:

- Actions taken within countries to correct identified gaps in the application of instruments.
- Loans for nutrient-related investments channeled through regional or national development banks.

Description of approach

39. As part of its sectoral analysis of measures to reduce nutrient discharges, special attention will be required to economic instruments, national and regional. This component will be managed by UNDP in close cooperation with the World Bank. During a three year period, a full time economist will be engaged to help the PIU to liaise with sectors within countries (including the finance sector) to explore how economic instruments can be devised and better integrated into national strategies for nutrient reduction.

Work within this objective will also focus on widening the basis of financial support through private-public sector partnerships and the use of national or regional development banks to manage funding for small/medium sized investment projects (such as small municipal WWTPs).

COMPONENT V. SUSTAINABLE EXPLOITATION OF FISH STOCKS AS PART OF AN ECOSYSTEM APPROACH

Objective 8. A fisheries exploited within its maximum sustainable yield and incorporating measures to protect ecologically sensitive areas.

Rationale

40. There is evidence to indicate that the fish stocks and fisheries in the Black Sea has been heavily impacted by the loss of habitat caused by eutrophication and overexploitation. Articles 58 and 59 of the Black Sea Strategic Action Plan call for specific measures:

(58) In order to rehabilitate ecosystems, which are of particular importance to Black Sea fisheries as a whole, Phyllophora fields and other critical nursery areas will receive special protection, spawning areas of anadromous species will be restored, and coastal lagoons will be rehabilitated. By 2000, each Black Sea State will develop at least one pilot project which will contribute to the restoration of areas vital to the recovery of Black Sea fish stocks.

(59) In order to rehabilitate the Black Sea ecosystem and achieve sustainable fisheries in the Black Sea, fisheries management policies need to be enhanced and fishing effort needs to be adjusted to the status of the stocks. In this regard, the Black Sea coastal states are expected to expedite the adoption of the Fisheries Convention as soon as possible so as to develop a fisheries management system which consists of the following components: regular regionally coordinated stock assessments; national fishing authorisations for all Black Sea fishing vessels; a regional licensing system; and a quota system. In addition, enforcement of fisheries regulations urgently needs to be improved. These measures and others, which are required to attain more sustainable fisheries in the Black Sea, should be taken in close cooperation with the fishing sector.

Article 58 has particular synergy with the measures proposed to enhance the service function of coastal and wetland systems for nutrient removal. Neither of these articles has been implemented as yet and serious conflicts have recently emerged between coastal countries over illegal fishing for much diminished stocks. The present projects seeks to implement (58) and catalyse (59)

Outputs:

- 8.1. Identification of the zones where fisheries would need to be regulated /banned to allow for restoration of macrophyte habitats and recovery of nursery grounds.
- 8.2. Design of measures for enforcement.
- 8.3. Progress in/ conclusion of the fisheries convention with measures to limit fishing effort and provisions for enforcement.

Success criteria:

- Gradual introduction of sensitive habitats as fisheries free zones which ultimately will help in the recovery of macrophyte beds (including those damaged by trawling gear).
- Possible signing of the Fisheries Convention
- Signature, ratification and implementation of the new Biodiversity Protocol to the Bucharest Convention (prepared with BSEP (GEF and Tacis) funding).

Description of approach

41. Negotiations on a new fisheries convention for the Black Sea are currently stalled but countries have expressed their willingness to resume and complete the process. The Black Sea Economic Cooperation is also attempting to facilitate the discussions. It is proposed that the ICBS should join them in this work in conformity with their agreed responsibility as stated in the BS-SAP.

42. For new fisheries regulations to be effective in restoring stocks there should be measures in place to protect key relevant underwater habitats that are expected to recover as nutrient loads to the Black Sea are reduced. This implies a policy of restricted or fisheries-free zones, an effective procedure that is not part of the draft Convention. An intensive effort will be required if this application of the LME rationale is to be accepted. The best mechanism for achieving this goal is to complete and ratify the Landscape and Biological Diversity Protocol to the Bucharest Convention in parallel to the negotiations on the Fisheries Convention itself. Activity 8.2 provides the basis for completing this work. Fisheries-free zones (usually a temporary measure) and Marine Protected Areas (a more permanent measure) are useful tools to ensure better habitat conservation. Finally, the other imperative for rational fisheries management is to improve knowledge of the transboundary populations of fish species and to enhance the understanding of the impact of particular fishing practices on the sustainability of populations. Surprisingly, this has never been realized in the Black Sea though detailed plans for a multi-country assessment were prepared as part of the GEF Pilot Phase intervention and available at the PIU.

Table 1. Activities, lead agencies and associate partners, counterparts, completion dates and funding.

COMPONENT I. CO-ORDINATION, INSTITUTIONAL CAPACITY BUILDING AND LEGAL REFORM

Objective 1. Support the integration of a sustainable Secretariat for the Bucharest Convention

Activities		Lead Agencies	National counterparts (Black Sea countries)	Target date for completion
		Associated Int. Partners		Indicative GEF fund allocation
Activity 1.1a	Establish and operate the Joint Management Committee. Two year operation of the Black Sea Project Implementation Unit of the Istanbul Commission (BS-PIU) to facilitate, co-ordinate, and communicate on the implementation of priority activities identified in this document.	ICBS/PIU *UNDP -GEF	CBCs/DRs (MoE)	All bodies established by September 2001
Activity 1.1b		UNEP World Bank CEC		\$580,000**
Activity 1.2a.	Establish joint mechanisms between the Istanbul Commission and the ICPDR for implementing and strengthening the MOU agreed at their spring 2000 meetings.	ICBS PIU ICPDR	CBCs	Annual meetings from 2001 - 2003
Activity 1.2b.	To extend this process to cover formal river basin commissions in other areas of the Black Sea Basin. A Black Sea Basin Inter-Commission Consultative Group should be established by 2002 and should meet on an annual basis to discuss issues of common concern.	UNDP UNEP WB CEC		\$40,000
Activity 1.3.	Assist with the establishment or strengthening of National intersectoral bodies and with providing them with technical information on the transboundary issues included in this project.	UNDP ICBS/PIU	CBCs/DRs (MoE) Sectoral focal points	All bodies to be operating by Jan. 2002
		WB, UNEP, CEC		\$48,000
Activity 1.4	Provide administrative support to Commission's Advisory Groups (co-ordinated by Regional Activity Centres) to conduct specific projects related to the priorities defined in this document (see later sections).	UNDP ICBS/PIU	CBCs/DRs (MoE) ACs Technical Focal Points UNDP COs	Workplan for ACs by July 2001
		UNEP, WB CEC		\$140,000
Activity 1.5.	Diffusion of information through the following: a. publication of at least one newsletter and one poster annually, b. production of short information clips for coastal TV stations c. production of non-technical leaflets about the project d. production of technical reports e. update and maintenance of the BSEP web site	ICBS/PIU UNDP	CBCs/DPs ACs All Focal Points NGOs UNDP -COs	First materials by July 2001
		BSNN Taxis		\$128,700
*operational responsibilities for UNDP-GEF will be managed by UNOPS **budget covers project co-ordinator, local staff, travel, O &M, JMC costs, capital equipment				TOTAL \$936,700

Objective 2. Regional actions for improving land based activities (LBA) legislation to control eutrophication and for tackling emergent problem

Activities		Lead Agencies	National counterparts (Black Sea countries)	Target date for completion
		Associated Int. Partners		Indicative GEF fund allocation
Activity 2.1a	Preparation of recommendations for the draft LBA Protocol and joint facilitation (with the ICBS) of negotiations on the new Protocol. This work is a continuation of the PDF-B study. Joint study (GPA Secretariat/ Istanbul Commission) of improving the implementation of the GPA in the Black Sea.	UNEP ICBS/PIU	.CBCs/DRs (MoE) Technical Focal Points ACs	1a May 2002 1b October 2001
Activity 2.1b		UNDP ACs ICPDR		\$90,000 (meeting costs included in Objective 1.)
Activity 2.2.	Evaluation of future threats to the Black Sea, the social and economic root causes of environmental degradation and the cost effectiveness of interventions to correct current and emergent transboundary problems (using the GIWA methodology, including full impact assessment)	UNEP ICBS/PIU	CBCs/DPs Technical Focal Points ACs	Oct. 2002
				Total \$70,000
				TOTAL \$160.000

COMPONENT II. SECTORAL LEGAL AND POLICY REFORMS, MONITORING AND EVALUATION OF NUTRIENT CONTROL MEASURES AND REVIEWING TARGETS FOR ADAPTIVE MANAGEMENT

Objective 3. Assist countries to improve their knowledge of the process of eutrophication in the Black Sea

Activities		Lead Agencies	National counterparts (Black Sea countries)	Target date for completion
		Associated Int. Partners		Indicative GEF fund allocation
Activity 3.1.	Integration of an international study group (ISG) to plan and conduct the practical studies. Formulation of the detailed study plan (eutrophication and hazardous substances) and its submission to peer review. Appointment of (existing) remote sensing centre.	UNDP ICBS-PIU	DRs, ACs and Technical Focal Points, Specialists from Academies of Science selected on scientific merits and experience.	October 2001
		2-3 specialist institutions experienced in other impacted areas		\$20,000
Activity 3.2.	Two survey cruises in the entire Black Sea but with special emphasis on the impacted NW Shelf (and possibly Sea of Azov) covering period January – December 2002.	UNDP	Institutions identified by ISG	December 2002
		ISG		\$510,000
Activity 3.3.	Download, interpretation and distribution of weekly SeaWifs colour scan satellite data, July 2001 - May 2003	UNDP	Institution identified by ISG	May 2003
		ISG		\$90,000
Activity 3.4.	Interpretation of results, drafting of new State of the Black Sea Environment Report (to be known as the Odessa Declaration + 10 Report), formulation of recommendations.	UNDP	All institutions engaged in the study + CBCs/DRs for review	May 2003
		ISG		\$40,000
				TOTAL \$660,000

Objective 4. Introduce new sectoral policies and a system of process, stress reduction and environmental status indicators for monitoring the effectiveness of measures to control eutrophication (and hazardous substances where appropriate)

Activities		Lead Agencies	National counterparts (Black Sea countries)	Target date for completion
		Associated Int. Partners		Indicative GEF fund allocation
Activity 4.1a	Thee regional workshops, each for representatives of one of the three key sectors (agriculture, industry, municipalities), together with ICBS officials, experts, etc., to explore actions to reduce nutrient emissions. Sectoral master plans to be developed for nutrient control in each coastal country. These will incorporate revisions and amendments in laws and policies and common indicators of process and stress reduction , and will be reviewed every 2 years. Development and govt. approval of national nutrient reduction strategies and presentation to the ICBS , and will be reviewed every 2 years.	UNDP -CO ICBS/PIU	CBCs/DRs (MoE) Sectors	1a. Sept. 2002 1b. Feb. 2003 1c. May 2003
Activity 4.1b		CEC, WB AC for ICZM (Krasnodar) for municipal sector. AC for Pollution Control (Istanbul) for Ind. Sector. ICPDR (liaison)		\$410,000***
Activity 4.1c				
Activity 4.2a.	Designation of monitoring institutions, provision of basic equipment and training in the new scheme (2x2 week practical courses/ country)	UNDP ICBS/PIU	CBCs (to designate monitoring institutions) Technical focal points	2a. Sept. 2001 2b. May. 2002 2c. May 2002
Activity 4.2b.	Design of new monitoring programme incorporating environmental status indicators and its approval by the ICBS	AC for Pollution Assessment (Odesa) CEC, ICPDR (liaison)		\$275,000 Additional activities may be co-funded by CEC
Activity 4.2c	Establishment of QA/QC procedures including intercomparison exercises.			
Activity 4.3	Pilot implementation of new environmental status programme.	UNDP ICBS/PIU	Monitoring institutions CBCs/DRs (MoE)	May 2003
		AC for Pollution Assessment (Odesa) CEC		\$120,000 (pilot phase only. Operation of the full-scale programme govt. responsibility).
Activity 4.4	Develop and implement ICBS information base. Operation at the PIU.	UNDP ICBS/PIU	CBCs/DRs (MoE) All technical focal points	from January 2002-May 2003
		UNEP-GRID, ICPDR		\$100,000****
Includes senior F/T staff member *Includes F/T information officer				TOTAL \$905,000

Objective 5. Support the Commissions in their periodic review of Adaptive Management objectives.

Activities		Lead Agencies	National counterparts (Black Sea countries)	Target date for completion
		Associated Int. Partners		Indicative GEF fund allocation
Activity 5	Economic benefit/cost studies of the actions proposed in the Sectoral Master Plans and the National strategies (Obj. 4, Activity 1). The recent study of the economics of nutrient control in the Baltic (Gren, Turner, et al. 2000) will serve as a working model. A specialist team will be appointed for this work by the JWG. They will also pay attention to wetland restoration economics.	UNDP ICBS/PIU ICPDR Dnipro Comm.	DRs (MoE) Technical focal points	May 2003 (completion)
		WB, UNEP CEC		\$120,000 (BS component)
				TOTAL \$120,000

COMPONENT III. SUPPORTING PUBLIC INVOLVEMENT IN NUTRIENT CONTROL.

Objective 6. Assist the public in implementing activities to reduce eutrophication through a programme of grants for small projects and support to regional NGOs.

Activities		Lead Agencies	National counterparts (Black Sea countries)	Target date for completion
		Associated Int. Partners		Indicative GEF fund allocation
Activity 6.1a.	Appointment of regional public participation specialist at the PIU, inter-alia to coordinate the small projects initiative. Implementation and evaluation of the first tranche of small projects identified and reviewed through the PDF-B process..	UNDP, ICBS/PIU	NGOs, Local governments Private sector	1a. June 2001- May 2003
Activity 6.1b.		CEC		1b. January 2003
				1a. \$60,000
				1b. \$320,000
Activity 6.2	Second call for proposals and design of a fully transparent project appraisal mechanism.	UNDP, ICBS/PIU	NGOs, Local governments Private sector	February 2003
		CEC		(salary inc. in 6.1)
Activity 6.3.	Support to the BSNN and BSEEP for increased involvement in regional aspects of reduction of eutrophication and for work on environmental education in schools.	UNDP, ICBS/PIU	NGOs	Review by March 2003
		CEC		\$50,000
Activity 6.4.	Independent report on wetland conservation and restoration in the Black Sea region	WWF ICBS/PIU	NGOs Technical and scientific institutes Governments	December 2001
		WB		\$40,000
				TOTAL \$470,000

COMPONENT IV. INNOVATIVE ECONOMIC INSTRUMENTS FOR THE CONTROL OF EUTROPHICATION

Objective 7. Formulate proposals for market-based or alternative economic instruments for limiting nutrient emissions to the Black Sea and establish private-public sector partnerships for environmental protection.

Activities		Lead Agencies	National counterparts (Black Sea countries)	Target date for completion
		Associated Int. Partners		Indicative GEF fund allocation
Activity 7.1.	Review the implementation of economic instruments for protecting the Black Sea from pollution (including nutrients) on a country-by country basis and suggest improvements where relevant. F/T economist to be appointed (3 year appointment) at the PIU, inter alia to conduct and co-ordinate this work.	UNDP, ICBS/PIU	CBCs/DRs (MoE) Finance sector Intersectoral committee	December 2002
		WB, ICPDR, CEC		\$250,000
Activity 7.2.	Examine opportunities for public-private sector partnership in measures to limit nutrients (e.g. introduction of phosphate-free detergents, new technology, organic farming, etc.). To be co-ordinated by the PIU economist.	UNDP ICBS/PIU	CBCs, DRs (MoE) Private sector organisations (Chambers of Commerce, etc.) UNDP-COs	March 2002
		WB, EBRD BSEC Business Forum		\$28,000 (salary in Act. 1)
Activity 7.3	Evaluate the potential of the local and/or regional financial intermediaries (eg.Black Sea Regional Development Bank) as a means of channelling funding to small/medium sized bankable projects related to nutrient limitation and habitat restoration.	UNDP ICBS/PIU	Finance sector CBCs/DRs (MoE)	March 2002
		WB, BSRDB EBRD		\$14,000 (salary in Act. 1)
				TOTAL \$292,000

COMPONENT V. SUSTAINABLE EXPLOITATION OF FISH STOCKS AS PART OF AN ECOSYSTEM APPROACH

Objective 8. A fisheries exploited within its maximum sustainable yield and incorporating measures to protect ecologically sensitive areas.

Activities		Lead Agencies	National counterparts (Black Sea countries)	Target date for completion
		Associated Int. Partners		Indicative GEF fund allocation
Activity 8.1	Support to the process of concluding the regional Fisheries Convention negotiations, particularly in relationship with the need to protect key habitats.	UNDP	Fisheries Committees/Ministries CBCs	March 2002
		ICBS/PIU BSEC		\$60,000
Activity 8.2.	Preliminary study on the evaluation of potential fisheries-free zones and Marine Protected Areas, their promotion with Black Sea governments and stakeholders; their incorporation into the Landscape and Biological Diversity Protocol to the Bucharest Convention and training of coastguards etc. for their enforcement.	UNDP	CBCs/DRs (MoE) Intersectoral Committees Technical focal points	May 2003
		UNEP, WWF, Fisheries Convention Sec. Fisheries Activity Centre (Constanta), Biodiversity AC (Batumi)		\$50,000
Activity 8.3	Assessment of transboundary populations of fish species and their relationship with current fishing practices.	UNDP	Fisheries Committees/Ministries CBCs	July 2002
		ICBS/PIU Fisheries and Biodi. ACs., FAO, CEC		\$50,000
				TOTAL 160,000

GRAND TOTAL FOR PROJECT	Net of support costs	\$3,703,700
	Gross, including support costs at 8% (UNOPS)	\$4,000,000

V. Risks and Sustainability

Issues/Actions and Risks/Country Commitment

43. The long term success of regional scale environmental management programs, such as the one proposed here depend, *inter alia*, on the political willingness of the participating countries to cooperate, their willingness to continue project programs and approaches after the life of the GEF intervention, and the extent to which activities successfully engage system users of the resources that are the subject of intervention.

44. In relation to political willingness, the countries have demonstrated their interest and ability to cooperate in a consistent manner since the signature of the Odessa Declaration in April 1993. The Pilot Phase GEF intervention was one of the few IW projects completed exactly according to schedule and with all of the anticipated outputs. This should not however be interpreted to imply that all obstacles have been overcome and that risks are negligible. Negotiations on the establishment of a Secretariat for the Bucharest Convention took eight years to complete, partly because of the changing political and financial circumstances of the Contracting Parties. There are also frequent changes in the political and institutional structures in some of the coastal countries and the profile of environmental protection may vary from time to time according to the importance attributed to environment by central governments. In the case of the three countries in the process of accession to the European Union (Bulgaria, Romania, Turkey) there is the additional prerogative to approximation of their laws and policies to the EU Directives. This in itself carries the risk that there will be a widening gap between the policies and laws in the accession and non-accession countries to the detriment of the Black Sea. The support of the EU Tacis programme and the continued cooperation of the CIS Black Sea countries should help to avoid this gap becoming a reason for poor protection of the Black Sea.

Sustainability

45. The risk of this GEF-initiated programme and activities related to it, ending after the life of the project are also seen as low. The project is designed to support agreements that are already in place and have been incorporated in national laws and policies. The IAs have been cautious to delay submission of the project until there is a demonstrated commitment of the coastal countries to the full institutionalization of the Bucharest Convention Secretariat. The project itself is designed to anchor each achievement in legal and policy agreements that help to increase its sustainability. In addition, the strong public awareness/participation component will raise public expectations and, together with the provisions of the Aarhus Convention, ensure accountability.

46. Project management will be firmly rooted within the ICBS Secretariat and it is anticipated that the PIU staff (including its coordinator) will include a high proportion of nationals of the Black Sea countries. By maintaining the PIU as a semi-autonomous unit, the statutory functions of the ICBS will not be confused with the technical tasks of the PIU. This will be important for sustainability, as any tendency to over-rely on the presence of project staff for completing the work of the Commission should be avoided. The network of BSEP Activity Centres will be part of the structure of the Commission and should ensure a process of continued decentralization of responsibilities that also promotes sustainability.

47. Ultimately sustainability will depend upon the perception of local people around the shores of the Black Sea that this work is important for their daily lives and for future generations. If the project abstracts itself from the public, this basic requirement will not be met and will inevitably fail. Authoritarian impositions and institutionalized secrecy are a guarantee of long term unsustainability. Elements of the project to promote public information are one of the best tools for longer-term success.

Financial Sustainability

48. Financial sustainability is somewhat enhanced by the country commitment to sustain the Secretariat of the Bucharest Convention. Care has been taken to place emphasis on economic instruments as an essential tool for future nutrient control strategies. This by itself however, is insufficient. There needs to be a clear understanding that the long-term benefits outweigh the immediate costs of environmental protection. This is the main reason for incorporating a benefit/cost study into the project strategy. There also has to be an understanding that many of the short-term measures also generate short-term domestic benefits. The equivocal message that eutrophication control is a purely remote and long-term matter should be avoided. The recent rapid response of the system to lowered nutrient loads offers the perspective of more transparent and attractive waters for coastal tourism, even in the short term. This message should not be lost against the background of the lengthy process of full ecosystem recovery.

VI. Stakeholder Participation

49. The design of the current project incorporated a wide range of stakeholders. Consultations on regional priorities began with the broad consensus achieved during negotiations on the BS-SAP. It was estimated that over one thousand specialists, officials and NGO members were incorporated into this process. The consultations continued through (1) the development of the National Black Sea Strategic Action Plans, (2) consultations by the Activity Centres; (3) a symposium of religious leaders, scientists and public officials (summer 1997); (4) annual celebrations of Black Sea Day² in coastal towns throughout the region; (5) during the 17 country July 2000 Black Sea Basin stocktaking meeting; and (6) during the preparation of the current proposal. A good example of active stakeholder involvement was the preparation of the small projects initiative where a call for proposals was widely announced in all six countries and attracted considerable attention. It resulted in strong proposals, all of which included counterpart funding from the beneficiary organizations.

50. It is clear that successful project implementation will require that the stakeholder participation is broadened further in order to include representatives of a wider spectrum of sectors. In the case of domestic sources of nutrients there needs to be a greater involvement of municipalities. The earlier GEF interventions focussed on central governments, particularly Ministries of Environment. Though these remain the principal national counterparts, direct contacts must be established with other sectors including ministries or departments of agriculture, fisheries, industry, finance and municipal authorities. Contacts will be established with civil society organizations including business associations, private banks, NGOs (via the Black Sea NGO Network) and teachers (through the newly established Black Sea Environmental Education Project).

51. Various mechanisms exist for promoting increased stakeholder involvement. Greater sectoral involvement is incorporated in Objective 4 (sector consultations) and by supporting the continued development of National Intersectoral Committees (Objective 1). In addition where appropriate, UNDP will organize country dialogues to provide additional impetus to this process.

52. In conformity with the recommendations of the BS-SAP and the Aarhus Convention, provisions will be made to enhance public participation in the project decision making process. In the first instance, this will be ensured by inviting two NGO representatives to attend meetings of the JMG. The small projects initiative is designed specifically to encourage active public participation in project implementation. There are also provisions in the budget for diffusion of information to the general public and for the production of at least one film clip.

VII. Project Implementation, Institutional Framework and National and Regional Institutions

Project Implementation

53. The United Nations Office of Program Services (UNOPS) will be the Executing Agency for the project and on behalf of the six participating countries. It will establish inter-agency agreements with UNEP for activities in which it acts as lead agency. The UNDP Resident Representative in Turkey will act as Principal Project Resident Representative.

54. The Project will have a very simple management structure (see description in paragraph 16) linking it to the organic structure of the ICBS and to the major donors and IAs. The Project Chief Technical Advisor (Black Sea Project Co-ordinator) will serve for renewable terms of two years, and will be appointed consistent with standard UNDP procedures in consultation with the participating countries. The UNDP Project Document governing implementation of the project will include full terms of reference of all project staff. It is envisaged that the following staff will be appointed as specified in Table 1 (source of funding in parenthesis):

- Project Co-ordinator (CTA, Objective 1)
- Sectoral reform and M & E specialist (Objective 4)
- Data base and information manager (Activities in objectives 1,3 and 4)
- Economist (Objective 5 and 7)
- Public participation specialist (Objective 6)

Management responsibilities will be distributed amongst these specialists by the CTA. It is hoped that additional staff may be provided by secondments from governments or other donors. Consultants will be retained as necessary and priority will

² International Black Sea Day is held on 31 October every year to commemorate the signature of the Black Sea Strategic Action Plan. Activities to celebrate this day have been supported by NGOs, local authorities, BSEP and Tacis.

be given to the recruitment of national consultants as available. In addition, the CTA will appoint the support staff specified in Table 1, Objective 1.

55. The lead Implementing Agency (UNDP) will establish memoranda of understanding with other major donors regarding task sharing within the PIU for managing project implementation. A very good working relationship was established with DG Environment and Tacis in the previous GEF project and it is proposed to build upon this example in the future. UNDP will also support the project through its Country Offices where possible. UNOPS will provide administrative support and will be responsible for commitments such as major contracting and overall financial management and reporting.

Programmatic Linkages to Other Agency Programs

56. The proposed project is an integral part of the GEF Danube/Black Sea Basin Strategic Partnership. Co-ordination is the essence of this approach and close co-operation will be maintained with other international projects in the region throughout project implementation. In particular, this project has been specifically designed to complement a proposed GEF project in support of the ICPDR; a proposed GEF/World Bank Partnership Investment Facility for Nutrient Reduction in the Black Sea and Danube Basin; and to harmonize with the EU Nutrient Reduction Directives.

ICPDR

57. Many of the activities listed in Table 1 specify the ICPDR as a partner organization and it would be difficult to implement them without a working relationship and full and regular consultations. For this purpose, special provisions have been included for two bodies that should meet on an annual basis to discuss issues of common concern:

- A. Joint Working Group (JWG) between the Istanbul Commission and the ICPDR, established through an inter-commission MOU agreed at their spring/summer 2000 meetings.
- B. Black Sea Basin Inter-Commission Consultative Group to extend this process to cover all formal river basin commissions in the Black Sea Basin.

It is assumed that the Inter-Commission Consultative Group would eventually replace the JWG and would include the Dnipro and eventually the Dniester Commissions. In addition, the JWG or its successor may wish to establish joint ad-hoc working groups to which they would assign specific functions. Since the JWG will be an inter-commission group, it will work under the authority of the Directors of the ICPDR and ICBS who will be responsible for convening the meetings and establishing working procedures. This would not preclude the possibility of additional informal contacts between the various GEF projects working in the region.

World Bank/GEF Partnership Investment Facility for Nutrient Reduction

58. The World Bank/GEF Partnership Investment Facility for Nutrient Reduction is proposed as a mechanism to streamline the processing of GEF funds toward nutrient reduction investments in the Black Sea and Danube River countries. In addition to the World Bank's role as a GEF implementing agency for Partnership funds, it has agreed to promote nutrient reduction policies and Danube/Black Sea restoration objectives in its ongoing policy dialogue with the 15 GEF-recipient countries of these Basins. The World Bank's role in the Partnership requires close involvement with the Black Sea Commission activities and this project since knowledge of and input toward ongoing activities is essential to carrying out its country dialogue and investment promotion commitments. Outputs of this project such as development of a regional monitoring and evaluation program; sectoral masterplans for nutrient reduction; benefit cost analysis studies; and nutrient reduction policy assessments will help recipient countries develop (and the Bank to appraise) more comprehensive investment proposals for the Partnership. Similarly, the proposed Partnership provides a mechanism for convening partners toward follow-up and implementation of key policy and investment recommendations of this project.

European Union

59. Three of the countries in the region are at various stages in the process of accession to the European Union. Two of these (Bulgaria and Romania) are beneficiaries of the EU's Accession programme and support for the third (Turkey) is currently being negotiated. The process of accession has considerable bearing on the development of the project objectives and outputs and great care has been taken to avoid actions that will be in conflict with EU policy. This is defined through the Directives of the European Commission, those related to the control of phosphorus and nitrogen compounds (the Phosphate and Nitrate Directives) and the recent Water Framework Directive. Close coordination will be maintained with DG-Environment throughout project execution. In the case of the non-accession countries (Georgia, Russia and Ukraine), these are beneficiaries of the Tacis programme and have already received over 10 million Euros of Tacis support as part of the previous and on-going Tacis Black Sea Programme, an integral part of the BSEP. Tacis is currently formulating a new

project for continuing its support to the Black Sea region and this is expected to include a regional element as a collateral project to the GEF intervention and a country-specific investment element that will work in close parallel to the Strategic Partnership. The European Commission (through DG-Environment and Tacis) will be part of the JMG in order to achieve the highest level of co-ordination and it is hoped that Tacis will continue to provide staff support to the PIU.

Other donors and agencies

60. Close co-ordination will also be maintained with other international agencies, many of whom have projects directly or indirectly related to the Black Sea. These include FAO, IOC (of Unesco), IMO, WHO, WMO, EBRD. A special relationship will be developed with the Black Sea Economic Cooperation, which works closely with foreign ministries in all Black Sea countries and beyond and has its own environmental committee. Closer relationships will also be developed where relevant with the BSEC Business Council and the Black Sea Trade and Development Bank. There are also a number of bilateral donors that support Black Sea region-wide programmes. Examples include USAID's assistance on oil spill response, Dutch support to the Association of Black Sea Harbourmasters or the recent assistance from the British Council for bringing together young people around the theme of Black Sea Protection.

Country-specific projects

61. Much of the current support to collateral activities is in the form of country-specific projects and where possible, these programmes will be invited to collaborate with the Black Sea Basin Strategic Partnership. The largest single donor is without doubt the European Union particularly through its Accession Programme (formerly Phare) in Romania and Bulgaria but also through a large number of smaller Tacis projects/Tacis Interstate Programme. UNDP has been mainstreaming environment into its technical assistance and many of its national projects include work on relevant environmental issues. There are also a very large number of smaller bilateral projects in the region and the PIU will integrate an information base of these initiatives in co-operation with the UNDP-COs. Examples include the Danish Technical Assistance Programme support to Romania for upgrading coastal WWTPs or Japan's assistance to fisheries management in Turkey.

VIII. Incremental Costs and Project Financing

62. The overall cost of the project is US\$ 8,294,920. GEF financing (net of support costs and the PDF-B) is in the amount US\$ 3,703,700. Co-finance from National Governments (independently or via the ICBS), Tacis, UNDP, UNEP, other UN Agencies, independent donors, etc. amount to US\$ 3,945,000. Approximately 85% of the GEF contribution will be disbursed within the region. Project costs, the full details of which including information related to the baseline are to be found in Annex 1B are summarised in Table 2. Please note that baseline costs have been restricted to quantifiable activities of direct relevance to the aims and objectives of the project. It probably considerably underestimates real costs but reflects the current lack of information on small initiatives described in paragraph 58. Following is a tabular summary of the GEF contribution by Output and Activity.

Table 2- Summary of Project Costs

<i>Component</i>	<i>Objective</i>	Baseline (B)	Alternative (A)	Increment (A-B)						
				Gov	GEF	UNDP	UNEP	Tacis	Others³	TOTAL
I. Co-ordination, institutional capacity building and legal reform	1. Support the integration of a sustainable Secretariat for the Bucharest Convention	1,080,000	3,194,700	1,150,000	936,700				28,000	2,114,700
	2. Regional actions for improving LBA legislation to control eutrophication and for tackling emergent problems	30,000	245,000		160,000		55,000			215,000

³ Includes WB, BSEC, WMO

II. Sectoral legal and policy reforms, monitoring and evaluation of nutrient control measures and reviewing targets for adaptive management	3. Assist countries to improve their knowledge of the process of eutrophication in the Black Sea	947,000	1,619,000		660,000				12,000	672,000
	4. Introduce new sectoral policies and a system of process, stress reduction and environmental status indicators for monitoring the effectiveness of measures to control eutrophication (and hazardous substances where appropriate)	5,552,000	7,497,000		905,000	[240,000]		[800,000]		1,945,000
	5. Support the Commission in their periodic review of Adaptive Management objectives.	60,400	220,400		120,000			[40,000]		160,000
III. Supporting public involvement in nutrient control	6. Assist the public in implementing activities to reduce eutrophication through a programme of grants for small projects and support to regional NGOs.	472,520	1,142,520		470,000			[200,000]		670,000
IV. Innovative economic instruments for the control of eutrophication	7. Formulate proposals for market-based or alternative economic instruments for limiting nutrient emissions and establish private-public sector partnerships for environmental protection in the Black Sea.	1,648,000	3,140,000		292,000			[1,200,000]		1,492,000
V. Sustainable exploitation of fish stocks as part of an ecosystem approach	8. A fishery exploited within its maximum sustainable yield and incorporating measures to protect ecologically sensitive areas.	360,000	740,000		160,000			[200,000]	20,000	380,000
Agency Support Costs					296,300					296,300
PDF-B					349,920					349,920
	Total	10,149,920	18,444,840	1,150,000	4,349,920	240,000	55,000	[2,440,000]	60,000	8,294,920

IX. Monitoring and Evaluation

63. Project objectives, outputs and emerging issues will be regularly reviewed and evaluated annually by the PSC. The project will be subject to the various evaluation and review mechanisms of the UNDP, including the Project Performance and Evaluation Review (PPER), the Tri-Partite Review (TPR), and an external Evaluation and Final Report prior to termination of the Project. The project will also participate in the annual Project Implementation Review (PIR) of the GEF. Particular emphasis will be given to emerging GEF policy with regard to monitoring and evaluation in the context of GEF IW projects. This document generally, and more specifically the logframe in this document, will be used to identify relevant Process Indicators, Stress Reduction Indicators, and Environmental Status Indicators that will serve to inform the M&E process and be adopted by the participating countries. This work will be considerably expanded as a result of Objective 4 of the project itself which is focussed on the establishment of sustainable M & E procedures for the entire region.

64. In addition to the monitoring and evaluation described above, monitoring of the project will be undertaken by a contracted supervision firm, and by a balanced group of experts selected by UNDP. The extensive experience by UNDP in monitoring large programs will be drawn upon to ensure that the project activities are carefully documented. There will be two evaluation periods, one at mid-term and another at the end of the Program.

65. The mid-point review will focus on relevance, performance (effectiveness, efficiency and timeliness), issues requiring decisions and actions and initial lessons learned about project design, implementation and management. The final evaluation will focus on similar issues as the mid-term evaluation but will also look at early signs of potential impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental goals. Recommendations on follow-up activities will also be provided.

66. Approximately 1% of project funds will be allocated for the monitoring and evaluation (M&E) to be undertaken by independent experts and UNDP. The evaluation process will be carried out according to standard procedures and formats in line with GEF requirements. The process will include the collection and analysis of data on the Program and its various projects including an overall assessment, the achievement of clearly defined objectives and performance with verifiable indicators, annual reviews, and description and analysis of stakeholder participation in the Program design and implementation. Explanations will be given on how the monitoring and evaluation results will be used to adjust the implementation of the Program if required and to replicate the results throughout the region. As far as possible, the M&E process will be measured according to a detailed workplan and a Logical Framework Analysis approach developed and tabulated in the project document.

X. Lessons Learned and Technical Reviews

67. This project, together with those for the Danube and Dnipro, constitute the first application of a basin-wide approach to the GEF IW Programme. It is thus extremely important to review the lessons learned and to examine their applicability in other candidate regions of the world. As in the case of earlier interventions, the project will be involved in the GEF International Waters Learning, Exchange and Resource Network Program (IW: LEARN). IW:LEARN is a distance education program whose purpose is to improve global management of transboundary water systems. It will provide structured interactive conferencing capability across and within the GEF International Waters Portfolio and will allow participants in GEF IW projects to share learning related to oceans, coastal zone management and to other river basins in the region and beyond. For environmental professionals working on GEF related projects IW:LEARN will greatly expand opportunities for peer to peer, collaborative research with physically distant colleagues, opportunities to exchange best practices and training modules among projects, and the delivery of short courses.

List of Mandatory Annexes

- Annex 1A - Incremental Cost Narrative
- Annex 1B - Full Incremental Cost Matrix
- Annex 2 - Logical Framework Matrix
- Annex 3 - GEF Operational Country Focal Point Endorsement Letters
- Annex 4A - STAP Review
- Annex 4B- Response to STAP Review
- Annex 5- Executive Summary of the Terminal Evaluation Report for "Developing the Implementation of the Black Sea Strategic Action Plan (RER/96/G32/C)
- Annex 6A- Indicative list of Objectives, Activities, Completion Dates and Funding Requirements for Phase II
- Annex 6B- Suggested Logical Framework Matrix for the Full Project (Phase I and Phase II)

List of Optional Annexes

- Annex 7 - State of the Pollution in the Black Sea report (Executive Summary), 1999.
- Annex 8 - Report of the May 2000 meeting of the Istanbul Commission
- Thematic Reports Prepared During the PDF-B Project Phase*
- Annex 9 - Report on current policy and legislation for nutrient control in Black Sea countries.
- Annex 10 - The development of process, stress reduction and environmental status indicators to monitor the effects of nutrients within the Black Sea Basin
- Annex 11 - Report on the development of a programme for public participation in the Black Sea including grants for small projects
- Annex 12 - Development of a new Protocol for Land Based Activities in the Black Sea
- Annex 13 - Danube/Black Sea Basin Strategic Partnership

Annex 1A: Incremental Cost Narrative

BROAD DEVELOPMENT GOALS

The Black Sea has suffered at least three decades of severe environmental degradation, mainly as a consequence of eutrophication but also through irrational exploitation of its ecosystem, destruction of landscapes and habitats and pollution from domestic, industrial and agricultural sources and shipping. Earlier GEF interventions led to the development of a Black Sea Strategic Action Plan that gives the coastal countries a blueprint for tackling many of these problems. The countries have also established a regional institutional framework for joint management of the Black Sea's transboundary issues. These interventions however, lacked the scope and timeframe to deal with some of the main underlying problems, many of which require co-operation amongst the 17 countries of the wider Black Sea Basin:

1. The large load of nutrients, from agriculture, industry and municipal sources, causing eutrophication in the Sea;
2. The high risk of contamination from certain toxic substances including oil;
3. The unregulated and depleted fisheries that make it difficult to restore ecosystems in an effective manner.

The present project focuses on resolving these three transboundary issues as part of a Black Sea Basin Strategic Approach. It places particular emphasis on the issue of eutrophication that is perceived to be the most serious threat to the present and future integrity of the Black Sea Ecosystem.

Control of eutrophication is a particularly difficult task as the origins of the nutrients precipitating the problem are intimately associated with rural and urban economy, practices and lifestyle. Measures to resolve the problem cannot be unilateral and require the sustained cooperation of all 17 countries and the full support of all stakeholders, including the general population. If the problem is not tackled however, economic scenarios predict that nutrient loads will soon begin to rise in pace with economic growth and the Black Sea ecosystem will deteriorate further with regional and global consequences.

The project seeks to assist the countries to strengthen their cooperative institutions; develop and implement new regional and national tools (instruments, laws, policies, indicators, investments) for regulating nutrient discharge, improve public participation; increase the level of understanding of the phenomenon itself and ensure that exploitation of natural resources is at a level that allows key habitats to recover.

Baseline

Governments are fully aware of the problems afflicting the Black Sea but do not feel fully empowered to resolve them. Since the early 1990s, economies have collapsed in all countries except Turkey and much of the infrastructure has deteriorated due to the need to spend limited revenues on other immediate priorities. Even routine monitoring of the Black Sea ceased from the late 1980s in all countries except Romania. However, the previous GEF interventions helped to keep protection of the Black Sea firmly on the international and national agenda and led to a number of positive actions. These included the establishment of a new policy and institutional framework, a very large capacity-building effort and pilot studies and investments (very significant ones in the case of Romania and to a lesser degree Bulgaria and Georgia). Work to support public involvement and the diffusion of information also continued. These interventions helped to raise the baseline from the 1993 inception level to the present one. They have also led to "buy in" by the governments to the Bucharest Convention Secretariat and other measures to afford better protection to the Sea itself.

Despite the previous projects however, the thorny central issue of eutrophication control remains. The "business as usual" development scenario would, inter alia, include projects to invest in more cost-effective agriculture and to develop waste treatment to a level that would satisfy the immediate imperative of improving public health, encourage economic recovery and protect adjacent natural areas. Such projects would be unlikely to mitigate eutrophication; indeed that would probably exacerbate it.

At the same time, it should be noted that economic decline has brought temporary relief to the Black Sea since the discharge of nutrients and certain hazardous substances has also decreased. There is an unprecedented opportunity to adopt a new development approach working from the current very low baseline. This window of opportunity will most likely be a very small one.

The baseline described in Table 2 reflects the current commitment of the countries and their international partners to protecting the Black Sea. It does not include the costs of wider infrastructure and personnel involved in environmental protection or non targeted research but has been strictly limited to the personnel and infrastructure engaged in work directly related to the implementation of the Bucharest Convention or the Black Sea Strategic Action Plan. It is presented as a realistic measure of current country commitment to the Black Sea.

Global Environmental Objective

The global environmental objective of the proposed project is: Reduction of eutrophication in the Black Sea in order to protect the Biological Diversity and functions of its ecosystem, to reduce the risk to adjacent transboundary systems and to protect the interests of current and future human generations. The project should be replicable and serve as a case study for the reduction of eutrophication worldwide.

The GEF intervention in the Black Sea is based on the following main assumptions:

- That the national, regional and global benefits of co-operation developed in the project will act as an incentive for sustaining the work in the future.
- Even if countries were to take unilateral action, they could not ensure the protection of biological diversity in the marine and coastal areas of the Black Sea .
- High transactions costs and insufficient cooperation with non-coastal riparians have impeded regional co-operation to address environmental externalities;
- Increased awareness of the problem and positive examples for resolving it will help to achieve longer-term sustainability of proposed measures;
- Current donors supporting bilateral and multilateral programmes in the region will be willing and able to co-operate with the GEF in implementing this project.

The potential global and regional benefits that will accrue if these problems are comprehensively addressed will likely be substantial. The protection of one of the most immediately threatened systems in the world will stimulate confidence in the regional co-operative approach to adaptive management of marine and coastal catchments.

GEF Alternative

The project is an integral part of the GEF Danube/Black Sea Basin Strategic Partnership. This enables a process of goal setting and adaptive management for the entire 17 country 2 million square kilometres Black Sea Catchment area. The approach is fully consistent with the guidance for GEF Operational Programme Number 8, “Waterbody-based Operational Programme.” The goal of this Operational Programme is to assist countries in making changes in the ways that human activities are conducted in different sectors so that the particular waterbody and its multi-country drainage basin can sustainably support the human activities. Projects in this OP focus mainly on seriously threatened waterbodies and the most imminent transboundary threats to their ecosystems as described in the Operational Strategy. Consequently, priority is placed on changing sectoral policies and activities responsible for the most serious root causes needed to solve the top priority transboundary environmental concerns.

The GEF alternative consists of practical steps towards:

- (a) better understanding of the situation at all levels;
- (b) common environmental objectives;
- (c) a reappraisal of values, both economic and ethical;
- (d) the availability of cost-effective practical alternatives to current practices;

- (e) their institutionalisation in education, policy and law,
- (f) effective structures for implementation; and
- (g) statutory procedures for monitoring compliance, trends and emerging issues.

This would be accomplished through GEF support to key measures that would be unachievable without the active co-operation of the six countries in the region, the seventeen countries in the wider basin and of the wider international community. The way in which these measures build upon the national baseline is outlined in the incremental cost table (Annex 1B). The GEF alternative would achieve its global and regional objectives through the following short-term objectives:

1. Support the integration of a sustainable Secretariat for the Bucharest Convention
2. Regional actions for improving LBA legislation to control eutrophication and for tackling emergent problems
3. Assist countries to improve their knowledge of the process of eutrophication in the Black Sea
4. Introduce new sectoral policies and a system of process, stress reduction and environmental status indicators for monitoring the effectiveness of measures to control eutrophication (and hazardous substances where appropriate)
5. Support the Commission in their periodic review of Adaptive Management objectives.
6. Assist the public in implementing activities to reduce eutrophication through a programme of grants for small projects and support to regional NGOs.
7. Formulate proposals for market-based or alternative economic instruments for limiting nutrient emissions and establish private-public sector partnerships for environmental protection in the Black Sea.
8. A fishery exploited within its maximum sustainable yield and incorporating measures to protect ecologically sensitive areas.

The Black Sea project is highly replicable. Eutrophication is a problem common to all enclosed and semi-enclosed seas and is one that is likely to increase in the future if measures are not taken to adopt practices that result in decreased nutrient discharges to rivers and the atmosphere.

System Boundary (Scope of the intervention)

The project will inevitably result in a large number of downstream impacts and benefits and care has been taken to include these within the system boundary. The Black Sea is a traditional tourist destination for countries throughout eastern and central Europe and the number of beneficiaries from a cleaner sea is likely to be much larger than the coastal population itself. For most purposes however, the entire system is neatly defined by its catchment area boundaries. Because of the size of the overall catchment however, it was decided to implement the Black Sea Basin Strategic Partnership as a series of closely co-ordinated projects covering the Danube Basin, the Dniro Basin and the remaining areas of the Black Sea Basin (including the sea and its coastal areas) respectively. The present project thus covers the Black Sea proper, its coastal areas, the river basins of the Dniester, (Moldova/Ukraine), Don (Russia/Ukraine), Kuban, (Russia), Rioni (Georgia), Choroki (Georgia/Turkey), Yesilirmak (Turkey), Kizilirmak (Turkey) and Ropotamo (Bulgaria) and intermediate basins. It will obviously require very close policy co-ordination with the Danube and Dniro Programmes in order to avoid duplication of discussions/activities with individual governments. A forum for ensuring this coordination is included in the project design (paragraph 56).

Incidental Domestic Benefits

Over the long-term, a variety of domestic benefits would accrue through implementation of the proposed project. The most economically valuable short-term domestic benefits to be gained from the project are identified in Table 2 and are associated with the attractiveness of cleaner seas for tourism and the benefits to human health. There will also be benefits from substantially strengthened institutional and human capacity, increased technical knowledge and public awareness of Black Sea environmental issues, and improved national capacities in environmental legislation and enforcement as well as in fisheries management. The domestic benefit of no-fish zones (likely recovery of high value species) is considered a longer-term one, beyond the time frame of the project itself. Bilateral aid programmes

focused on domestic improvements to the environment have been included within the baseline in order to clearly distinguish between actions most likely to result in domestic benefits (baseline bilateral projects) from those that will mainly result in regional and global ones (the present project).

Costs (not including PDF-B)

<i>Baseline:</i>	\$10,149,920
<i>Alternative:</i>	\$18,444,840
<i>Increment:</i>	\$ 8,294,920

GEF Financing:

<i>PDF-B:</i>	\$ 349,920
<i>Project:</i>	\$3,703,700
<i>Project Support Costs:</i>	\$ 296,300
<i>Total GEF:</i>	\$4,349,920

Annex 1B: Incremental Costs/Complete Matrix

Component	Objective	Cost Category	Cost		Domestic Benefits	Global Environmental Benefits
			Source	(\$ million)		
I. Co-ordination, institutional capacity building and legal reform	1. Support the integration of a sustainable Secretariat for the Bucharest Convention	Baseline	National central govts.	360,000	Work on national Black Sea issues related to the implementation of the Bucharest Convention is focussed in Ministries of the Environment and in Regional Environmental Inspectorates.	Any action taken at a national level that results in a reduction of nutrient inputs or hazardous substances or that protects natural areas will generate some regional benefits even though the actions are focussed on solving priorities problems of national concern.
			Env. Inspectorates etc.	720,000		
			TOTAL	1,080,000		
		Alternative		3,194,700	Full sustainable implementation of the Bucharest Convention will result in tangible improvements to water quality and beaches throughout the Black Sea region. This will facilitate the redevelopment of tourism as well as a potential for aquaculture that is not possible under present conditions. Wild fisheries should also improve.	The Black Sea includes unique habitats and associated biological diversity of global significance that are threatened under present conditions. The current state of eutrophication impacts adjacent systems (the Aegean) and the Black Sea may be a staging post for the spread of opportunistic species to other enclosed systems. The project will help to preserve Black Sea habitats and reduce the environmental impact on other systems.
		Increment	GEF	936,700		
			ICBS	800,000		
			Govt. of Turkey	150,000		
			Govts. to ACs	200,000		
			BSEC Environmental Group	28,000		
			TOTAL	2,114,700		
	2. Regional actions for improving LBA legislation to control eutrophication and for tackling emergent problems	Baseline	ICBS WG Specialists	10,000	Current regional legislation does not place particular emphasis on eutrophication or the integrated management of Land-Based activities. Countries are unable to take unilateral action to resolve these problems.	The lack of a clear emphasis on nutrient control in the current Land-Based Sources Protocol to the Bucharest Convention does not provide an adequate framework for addressing this problem. Furthermore, there are no provisions for understanding and modeling emergent problems in order to take the anticipatory approach called for in the BS-SAP.
			Local specialists for futures WG	20,000		
			TOTAL	30,000		
		Alternative		245,000	Improved regional legislation will provide a framework for taking joint action to solve problems that impinge on the economies of all Black Sea States. The anticipatory approach will save the high costs of mitigation of environmental problems in the future. The MEH will reduce the risk of costly accidents.	Successful implementation of the GPA in the Black Sea will contribute greatly to its global aims and objectives. Similarly, the study of emergent transboundary problems will serve as a case study for GIWA implementation. The MEH is replicable and will help to reduce the risk to biological diversity.
		Increment	GEF	160,000		
			UNEP (GPA)	15,000		
			UNEP (GIWA)	40,000		

II. Sectoral legal and policy reforms, monitoring and evaluation of nutrient control measures and reviewing targets for adaptive management	3. Assist countries to improve their knowledge of the process of eutrophication in the Black Sea	Baseline	TOTAL	215,000	Capacity for conducting studies of the environmental situation in the Black Sea has deteriorated radically since the beginning of the 1990s. Many national programmes have been discontinued.	Current knowledge of eutrophication in the Black Sea is based upon sporadic studies and does not provide a sufficient knowledge base for reducing management uncertainties. The availability of reliable information underpins the development of regional response strategies. Current institutional capacity is sufficient for providing basic information but funds and co-ordination are lacking for conducting a proper baseline study. There are currently no international studies underway.
			BS Research Insts. (in-kind)	240,000		
			Other Research Insts. (in-kind)	320,000		
			Satellite monitoring centre (in-kind)	100,000		
			Meteorological stations (in Kind)	72,000		
			TOTAL	947,000		
		Alternative		1,619,000	Any measurement of project success in reducing eutrophication must be compared with a reliable historical baseline. The present activity will ensure that each country has such a baseline.	A full set of measurements of the current state of the Black Sea at an early stage in project development. These measurements will enable better focusing of project and national resources. The inclusion of satellite measurements of plant pigments will enable all Black Sea specialists to have access to recent technology and to be able to increase general understanding of the temporal changes in eutrophication and its response to natural and human driving forces.
		Increment	GEF	660,000		
			WMO	[12,000]		
			TOTAL	672,000		
	4. Introduce new sectoral policies and a system of process, stress reduction and environmental status indicators for monitoring the effectiveness of measures to control eutrophication (and hazardous substances where appropriate)	Baseline	Sector specialists etc.	80,000	Present day reductions in nutrient loads have resulted from economic failure rather than from targeted action. The coastal countries are becoming aware of the domestic benefits of a cleaner seas but the connections between the costs and the benefits has not been demonstrated in a manner that will stimulate a sectoral response. There is no system of indicators to provide decision-makers with clear demonstrations of these connections. The nutrient emissions from coastal countries are likely to rise as economies recover, unless new practices are adopted.	Rising trends in nutrient emissions will lead to further increases in eutrophication and will reverse any positive trends in ecosystem recovery. The present lack of indicators will not facilitate a co-ordinated pro-active response from the coastal countries. A similar situation exists with hazardous substances (especially oil).
			National M & E institutions	1,200,000		
			Technical focal points	32,000		
			Current bilateral Country assistance	[240,000]		
			National programmes under EU Accession Programme	[4,000,000]		
			TOTAL	5,552,000		
		Alternative		7,497,000	New sectoral policies will: (a) help sectors to increase resource usage efficiency and reduce waste; (b) benefit national protected areas and the development of tourism, and (c) help countries seeking accession to the EU to meet the requirements of its environmental directives.	The effective reduction of nutrient inputs to the Black Sea, enabling countries to meet their obligations to keep nutrient emissions to their 1997 levels. This component will also enable compliance and ecosystem response to be monitored.
		Increment	GEF	905,000		
			Tacis	[800,000]		
			UNDP	[240,000]		
			TOTAL	1,945,000		

	5. Support the Commission in their periodic review of Adaptive Management objectives.	Baseline	Technical focal points	8,400	Agreement on a “cap” on nutrient emissions at their 1997 level is a temporary measure as a first step in a process of adaptive management. When fully institutionalized and benefits begin to accrue at a country level, it should provide a new baseline for future incremental adjustments.	Bi-annual state of the Black Sea reports will demonstrate the degree of effectiveness of the initial “cap”.
			ICBS	40,000		
			Nation economic institutions	12,000		
			TOTAL	60,400		
		Alternative		220,400	A new set of practical measures based upon benefit/cost studies of the sectoral masterplans.	New practical targets for nutrient control based upon the results of Objective 5 (and the benefit/cost studies) will ensure optimal incremental benefits at a regional and global level.
		Increment	GEF	120,000		
			Tacis	[40,000]		
			TOTAL	160,000		
III. Supporting public involvement in nutrient control	6. Assist the public in implementing activities to reduce eutrophication through a programme of grants for small projects and support to regional NGOs.	Baseline	Black Sea NGO funds	424,520	A number of public initiatives, mostly by NGOs are successfully mobilizing support for environmental initiatives, mostly focused on tangible issues of local concern.	NGOs and the public in general are not widely engaged in regional or global environmental protection in the Black Sea region, particularly with respect to the issue of eutrophication.
			WWF	48,000		
			TOTAL	472,520		
		Alternative		1,142,520	Increased engagement of local people in environmental issues in the coastal zone. This should also improve the likelihood of success of national strategies and increase sustainability of actions to protect the environment.	Measurable reduction of nutrient emissions or increase in service functions of natural systems as a result of small projects with a high level of public involvement.
		Increment	GEF	470,000		
			Tacis	[200,000]		
			TOTAL	670,000		

IV. Innovative economic instruments for the control of eutrophication	7. Formulate proposals for market-based or alternative economic instruments for limiting nutrient emissions and establish private-public sector partnerships for environmental protection in the Black Sea.	Baseline	Government sectoral specialists	80,000	Current funding for all projects for environmental protection is very limited. This is partly due to the disconnection of environmental issues and their solutions from other sectors of the national economy. Economic instruments exist in many cases but are applied inefficiently. There is almost no attention to nutrient reduction. This situation is unlikely to change without incentives and a coordinated approach. Funding for private/public sector partnerships is growing in importance but has not been applied to many projects with environmental benefits.	Current coordination of financial instruments to protect the Black Sea is virtually non-existent. The slight improvement in the state of the Black Sea is a result of economic failure but will be reversed as economies strengthen unless appropriate instruments are agreed and enforced.
			Private institutions	120,000		
			Regional associations and banks	48,000		
			Bilateral donors (project preparation)	600,000		
			EU Accession Programme (estimate)	[800,000]		
			TOTAL	1,648,000		
		Alternative		3,140,000	Effective economic instruments should increase revenues to treasuries (or to National or municipal Environmental Funds) and help to change wasteful practices. A clear demonstration of “willingness to borrow” and “ability to pay” will make it easier to obtain loans for improving waste treatment and environmental management. This will result in a wide range of economic benefits (fisheries, tourism, public health, etc.).	Economic instruments are an essential part of any strategy to protect the transboundary environment. Market mechanisms or alternatives could promote international co-operation. Global benefits will be from the reduction of eutrophication and the protection of biological diversity. The success of this component will result in longer-term sustainability of the project outputs.
V. Sustainable exploitation of fish stocks as part of an ecosystem approach	8. A fishery exploited within its maximum sustainable yield and incorporating measures to protect ecologically sensitive areas.	Increment	GEF	292,000		
			Tacis	[1,200,000]		
			TOTAL	1,492,000		
		Baseline	Government fisheries agencies and institutions	288,000	Catches are declining in all Black Sea countries and their economic value is declining at a faster pace due to the change in catch composition. The sector is overcapitalised and there are few effective regulations to control destructive fishing practices.	Serious transboundary conflicts have emerged as more fishermen seek less fish. Several human deaths have occurred in the past two years. The overfishing of predator species coupled with destructive practices is threatening biological diversity (e.g. from habitat destruction and by-catch of mammals).
			Research insts.	60,000		
			ICBS Biodiversity and FisheriesWG specialists	12,000		
			TOTAL	360,000		
		Alternative		740,000	A properly regulated fishery will increase the yield of high-value species and improve the quality of catch composition and economic revenue. The total yield of the fishery and number of vessels must decrease in order for this to happen.	Fish are an important part of the Black Sea ecosystem. A more sustainable fisheries management regime, coupled with measures to protect habitats, will enable the system to recover as nutrient levels are reduced. It may also help to avoid further invasions of opportunistic species.
		Increment	GEF	160,000		
			BSEC (meetings)	20,000		
			Tacis	[200,000]		
			TOTAL	380,000		

TOTAL BASELINE				10,149,920		
ALTERNATIVE				18,444,840		
INCREMENT:				8,294,920		
Consisting of:						
PDF-B				349,920		
GEF Project Funding				3,703,700		
Project Support Costs (8%)				296,300		
CO-FUNDING FROM BLACK SEA COUNTRIES (ICBS)				1,150,000		
Tacis				[2,440,000]		
UNDP				240,000		
UNEP				55,000		
Other UN				60,000		

Annex 2: Logical Framework (Logframe)

Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions and Risks
<p>Long-term and intermediate Objective</p> <p>The <u>long-term objective</u> is for all Black Sea basin countries to take measures to reduce nutrient levels and other hazardous substances to such levels necessary to permit Black Sea ecosystems to recover to similar conditions as those observed in the 1960s.</p> <p>As an <u>intermediate objective</u>, urgent control measures should be taken by all countries in the Black Sea basin, in order to avoid that discharges of nitrogen and phosphorus to the Black Sea exceed those levels observed in 1997.</p>	<ul style="list-style-type: none"> • For the <u>long term objective</u>, the availability of state of the Black Sea reports that permit comparison with the historical data on the state of the Black Sea before the onset of severe eutrophication. • Full compliance with the new Protocol for Landscape and Biological Diversity to the Bucharest Convention. • For the <u>intermediate objective</u>, annual reporting of the discharges of P and N from rivers, direct point sources and airborne fluxes (estimates based on ground stations). • Full compliance with the new LBA Protocol to the Bucharest Convention. 	<ul style="list-style-type: none"> • Black Sea Environmental Series vols. 3-8 for historical baseline data concerning ecosystems. • Annual environmental status monitoring reports, starting in 2002 and incorporating process and stress reduction indicators 2003 onwards. • Reports required by the LBD Protocol. • Reports required by the LBA Protocol. • Information from the ICPDR and the Dnipro Commission when established. 	<ul style="list-style-type: none"> • Successful implementation of the current project • Ratification of new LBD and LBA protocols by the Contracting Parties to the Bucharest Convention • Full implementation of the Bucharest Convention and its Protocols • Implementation of the Black Sea Strategic Action Plan (ICBS) • Conclusion of the fisheries convention for the Black Sea. • Full implementation of the Aarhus Convention • Timely release of information of annual fluxes of N and P by all countries including the Members of the ICPDR • Sufficiency of scientific capacity in all coastal countries • Effective participation of all stakeholders • Continued country commitments to environmental protection • Implementation of investment portfolio including the Partnership Investment Facility for Nutrient Reduction. • Continued support of other donors, including the EU Tacis programme.

Project Purposes			
<ul style="list-style-type: none"> • Assist groups of countries to better understand environmental concerns of shared international waters and collaboratively address them. • Build capacity of existing institutions, or through newly created institutions to utilize a more comprehensive approach for addressing trans-boundary, water-related environmental concerns. • Implement sustainable measures that address priority transboundary environmental concerns 	<ul style="list-style-type: none"> • Regional approaches and mechanisms to address root causes are sustained and further developed. • Country participation in and commitment of resources to required measures. • Full co-operation with all relevant sectors, full transparency of information. • Country participation on committees and workgroups associated with project activities.. • Strong ICBS and country support for the creation and work program of the project PIU. • Strong support from stakeholders in the civil society. 	<ul style="list-style-type: none"> • PIU and ICBS documents and working group reports. • National and additional donor commitments to work plan elements. • Completed work plans. • Disbursement records. • Reports from NGOs and the public media. 	<ul style="list-style-type: none"> • The harmonious integration of the project and its PIU into the overall strategy and implementation framework of the ICBS. • Commitments of resources to the ICBS will correspond to the magnitude of the task of compliance with the Bucharest Convention and its Protocols and of the BS-SAP. • Long-term security in commitments to the ICBS. • Freedom of distribution of environmental information (as per the BS-SAP and the Aarhus Convention). • Governments sustain their own environmental management framework to meet national and international legal and technical obligations. • Full participation of all stakeholders assured (including NGO participation in project and ICBS activities).

Immediate objectives (summary)

- Reduction of the nitrogen and phosphorus loads to the Black Sea;
- Enhancement of the service function of wetlands and benthic (seabed) plant communities for the assimilation of nutrients;
- Improved management of fisheries to permit their economic recovery in parallel with improvements to the ecosystem.
- In addition to the above, and where appropriate, attention will also be given to transboundary contamination by hazardous substances, particularly where these have similar sources to nutrients. In the case of oil pollution (a significant problem in the Black Sea), attention will also be given to measures that may reduce the risk of spillage by ships.

Detailed objectives and outputs (meeting the above immediate objectives)

Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions and Risks
Component I. Co-ordination, Institutional Capacity Building and Legal Reform			
Objective 1. Support the integration of a sustainable Secretariat for the Bucharest Convention			
Outputs <ul style="list-style-type: none"> • A management regime capable of coordinating regional actions to overcome the key transboundary issues facing the Black Sea, primarily the control and abatement of eutrophication and hazardous substances but also the improved management of fisheries (see component V). • A permanent mechanism for co-operation with the ICPDR (Danube) and other emergent river basin commissions in the Black Sea Basin. • Publicly accessible programme materials in all Black Sea languages 	<ul style="list-style-type: none"> • Programme Implementation Unit (PIU) fully staffed and operational • Joint Management Committee established and operational • Advisory Groups and Activity Centres operational and engaged in addressing transboundary issues • Istanbul Commission able to raise funding for transboundary projects • Inter-Commission Working Group operating and setting common management objectives • Information in the public domain throughout the Black Sea coastal region regarding the transboundary problems and solutions offered. 	<ul style="list-style-type: none"> • Regular annual reports of the PIU and the ICBS • External review reports • Financial statements of the ICBS and the Project • Copies of publications including multi-language newsletters, the Technical Series publications, posters, film clips. • Reports in newspapers throughout the region • The ICBS web site 	<ul style="list-style-type: none"> • ICBS Secretariat functioning prior to project start-up. • Governments/donors willing to continue support to the Activity Centres. • ICPDR and ICBS MOU is signed and fully implemented • All emergent Commissions willing to co-operate in the spirit of the Basin-wide Strategic Partnership • Governments respect the right to free circulation of information on project outputs and issues.

Objective 2. Regional actions for improving LBA legislation to control eutrophication and for tackling emergent problems.

Outputs

- | | | | |
|--|---|--|---|
| <ul style="list-style-type: none"> • A new and more comprehensive protocol for the control of land-based activities in the Black Sea. This will pay particular attention to the integral control of eutrophication. • A detailed study of emergent issues in the Black Sea and their social and economic root causes based on application of the GIWA methodology. | <ul style="list-style-type: none"> • New LBA Protocol approved and endorsed • Black Sea Futures report approved by the Istanbul Commission and published. | <ul style="list-style-type: none"> • Reports of the ICBS • Black Sea Futures publication | <ul style="list-style-type: none"> • Governments are willing to enter into discussions to adopt the new Protocol. • Information will be provided that enables the emergent problems study to be completed. • Sufficient expertise is available in the region to conduct the emergent issues study. |
|--|---|--|---|

Component II. Sectoral Legal and Policy Reforms, Monitoring and Evaluation of Nutrient Control Measures and Reviewing Targets for Adaptive Management Objective 3. Assist countries to improve their knowledge of the process of eutrophication in the Black Sea			
<ul style="list-style-type: none"> • Outputs • State of the Black Sea report (as required by the SAP), focusing on eutrophication and hazardous substances, in December 2002. This activity will enable the report to be made despite the absence of a functional monitoring network (see Objective 4). • Satellite maps of indicators of eutrophication issued weekly. 	<ul style="list-style-type: none"> • Integration of international study group on Black Sea Eutrophication. • Peer reviewed study plan. • Completion of 2 surveys in 2001-2002 and studies of nutrient sources, sinks and fluxes. • Publication of State of the Black Sea Report, 2002 • Copies of the satellite colour scan maps and explanatory reports distributed widely in all six Black Sea countries. 	<ul style="list-style-type: none"> • Reports of the ISG (available at the PIU) • Study Plan published by the PIU and approved by the JMC • Cruise reports (available through the PIU) • State of the Black Sea Report widely published (by the ICBS/PIU) with a summary on local languages. • Copies of all reports held by CBCs, the PIU, AC on monitoring and key scientific institutions. • Use of information in popular guides for public diffusion. 	<ul style="list-style-type: none"> • All countries are willing to provide the best national expertise for the study and ISG, irrespective of the institutional setting. • Selected international experts/institutions willing to participate in the study. • Vessels and equipment can be provided on a cost-sharing basis by the countries. • Willingness to cooperate by one of the regional institutions equipped for receiving and interpreting satellite images. • Full transparency of information obtained from the outputs. • Willingness of the ICBS to assist with publication and distribution of outputs

Objective 4. Introduce new sectoral policies and a system of process, stress reduction and environmental status indicators for monitoring the effectiveness of measures to control eutrophication (and hazardous substances where appropriate)

<p><u>Outputs</u></p> <ul style="list-style-type: none"> • Sectoral nutrient control master plans and associated indicators (agriculture, industry, municipalities) for each country. • Amended policies, as appropriate. • National nutrient reduction strategies. • An Istanbul Commission information base, initially managed by the PIU. • Report of pilot status monitoring exercise. 	<ul style="list-style-type: none"> • Written agreement of the agricultural, industrial and municipal sectors in each country to cooperate on specific indicators and to help to develop and implement measures within their area of responsibility. • Adopted new system of process, stress reduction and environment status indicators employed, similar to that described in Annex 8. • Indicator data used to enforce existing/new regulations and for regional status and trends reports • Use of the information base by all six countries. • Publishing of the pilot status monitoring report. 	<ul style="list-style-type: none"> • Sectoral master plans for each country published and distributed in local languages and available at the UNDP COs and PIU, updated at least three times during project duration. • Reports of new policies in the annual report of the PIU/ICBS and the newsletter • National nutrient reduction strategies published by the PIU • ICBS data base fully functional at the PIU • ICBS/PIU publication 	<ul style="list-style-type: none"> • Commissions for the Bucharest Convention able to catalyze in-country support from other sectors. • High level participation from all key sectors. • Willingness to co-operate at a sectoral level. • Willingness of other donors to co-ordinate their work in this process and avoid conflicting advice. • Legislative authorities willing/able to amend regulations or adopt new ones as appropriate. • Information supplied freely to the PIU information base. • Full participation of the coastal countries in the pilot monitoring exercise.
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Objective 5. Support the Commissions in their periodic review of Adaptive Management objectives.

Outputs

<ul style="list-style-type: none"> • A benefit/cost study of the application of the recommendations. 	<ul style="list-style-type: none"> • Publication and positive reception of the benefit/cost study 	<ul style="list-style-type: none"> • Report of the benefit/cost study (PIU) • Minutes of the ICBS and the ICPRD indicating that the report has been reviewed and considered by the Governments. 	<ul style="list-style-type: none"> • Sufficiency of local expertise and information for the completion of a region wide benefit/cost study.
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Component III. Supporting Public Involvement in Nutrient Control.

Objective 6. Assist the public in implementing activities to reduce eutrophication through a programme of grants for small projects and support to regional NGOs.

<p><u>Outputs</u></p> <ul style="list-style-type: none"> • Reports describing 29 completed actions in the first tranche (e.g. wetlands restored, videos produced, farms converted to organic production, etc.) • Reports showing proposed projects for the second tranche. • Regional NGO newsletter 'Black Sea Shared' produced and distributed quarterly (mainly electronically) • Regional report on wetland protection and restoration and recommendation for local actions (WWF) 	<ul style="list-style-type: none"> • Full implementation of first tranche of 29 projects (independent review). • Successful second call for proposals. • Effective contribution of NGO evidenced by the establishment of a regional NGO WG on nutrient reduction, media reports and presence at significant regional open meetings. • Increased number of wetlands protected and/or restored (WWF) 	<ul style="list-style-type: none"> • Project reports collected at the PIU and edited versions distributed to IAs, participating donors, UNDP-COs and all CBCs. • Independent review of the reports circulated as above and to the participating public organisations. • NGO newsletter widely circulated and including regular updates on work sponsored through the project or conducted as a counterpart contribution. • Public media reports, collated at the PIU. • WWF reports presented to the ICBS and the IAs and distributed to all relevant stakeholders. 	<ul style="list-style-type: none"> • Recruitment of a suitable candidate to co-ordinate the small projects/NGO component • Continued willingness of NGOs to participate in this work. • Existence of an independently funded regional network of NGOs acting autonomously. • Governments are willing to allow the projects to be completed in an independent manner. • Local authorities are willing to cooperate in project implementation where this is required. • Participating organisations report their projects in a timely manner. • WWF able to provide the required support from its National/Regional bodies.
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Component IV. Innovative Economic Instruments for the Control of Eutrophication

Objective 7. Formulate proposals for market-based or alternative economic instruments for limiting nutrient emissions and establish private-public sector partnerships for environmental protection in the Black Sea.

<p><u>Outputs</u></p> <ul style="list-style-type: none"> • ‘Gap analysis’ published, showing difference between the current use of economic instruments and those that would be required for the effective implementation of national nutrient reduction strategies. 	<ul style="list-style-type: none"> • Reports of actions taken within countries to correct identified gaps in the application of instruments. • Loans for nutrient-related investments channelled through regional or national development banks. 	<ul style="list-style-type: none"> • Status reports presented to the ICBS, the IAs and other relevant stakeholders. • ‘Gap analysis’ presented to the ICBS and including national studies that should be translated into relevant local languages and presented to respective inter-sectoral committees. 	<ul style="list-style-type: none"> • Recruitment of suitable economist to the PIU to provide local expertise/co-ordination. • Project team and CBCs able to convince finance sector of the need to participate fully in the project. • Full co-operation of the national intersectoral committees. • WW COs participating fully in the process. • Successful implementation of the WB/GEF Partnership Investment Facility for Nutrient Reduction. • Regional/national funding institutions willing/able to participate in this work.
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Component V. Sustainable Exploitation of Fish Stocks as Part of an Ecosystem Approach

Objective 8. A fisheries exploited within its maximum sustainable yield and incorporating measures to protect ecologically sensitive areas.

<p><u>Outputs</u></p> <ul style="list-style-type: none"> • Draft Declaration of fisheries free zones to allow for restoration of macrophyte habitats and recovery of nursery grounds. • Suggested measures for enforcing the above. • Recommendation for completing the fisheries convention with measures to limit fishing effort and provisions for enforcement. 	<ul style="list-style-type: none"> • Reports proposing effective protection of sensitive habitats as fisheries free zones • Signature, ratification and implementation of the Fisheries Convention • Documentary evidence of the progress towards the conclusion of the new Biological and Landscape Diversity Protocol to the Bucharest Convention (prepared with BSEP (GEF and Tacis) funding. 	<ul style="list-style-type: none"> • Black Sea Status Reports as per Objective 4. • Fisheries reports edited at the PIU and presented to all governments via the CBCs, the fisheries AC and focal points for the draft fisheries convention. Independent review available at the PIU. • Biodiversity Protocol available from the ICBS Secretariat/PIU; substantive documents from the Biodiversity Activity Centre. • Reports of the proposed/partially implemented new Marine Protected Areas (MPAs) submitted to the ICBS, deposited in the Secretariat and published in the project newsletter. 	<ul style="list-style-type: none"> • Willingness of all Parties to reach a timely conclusion to negotiations on the new Fisheries Convention. • Acceptance of the need for Marine Protected Areas by all Governments. • Acceptance/signature/ratification of the new Biological and Landscape Diversity Protocol by all Parties to the Bucharest Convention. • Sufficient institutional strength/capacity to enforce the new Convention and/or Protocol and the associated regulations. • Governments/authorities willing to share the information needed to measure the status of stocks and the commercial yield of the fisheries. • Full stakeholder participation in the process of regulating the fisheries and establishing MPAs/fisheries-free zones. • Willingness of other donors to co-operate in this process.
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Annex 4A – STAP Review

Technical Review

Control of Eutrophication, Hazardous Substances and Related Measures For Rehabilitating the Black Sea Ecosystem

by
Edwin D. Ongley Ph.D.

for
UNDP

September 6, 2000

Introduction

This project is reviewed against the background of the following sets of personal experiences that have particular relevance to this proposal: a basin-wide, bi-national, program of nutrient and hazardous substances reduction into the North American Great Lakes; the GEF Danube project; and the World Bank's Environmental Management Project in Russia (North Caucasus sub-component – water quality management of the Lower Don Basin). All of these projects had legal, technical, and institutional components. The Danube and Caucasus projects had significant capacity concerns.

The project is well thought out, and the Project Brief is very well constructed and written; the project team is to be complemented. Certain materials were not provided to the reviewer, such as Tables 1 and 2 however these are probably not of great significance. Because there is much background material that is omitted from the Project Brief, certain points raised below may be redundant.

Timelines have probably changed since drafting the original Brief, therefore certain irregularities between the text and the Tables that commence on page 19 are apparent.

Relevance to the GEF

It would be hard to envisage a project that was more relevant to the International Waters component of the GEF. This project addresses virtually all of the objectives of this component and would be, as the drafter suggest, a suitable template for similar projects elsewhere.

Objectives

The objectives encompass the full range of issues that must be included in such a project – legal, institutional, technical, public participation/education, and project management. These are well focused and there are no omissions of consequence. I have some concerns about achievability, especially in a technical context that is noted below. This does not detract from the essential nature of the technical issues, but experience suggests that implementation and, therefore, outputs and measures of success, may not be as straightforward as the Brief might imply. This applies

particularly to Objectives 3 and 4.

Approach

The approach is clearly defined, logical, and rests very comfortably on the earlier work carried out in this region. There are, however, certain concerns, including some technical issues noted elsewhere, that need to be clarified.

The failure of environmental programs, generally, within the region has been noted in the Brief. However, the anticipation of mounting technical activities, as in Objective 3 and 4, does not seem to allow for the present level of diminished capacity within the region. For example, my information is that the Sotschi laboratory is not now functional, yet it was to have been one of the flagship laboratories in the region under previous GEF(?) funding. The Brief should indicate “doability” of these activities, otherwise the PIU will be faced with an impossible task in meeting targets that may be quite unrealistic.

Specifically:

- a) Objective 1: I have serious reservations about the staffing complement identified in the Brief (p.29) for the PIU. For example, almost half of the GEF funding and about half of the total alternative cost, is being directed to Objectives 3 & 4 which directly depend on technical inputs and activities; these technical issues will be the crux of whether the program as a whole succeeds or fails. The lack of any technical specialist(s) in marine and freshwater assessment with expertise in land based pollution control and monitoring, seems an important omission. The project manager cannot be expected to cover off this technical background, and the level of activity identified would not likely be efficiently met by short-term consultants. While there is expertise in some of these areas within the region and, presumably through co-funding sources and programs, other areas will require detailed knowledge of how these issues have been dealt with in other areas and jurisdictions.

I would certainly be inclined to combine the economist and sectoral reform positions insofar as individuals having both types of expertise are available. The M&E specialist surely is required only on a contractual basis. It is not clear to me if the specialist in sectoral reform (usually an institutional specialist) is intended to lead the sectoral master planning activity (4.1b) or not; if yes, then technical specialists in each of the sector areas will be essential to achieve success. These sector specialists may be required for periods of up to one year, given the complexity of the sector issues and the need to “shop” proposals to all the parties. Interaction with a resource economist will be essential in order to identify optimal interventions.

The amount of technical and administrative input, and identified (and major) outputs, expected of the PIU in the first year, is very large. I think this is unrealistic given the inevitable teething problems, new staff, and never enough staff. The best people are always busy, therefore some allowance should be made for personnel acquisition over at least a six month period.

- b) Objective 3: I would be concerned that the four field surveys could not be mounted in the time available – planning alone normally requires 6 months to one year for such a major activity. Also, the timing appears to be an issue insofar as the target completion date for the

Black Sea Report is Dec. 2001 (p.11 of Brief). This is quite impossible relative to the time that will be needed for data integration, synthesis and reporting.

If, as the Brief indicates, phosphorus is an important nutrient in this marine system, then some estimate needs to be made of the amount of P that will be released from anoxic bottom sediments. This will be an important part of the total load calculations from which the least-cost management strategies are developed.

As part of this objective it will be critically important to determine the relative importance of N and P in eutrophication. The control strategies and associated costs are likely to be quite different, depending on the outcome.

- c) Objective 4 This is an exceedingly difficult objective (technically, administratively and legally). Activity 4.1a/b/c in the Great Lakes of North America occupied at least 3 years, yet here the target completion date is June 2001. This is quite unrealistic given the political and institutional complexity of the region, to say nothing of the fact that the technical inputs to achieving a realistic set of outputs for the various sectors, are profoundly difficult. Conservatively, given the situation in the region, I would predict that these three activities will occupy at least three years if they are to be developed to the point where governments will approve the plans, and implementation will be meaningful.

I have similar concerns about Activities 4.2a-c in view of experiences in the Danube and in the Russian Federation. Similar problems were experienced, I understand, in the development of the Dneipro project. There is no reason, however, why Activity 4.2 cannot proceed in parallel with Activity 4.1.

More generally, it would be useful to know if the activities planned under Objectives 3 and 4 have been developed within a known and agreed regional institutional context, or if the activities have been developed in the expectation that appropriate institutional arrangements will be developed once this proposal has been technically reviewed. If the latter, then the timelines need to be revisited.

- d. Objective 8: While this objective is an important component, I am less optimistic about the overall success of this Objective in view of the probable lack of enforcement measures with teeth that would be agreed to by the various parties. A major part of this would have to be the provision of economic alternatives for redundant fishers and incentives for them to leave the commercial fishing business. Obviously, the GEF can only catalyze an ongoing process, hence my comments should not be interpreted negatively in regards to this proposal.

Background Information

Generally, and within the space limitation of a Project Brief, the background information is adequate. Certain key issues, however, could be better explained. For example, why was 1997 identified as the basis for a nutrient cap (para. 12)? How accurate is the nutrient loading information for 1997 given the failure of monitoring programs generally, within the region at that time? This is critical information in view of the key role this value has within the overall approach to developing and monitoring of nutrient reduction programs. Target loads have a long history of technical problems and, politically, it would seem important that the size of the probable error in the 1997 value be understood by governments as well as by this project.

Certain of the objectives, especially #4, have very large amounts of funding identified as from

other sources. The Brief is not specific on how the objectives of this project will be integrated at a practical level with, apparently, similar objectives of the external programs. Para 58 indicates only that “these programmes will be invited to collaborate...”. Because success or failure will be critically dependent on such integration, a better indication of willingness to collaborate and proposed mechanisms, would be informative, especially for the larger partners.

Funding Level

In view of the large co-funded amounts that are part of other related programs (e.g. Tacis, etc.) and the lack of information on the integration of objectives of this project with similar objectives of external projects, the level of total funding cannot be reliably linked to the objectives contained in this Brief. However, assuming that the objectives of the various sources of funds are well integrated, then the level of funding is reasonable.

Incremental cost analysis of Annex 1B (based on Table 2 -- not provided to the Reviewer) is reasonable and consistent with GEF objectives.

Innovation

Perhaps the most innovative component of this proposal is the development of a portfolio of public projects through NGOs. The proposal as a whole is also innovative as it approaches the entire problem of marine rehabilitation in a comprehensive and pragmatic manner.

Strengths/Weaknesses

The main strengths of the proposal are the comprehensive approach to the overall problems of nutrient management, and the amount of information that lies behind the proposal. Clearly, the proponents have done their homework most diligently. Weaknesses lie in what appears to be an excessively ambitious set of activities with, in some cases, timelines that are not very realistic either technically or institutionally given the circumstances of the region. I also find weaknesses in the staffing complement proposed for the PIU and the very major amount of output anticipated in the first year or so of the existence of the PIU.

Irrespective of the comments above, I fully endorse the proposal as a whole. Further discussions with regional entities and partners will assist in clarifying timelines.

Annex 4B: Response to STAP Review

The objective and frank nature of this positive review is well appreciated. The comments are very useful and will be taken into full account during the preparation of the full UNDP Project Document. Specific responses are included below regarding the main points raised by the reviewer:

Approach

The reviewer mentions the diminished capacity of institutions within the region. The specific case of the Sochi laboratory is raised as an example of institutional failure. The Sochi laboratory has indeed been closed as a result of an unexpected policy change by the Russian Hydrometeorological Service. This was despite an agreement for its operation signed between Hydromet, the BSEP and the State Committee for Environmental Protection, as well as its provision with major items of equipment and staff training. The embarrassing closure was an isolated but serious case of a government breaking its commitment within a GEF project. Fortunately it was the only case of complete institutional failure in the previous GEF interventions and a full explanation has been requested from the Russian Government. The strong emphasis on fostering stronger inter-sectoral commitments in the present project (especially in Objective 4) should help to avoid a repetition of this happening again in the proposed new intervention. It is also one of the reasons for including Objective 3 as this provides a pragmatic mechanism for producing a state of the environment analysis while a stronger permanent monitoring network is being created.

Objective 1

The reviewer expressed reservations concerning the level of staffing of the project. Keeping the core staff relatively small was a policy decision taken to avoid the creation of a management unit that could not be sustained by the countries themselves on completion of the intervention. A specialist in pollution monitoring was omitted intentionally as this is likely to be one of the posts filled within the ICBS Secretariat from the beginning of the project and will thus be provided as a counterpart contribution. On the other hand, it is difficult to find highly qualified economists and sectoral reform specialists within the region and these are not included within the proposed staffing for the ICBS Secretariat – again the object is to achieve a combination of complementarity and incrementality. We agree however, that the sectoral reform specialist will be hard pressed to work effectively with so many different sectors simultaneously. It is hoped that the Tacis funds and those of other bilateral donors will enable additional long-term specialists to be hired for this work (see Tables 1 and 2). Regarding the start-up time, it is hoped to keep this to a minimum by employing at least some of the existing trained staff working within the PIU. There is some confusion with our use of the term O & M. We see O & M in its widest context of developing indicators to observe whether or not the project has made a significant impact on the environmental issue itself (most of Objective 4 is thus O & M). The reviewer appears to be using the narrower context of O & M of the project itself.

Objective 3

The reviewer expresses concern regarding the tight time schedule for the field surveys. This point is well taken and the time frame will be adjusted accordingly in the full Project Document.

Regarding the release of phosphorus from sedimentary reservoirs, this is very pertinent to the case of the NW shelf of the Black Sea. Recent studies suggest that this may indeed be an

important process fuelling eutrophication in the NW shelf. Phosphorus is readily released from sub-oxic or anoxic sediments to overlying waters and it is a management imperative to maintain bottom waters of the shelf oxygenated. This is one of the reasons that removing P from effluents entering the major rivers will not, by itself, resolve the problem of eutrophication in the Black Sea – the P will be replaced by release from the bottom sediments for a period of many years. Unfortunately, none of the regional institutions are equipped for studying rates of release from bottom sediments and, in the short term, cooperation with one or more western institutions will be necessary in order to fill the gap.

Objective 4

The reviewer is right to describe this objective as ‘exceedingly difficult’ However, without confronting the real need for profound sectoral reform, the project cannot hope to make a serious contribution to reducing eutrophication. He is also right about the misleading time frame for this work. Perhaps the description of completion dates on Table 1 was less ambiguous. The proposers will take care to remove any ambiguities during drafting of the Project Document itself. The intention is not to finish the work within Objective 4 by June 2001 but to take a phased approach that will extend through the duration of the project. Some of the initial national strategies are already presented as Annex 7 but these clearly need to be elaborated and refined as the project continues.

Regarding the question of institutional context, the intersectoral committees/commissions for the Black Sea already exist in several countries but these need to be reinforced and given “teeth”.

Objective 8

Our approach to the fisheries component has been based upon pragmatism. The project cannot aspire to the design of a complete fisheries management system. It seeks to use the comparative advantage of the institutions engaged in follow-up to the BS-SAP, in order to provide support for aspects of new fisheries policy that promote more holistic protection of Black Sea habitats and also generate benefits to sustainable fisheries.

Background information

The logic for the 1997 nutrient cap is contained in the 1999 report of the ICPDR/ICBS ad-hoc joint working group. This will be annexed to the full Project Brief. The nutrient loading information used will be based on a five year running mean, the results of which will be released in late 2000. The weakness of this approach is recognized and is the main motive for introducing Objective 5 in which tighter future targets are set as a result of the completion of Objectives 4 and 5.

Regarding other sources of funding and mechanisms for collaboration between donors, the mechanism will be the Joint Management Group to which all major donors will be invited. The biggest single collateral donor will continue to be the EU, through its Tacis project. The EU has been represented at all preparatory meetings and it currently refining its own work plan and budget for the project.

Innovation

We are encouraged by the reviewers comments and share his view that working directly with the public is an essential element in an integral strategy for resolving eutrophication and the other

issues covered by this project.

Annex 5-Executive Summary of the Terminal Evaluation Report for "Developing the Implementation of the Black Sea Strategic Action Plan (RER/96/G32/C)-

The report contains terminal evaluation of an important UNDP GEF project-- RER/96/G32/C "Developing the Implementation of the Black Sea Strategic Action Plan" executed by UNOPS between 1997 and 2000. The project was a continuation of a RER/93/G31 "Environmental Management and Protection of the Black Sea" financed between 1994 and 1997. Both projects assisted Black Sea littoral countries (Bulgaria, Georgia, Romania, Russian Federation, Turkey and Ukraine) in taking steps toward restoration of the Black Sea environment. The evaluated project (RER/96/G32/C) corresponds to the GEF priorities and UNDP areas of concentration. It was implemented timely and responded to the regional demand.

The attained objectives and some of the produced outputs strongly contributed to protection of the Black Sea environment. The most important achievement was the project's support to the countries in preparation of national Strategic Action Plans and in identification of priority national investments needed to improve Black Sea environmental situation.

The evaluated RER/96/G32 and the preceding RER/93/G31 projects gave impetus for regional co-operation of Black Sea coastal countries in reduction of the sea pollution and in launching a sustainable exploitation of the sea's resources. Both projects were decentralized and participatory. Thus, they left behind them trained and experienced national personnel. The documents produced by the projects became a basis for many legal and administrative modifications introduced by the governments to protect the Black Sea environment. They are basis for further projects financed from both national and international resources. Many priority investments identified thanks to the projects initiatives were introduced into national investment plans. In summary, both projects very satisfactorily motivated the countries to introduce changes in their policy, legislature and investment plans in favor of the Black Sea.

The evaluated RER/96/G32/C project received great attention from relevant governments and administrations. Nevertheless, the governments are not implementing the recommended--and frequently agreed upon--actions and are not all willing to commit funds to regional activities. Despite the project's efforts the citizens were probably not sufficiently aware of the impact of the Black Sea degradation on their welfare and prosperity; and the NGOs not sufficiently influent.

The project's impact on national policy, Black Sea problems perception, and regional cooperation was important. Under this and the previous projects leadership, first time in their existence, the countries started to work together towards constructive solutions of Black Sea environmental problems. This co-operation was reinforced by the current global concern toward the environmental issue. Thus, the project's impact on the region is probably highly sustainable.

The project achieved some remarkable and outstanding results, but it was also marred by weaknesses and unsatisfactory achievements. The project document was unsatisfactory. Its development objective overstated the conceivable project's achievements; there was no work plan; institutional arrangements were flawed by conflict of interest; the list of beneficiaries was inadequately formulated; some risks were identified but there was no information about actions needed to mitigate them. The project only partially attained its four immediate objectives. The regional SAP's deadlines were not respected, by the beneficiary countries; the national SAPs were not yet approved.

The GEF, Istanbul Commission and project Steering Committee should assure further scrutiny of the project achievements and their impact on the beneficiaries. **It is recommended to the UNDP-GEF as an Implementing Agency to maintain its assistance to the Istanbul Commission in designing and executing the next steps toward Black Sea protection. These steps may include:**

- **regional data gathering, analysis and distribution**
- **regional coordination of Black Sea state monitoring and research.**
- **co-ordination of national activities that have regional impact**

- **private sector involvement**
- **regional funding management and optimization**
- **efficient citizen awareness rising,**
- **governments' decisions and implementation watching**

Summary of Recommendations

IA - Implementing Agency, EA - Executing Agency, IC - Istanbul Commission

No	Address	Recommendation
Project's design		
1	IA	The project document was unsatisfactory. As such, it should have been improved at the early stages of the project implementation. To avoid similar situations, the Implementing Agency should tighten its control over submitted proposals for financing.
2	IA	The Implementing Agency should instruct the project co-ordinators to check the project documents and provide the Implementing Agency with comments and proposals for improvement or actualization.
3	IA, EA	The Implementing Agency, through the Executing Agency, should instruct the project co-ordinators to prepare and regularly update the projects' work plans.
4	IA, SC	The Steering Committees and other equivalent stockholder supervisory bodies should duly fulfill their obligations as project monitoring institutions, and check the coherence and pertinence of the project documents' arrangements. The Implementing Agency should instruct the Steering Committees about their obligations toward the projects.
5	IA	Implementing Agency should indicate who, in the project's channel of command, is responsible for the improvement and actualization of the project document.

Project's Actions and Outcomes in the Light of the GEF Guidelines		
6	IA	The Implementing Agency should duly instruct project managers about their responsibilities towards instructions contained in the project documents and the additional UNDP and GEF regulations.
7	IA, SC	The Implementing Agency should instruct the Steering Committee or other body directly supervising the projects about their obligations and responsibilities towards the project and the beneficiaries.
8	SC	It is recommended to the Steering Committee of the RER/96/G32/C (or the desirable next phase) to instruct the PCU to restore as much information as is possible about activities' execution and the progress in output delivery achieved by the two projects.
9	IA	The Implementing Agency may expect that in the future, managerial and supervisory staff will be unacquainted with operational regulations. Consequently, it may be useful to periodically organize briefing sessions that will familiarize the new staff with the projects' administrating and reporting.
Sustainability of the Programme.		
10	IC	The Istanbul Commission that took over the both projects' achievements should evaluate the importance and actuality of the projects' outputs (such as for example, the network of the Activity Centers) to implementation of the Black Sea protection program. The Commission should create conditions within the countries that will promote sustainability of the outputs important for the Black Sea protection.
General Implementation and Management		
11	EA	The Executing Agency should instruct the project management about the communication procedures with the Executing Agency accounting system, and about the ways of updating project's spending. Since the project personnel are frequently on short-term contracts, the Executing Agency should reinforce procedures for briefing managerial staff.
12	IA	The Implementing Agency should require that project managers report annually about the cost-effectiveness of their managerial decisions. They should demonstrate that other decisions would have been more costly or less efficient in term of outputs quality or delivery timeliness.

Adequacy of Management Arrangements, Monitoring and Backstopping		
13	IA	Implementing Agency should identify the reasons for the unsatisfactory monitoring and backstopping and issue instructions that would prevent this inadequacy in the future.
Awareness of the Participating Countries		
14	IC	It is recommended that before the next steps towards investment in the Black Sea protection project, the Istanbul Commission take steps toward establishing a national and regional consensus about the importance of the Black Sea pollution, needed commitments and agreements to be reached.
14	IC	It is recommended that the Istanbul Commission organize a study that will help it to understand the place of Black Sea environmental problems in the central and local governments' and citizens' priorities. The study should be done by an impartial institution, with no interest in the promotion of Black Sea protection.
Level of Ownership and Commitment		
16	IC	The Istanbul Commission should re-assess the national commitments to implementation of the regional SAP and TDA recommendations, and agree with the countries on new realistic deadlines.
17	IA	The Implementing Agency and the Istanbul Commission may invest in identification of appropriate measures that will accelerate national actions aiming at Black Sea environmental improvement such as: further monitoring and research to provide more arguments in favor of Black Sea protection, NGO support, creating citizens' awareness, mobilizing investment, or promoting new, appropriate legislation.
Co-operation		
18	IC	The Istanbul Commission should maintain the existing co-operation networks, animate them and promote the creation of new ones. Especially, the Commission may motivate private sector investors, civil society organizations, education systems and the NGOs to create associations voicing the environmental concerns.
19	IC	The Istanbul Commission should evaluate the networks with respect to their utility to Black Sea protection. It should support all initiatives, but it may reward the most dynamic ones by promoting their quests for additional funding.
Sustainability of Further Actions		
20	IC	The Istanbul Commission should critically analyze the sustainability of the project's launched initiatives and identify their present and future viability for Black Sea protection. It should also identify the priority actions needed to be re-inforced.
21	IC	The international assistance may be helpful in re-inforcing the sustainability of the project's results. The Istanbul Commission should decide if the aid will be more instrumental in creating new regional initiatives, or in reinforcing the on-going actions and accelerating their implementation. It should decide the type of the most appropriate assistance and demonstrate its pertinence and efficiency.

Actions Upon Completion of the Projects		
22	IA	<p>It is recommended to the Implementing Agency to consider a few years' assistance the Secretariat to achieve objectives as:</p> <ul style="list-style-type: none"> – regional data gathering, analysis and distribution – regional coordination of Black Sea state monitoring and research. – co-ordination of national activities that have regional impact – private sector involvement – regional funding management and optimization – efficient citizen awareness rising, – governments' decisions and implementation watching
23	IC	<p>Establish a common data gathering and exchange system that would help:</p> <ul style="list-style-type: none"> – environmental assessment – monitor changes in environmental quality – monitor progress in implementing national obligations towards a regional program
24	IC	<p>To make the governments accountable, it is recommended that the Istanbul Commission support national institutions in supervising the governmental agencies, and help citizens to organize themselves to keep governments liable for their obligations.</p>
25	IC	<p>Maintain and develop the regional co-operation among the existing Activity Centers Focal Points and other affiliated institutions. More attention than has been shown in the past should be paid to co-operation among Activity Centers, technical institutions, administration, the private sector and social organizations. Future regional co-operation should be better-rooted in national investment and policy planning, so as to avoid actions that cannot be financed and deadlines that cannot be respected.</p>
26	IC	<p>It is recommended to the Istanbul Commission to:</p> <ul style="list-style-type: none"> – involve the private sector to invest in technologies that will benefit the Black Sea, as for example, creation of fish nursery grounds, development of fish reproduction plants, development of tourism and eco-tourism – encourage governments to give the investors concessions and guarantees; the donors' specialized agencies may help countries create conditions that would attract private industry to invest in Black Sea protection; the applied research projects could help investors in the adjustment of existing technologies; other financing may come from the municipalities and agriculture – innovate the Sea protection methods, for example allowing the private sector to enter into research, monitoring, training and control programs now reserved for the governmental institutions – work out new partnerships with NGOs and other non-profit organizations based on both ethical commitments and economical profitability
27	IC	<p>To help both countries and donors optimize and co-ordinate the funds-allocation, it is recommended to the Istanbul Commission</p>

		to assist the countries to develop project proposals of regional importance, and inform governments and donors about identified appropriate projects.
Closing recommendation		
28	IA, IC	It is recommended to the Implementing Agency and to the Istanbul Commission to elucidate the motivation of the governments that accompanied their hesitation.

Annex 6A- Indicative list of objectives, activities, completion dates and funding requirements for the 2nd phase.

COMPONENT I. CO-ORDINATION, INSTITUTIONAL CAPACITY BUILDING AND LEGAL REFORM

Objective 1. Support the integration of a sustainable Secretariat for the Bucharest Convention

Activities		Output / Target date for completion
		Indicative GEF funding requirement
Activity 1.1a Activity 1.1b	Operate the Joint Management Group Three year operation of the Black Sea Project Implementation Unit of the Istanbul Commission (BS-PIU) to facilitate, co-ordinate, and communicate on the implementation of priority activities identified in this Appendix.	Fully functioning JMG May 2006
		\$1,110,000**
Activity 1.2a. Activity 1.2b.	Supporting the Istanbul Commission for implementing the MOU with the ICPDR and for adapting it in line with the findings of the 1 st phase. Cooperation with formal river basin commissions in other areas of the Black Sea Basin through the Black Sea Basin Inter-Commission Consultative Group.	Annual meetings from 2003 - 2005
Activity 1.3.	Strengthening of National intersectoral bodies by providing them with technical and management information on the transboundary issues included in this project.	\$110,000 May 2006
		72,000
Activity 1.4	Provide administrative and technical support to Commission's Advisory Groups (co-ordinated by Regional Activity Centres) to conduct specific projects related to the priorities defined in this document (see later sections).	May 2006
		\$260,000
Activity 1.5.	Diffusion of information through the following: a. publication of at least one newsletter and one poster annually, b. production of short information clips for coastal TV stations c. production of non-technical leaflets about the project d. production of technical reports e. update and maintenance of the BSEP web site	May 2006
		\$300,000
TOTAL		\$1,852,000

Objective 2. Regional actions for improving LBA legislation to control eutrophication and for tackling emergent problems.

Activities		Output / Target date for completion
		Indicative GEF funding requirement
Activity 2.1a	Formal adoption of the LBA protocol elaborated in the 1 st phase.	1a June 2003
Activity 2.1b	Development and use of appropriate technical and management tools for facilitating the implementation of the GPA in the Black Sea.	1b May 2006
Activity 2.1.c	Istanbul Commission functioning as a regional node on GPA issues	1c May 2003=2006
		\$50,000
Activity 2.2.	Formulation of strategies, plans and projects to address the threats to the Black Sea, identified in the 1 st phase through the evaluation of the social and economic root causes of environmental degradation and the cost effectiveness of interventions to correct current and emergent transboundary problems (using the GIWA methodology, including full impact assessment).	May 2006
		\$30,000
Activity 2.3	To conduct a feasibility study of the use of 'marine electronic highway' technology to reduce the risk of major accidents in the Black Sea and Turkish Straits.	Report by December 2004
		\$100,000
TOTAL		\$180,000

COMPONENT II. SECTORAL LEGAL AND POLICY REFORMS, MONITORING AND EVALUATION OF NUTRIENT CONTROL MEASURES AND REVIEWING TARGETS FOR ADAPTIVE MANAGEMENT

Objective 3. Assist countries to improve their knowledge of the process of eutrophication in the Black Sea

Activities		Output / Target date for completion Indicative GEF funding requirement
Activity 3.1.	Reviewing and revising the study plans and processes on monitoring and assessment of eutrophication and hazardous substances by the international study group (ISG).	October 2003
		\$10,000
Activity 3.2.	Two survey cruises in the entire Black Sea with special emphasis on the impacted NW Shelf (and possibly Sea of Azov) possibly in 2005-2006 with a view to monitor the performance during the 1 st and 2 nd phases.	March 2006
		\$350,000
Activity 3.3.	Download, interpretation and distribution of weekly SeaWifs colour scan satellite data, May 2003- May 2006 ; extended use of GIS	May 2006
		\$330,000
Activity 3.4	Study of inputs of nutrients to the Black Sea by atmospheric deposition. This will be conducted on a pilot scale for 12 months in 2003 – 2004 and incorporated in the M & E indicators in subsequent years. Identification of possible control strategies.	June 2005
		\$180,000
Activity 3.5.	Interpretation of results, publishing of new State of the Black Sea Environment Report Second five yearly review of the BSSAP; formulation of recommendations.	May 2006
		\$40,000
TOTAL		\$910,000

Objective 4. Introduce new sectoral policies and a system of process, stress reduction and environmental status indicators for monitoring the effectiveness of measures to control eutrophication (and hazardous substances where appropriate)

Activities		Output / Target date for completion
		Indicative GEF funding requirement
Activity 4.1a	2 years review of the sectoral master plans developed for nutrient control in each coastal country for three key sectors (agriculture, industry, municipalities) in the 1 st phase, for monitoring the performance in actions to reduce nutrient emissions together with ICBS officials, experts, etc.	1a. Sept. 2005 1b. Feb. 2006 1c. May 2006
Activity 4.1b	Consolidation of a basin wide report based on the reports by the Black Sea and the Danube River countries.	\$530,000***
Activity 4.1c	Formulation of revised national, regional and basin wide nutrient reduction strategies and presentation to the respective national and regional authorities.	
Activity 4.2a.	Strengthening the capacity of monitoring institutions in improved ecological monitoring .	2a. May 2006 2b. May. 2006
Activity 4.2b.	Implementation of QA/QC procedures including inter comparison exercises.	\$375,000 Additional activities may be co-funded by CEC
Activity 4.3a.	Full-scale implementation of the new environmental status programme.	4.3a. March 2003= 2006 4.3b. May 2005 4.3c. March 2006
Activity 4.3b.	Production of first status reports..	
Activity 4.3c	Incorporation of the environmental status indicators with that for ICPDR.	\$70,000
Activity 4.4	Supporting the ICBS information base and its integration into other regional and global information bases. Operation at the PIU.	from May 2003-May 2006
Activity 4.5a	Incorporation of process and stress indicators in the status report (from 2003)	\$300,000****
Activity 4.5b	Institutionalisation of the indicators within national development strategies.	December 2005
TOTAL		\$1,335,000

Objective 5. Support the Commissions in their periodic review of Adaptive Management objectives.

Activities		Output / Target date for completion
		Indicative GEF fund allocation
Activity 5.1.	Economic benefit/cost studies of the actions proposed in the Sectoral Master Plans and the National strategies (Obj. 4, Activity 1) based on the model used in the 1 st phase.	November 2006 (completion)
		\$100,000 (BS component)
Activity 5.2.	Preparation of technical recommendations regarding new objectives. This work will be conducted over a 6 month period. The study will identify target sectors and sub-sectors for priority action on the basis of the status reports and results of Activity 1.	May 2006
		\$50,000 (BS participation)
Activity 5.3.	Final recommendations to the Commissions. These will be made about a year earlier than the current target set by the Commissions but the JWG may choose to recommend bringing this date forward in order to benefit from the current project funding.	May 2006
		Funding covered in Obj. 1
		TOTAL \$150,000

COMPONENT III. SUPPORTING PUBLIC INVOLVEMENT IN NUTRIENT CONTROL.

Objective 6. Assist the public in implementing activities to reduce eutrophication through a programme of grants for small projects and support to regional NGOs.

Activities	Output / Target date for completion
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		Indicative GEF fund allocation
Activity 6.1	Appointment of regional public participation specialist at the PIU, inter-alia to coordinate the small projects initiative.	May 2003- May 2006
		\$90,000
Activity 6.2	Implementation and independent evaluation of the second tranche of small projects.	May 2006
		\$320,000
Activity 6.3.	Support to the BSNN and BSEEP for increased involvement in regional aspects of reduction of eutrophication and for work on environmental education in schools.	Review by March 2006
		\$60,000
Activity 6.4.	Progress report on wetland conservation and restoration in the Black Sea region	December 2005
		\$10,000
Activity 6.5.	Supporting the participation of public in particular the fishermen in the implementation of recommendations aimed at reforming of fisheries regulations *formulated in cooperation with WWF in the first phase	December 2004
		\$70,000
TOTAL		\$550,000

COMPONENT IV. INNOVATIVE ECONOMIC INSTRUMENTS FOR THE CONTROL OF EUTROPHICATION

Objective 7. Formulate proposals for market-based or alternative economic instruments for limiting nutrient emissions to the Black Sea and establish private-public sector partnerships for environmental protection.

Activities		Output / Target date for completion
		Indicative GEF fund allocation
Activity 7.1.	Review the implementation of economic instruments for protecting the Black Sea from pollution (including nutrients) on a country-by country basis and suggest improvements where relevant. F/T economist to be appointed (3 year appointment) at the PIU, inter alia to conduct and co-ordinate this work.	May 2006
		\$200,000
Activity 7.2.	Examine the feasibility of using market mechanisms such as trading nutrient credits (or alternatives) as a means to control nutrient emissions throughout the Black Sea Basin (completion and follow-up of work conducted in the PDF-B phase)	June 2005
		\$100,000 Black Sea contribution
Activity 7.3.	Examine opportunities for public-private sector partnership in measures to limit nutrients (e.g. introduction of phosphate-free detergents, new technology, organic farming, etc.). To be co-ordinated by the PIU economist.	March 2006
		\$20,000 (salary in Act. 1)
Activity 7.4	Coordination with local and/or regional financial intermediaries (eg. Black Sea Regional Development Bank) as a means of channelling funding to small/medium sized bankable projects related to nutrient limitation and habitat restoration.	March 2006
		\$18,000 (salary in Act. 1)
Activity 7.5	Assist the ICBS with a scoping exercise to identify a portfolio of priority investment projects that meet the new environmental objectives defined the Activity 3 of Objective 5 A donor conference should be scheduled in December 2005 for the presentation of the initial portfolio.	December 2005
		\$150,000
TOTAL		\$488,000

COMPONENT V. SUSTAINABLE EXPLOITATION OF FISH STOCKS AS PART OF AN ECOSYSTEM APPROACH

Objective 8. A fisheries exploited within its maximum sustainable yield and incorporating measures to protect ecologically sensitive areas.

Activities		Output / Target date for completion
		Indicative GEF fund allocation
Activity 8.1	Support to the process of concluding and implementation of the regional Fisheries Convention, particularly in relationship with the need to protect key habitats.	May 2006
		\$40,000
Activity 8.2.	Recommendations on the establishment of fisheries-free zones and Marine Protected Areas, their promotion with Black Sea governments and stakeholders; and their incorporation into the Landscape and Biological Diversity Protocol to the Bucharest Convention and training of coastguards etc. for their enforcement.	May 2004
		\$200,000
Activity 8.3	Assessment of transboundary populations of fish species and their relationship with current fishing practices.	May 2006
		\$200,000
TOTAL		440,000

INDICATIVE GRAND TOTAL FOR 2nd PHASE	\$5,905,000
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PROPOSED FUNDING FOR THE 1st PHASE	\$4,000,000
INDICATIVE GRAND TOTAL FOR 2nd PHASE	\$5,905,000
INDICATIVE GRAND TOTAL FOR THE BLACK SEA REGIONAL PROJECT	\$9,905,000

Annex 6B- Suggested Logical Framework Matrix for the Full Project (Phase I and Phase II)

Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions and Risks
<p>Long-term and intermediate Objective</p> <p>The <u>long-term objective</u> is for all Black Sea basin countries to take measures to reduce nutrient levels and other hazardous substances to such levels necessary to permit Black Sea ecosystems to recover to similar conditions as those observed in the 1960s.</p> <p>As an <u>intermediate objective</u>, urgent control measures should be taken by all countries in the Black Sea basin, in order to avoid that discharges of nitrogen and phosphorus to the Black Sea exceed those levels observed in 1997.</p>	<ul style="list-style-type: none"> • For the <u>long term objective</u>, the availability of state of the Black Sea reports that permit comparison with the historical data on the state of the Black Sea before the onset of severe eutrophication. • Full compliance with the new Protocol for Landscape and Biological Diversity to the Bucharest Convention. • For the <u>intermediate objective</u>, annual reporting of the discharges of P and N from rivers, direct point sources and airborne fluxes (estimates based on ground stations). • Full compliance with the new LBA Protocol to the Bucharest Convention. 	<ul style="list-style-type: none"> • Black Sea Environmental Series vols. 3-8 for historical baseline data concerning ecosystems. • Annual environmental status monitoring reports, starting in 2002 and incorporating process and stress reduction indicators by 2003. • Reports required by the LBD Protocol. • Reports required by the LBA Protocol. • Information from the ICPDR and the Dnipro Commission when established. 	<ul style="list-style-type: none"> • Successful implementation of the current project • Ratification of new LBD and LBA protocols by the Contracting Parties to the Bucharest Convention • Full implementation of the Bucharest Convention and its Protocols • Implementation of the Black Sea Strategic Action Plan (ICBS) • Ratification and full implementation of the fisheries convention for the Black Sea. • Full implementation of the Aarhus Convention • Timely release of information of annual fluxes of N and P by all countries including the Members of the ICPDR • Sufficiency of scientific capacity in all coastal countries • Effective participation of all stakeholders • Continued country commitments to environmental protection • Implementation of investment portfolio including the Partnership Investment Facility for Nutrient Reduction. • Continued support of other donors, including the EU Tacis programme.

Project Purposes			
<ul style="list-style-type: none"> • Assist groups of countries to better understand environmental concerns of shared international waters and collaboratively address them • Build capacity of existing institutions, or through newly created institutions to utilize a more comprehensive approach for addressing trans-boundary, water-related environmental concerns. • Implement sustainable measures that address priority transboundary environmental concerns 	<ul style="list-style-type: none"> • Regional approaches and mechanisms to address root causes are sustained and further developed. • Country participation in and commitment of resources to required measures. • Full co-operation with all relevant sectors, full transparency of information. • Country participation on committees and workgroups associated with project activities.. • Strong ICBS and country support for the creation and work program of the project PIU. • Strong support from stakeholders in the civil society. 	<ul style="list-style-type: none"> • PIU and ICBS documents and working group reports. • National and additional donor commitments to work plan elements. • Completed work plans. • Disbursement records. • Reports from NGOa and the public media. 	<ul style="list-style-type: none"> • The harmonious integration of the project and its PIU into the overall strategy and implementation framework of the ICBS. • Commitments of resources to the ICBS will correspond to the magnitude of the task of compliance with the Bucharest Convention and its Protocols and of the BS-SAP. • Long-term security in commitments to the ICBS. • Freedom of distribution of environmental information (as per the BS-SAP and the Aarhus Convention). • Governments sustain their own environmental management framework to meet national and international legal and technical obligations. • Full participation of all stakeholders assured (including NGO participation in project and ICBS activities).

Immediate objectives (summary)	
<ul style="list-style-type: none"> • Reduction of the nitrogen and phosphorus loads to the Black Sea; • Enhancement of the service function of wetlands and benthic (seabed) plant communities for the assimilation of nutrients; • Improved management of fisheries to permit their economic recovery in parallel with improvements to the ecosystem. • In addition to the above, and where appropriate, attention will also be given to transboundary contamination by hazardous substances, particularly where these have similar sources to nutrients. In the case of oil pollution (a significant problem in the Black Sea), attention will also be given to measures that may reduce the risk of spillage by ships. 	

Detailed objectives and outputs (meeting the above immediate objectives)			
Intervention Logic	Objectively Verifiable Indicators	Sources of Verification	Assumptions and Risks
Component I. Co-ordination, Institutional Capacity Building and Legal Reform			
Objective 1. Support the integration of a sustainable Secretariat for the Bucharest Convention			
Outputs <ul style="list-style-type: none"> A management regime capable of coordinating regional actions to overcome the key transboundary issues facing the Black Sea, primarily the control and abatement of eutrophication and hazardous substances but also the improved management of fisheries (see component V). A permanent mechanism for co-operation with the ICPDR (Danube) and other emergent river basin commissions in the Black Sea Basin. Publicly accessible programme materials in all Black Sea languages	<ul style="list-style-type: none"> Programme Implementation Unit (PIU) fully staffed and operational Joint Management Committee established and operational Advisory Groups and Activity Centres operational and engaged in addressing transboundary issues Istanbul Commission able to raise funding for transboundary projects Inter-Commission Working Group operating and setting common management objectives Information in the public domain throughout the Black Sea coastal region regarding the transboundary problems and solutions offered. 	<ul style="list-style-type: none"> Regular annual reports of the PIU and the ICBS External review reports Financial statements of the ICBS and the Project Copies of publications including multi-language newsletters, the Technical Series publications, posters, film clips. Reports in newspapers throughout the region The ICBS web site 	<ul style="list-style-type: none"> ICBS Secretariat fully functional prior to project start-up. Governments/donors willing to continue support to the Activity Centres ICPDR and ICBS MOU is signed and fully implemented All emergent Commissions willing to co-operate in the spirit of the Basin-wide Strategic Partnership Governments respect the right to free circulation of information on project outputs and issues.

Objective 2. Regional actions for improving LBA legislation to control eutrophication and for tackling emergent problems.

<p><u>Outputs</u></p> <ul style="list-style-type: none"> • A new and more comprehensive protocol for the control of land-based activities in the Black Sea. This will pay particular attention to the integral control of eutrophication. • A detailed study of emergent issues in the Black Sea and their social and economic root causes based on application of the GIWA methodology. • A feasibility study for the establishment of a marine electronic highway (MEH) in the Black Sea and Turkish Straits. 	<ul style="list-style-type: none"> • New LBA Protocol approved and endorsed • Feasibility study of the MEH published. • Black Sea Futures report approved by the Istanbul Commission and published. 	<ul style="list-style-type: none"> • Reports of the ICBS • Technical report of the MEH study and follow-up reports in the Project Newsletter • Black Sea Futures publication 	<ul style="list-style-type: none"> • Governments are willing to enter into discussions to adopt the new Protocol. • Information will be provided that enables the emergent problems study to be completed. • Sufficient expertise is available in the region to conduct the emergent issues study. • The maritime transport sector(s) of all governments are willing to participate in the MEH study. • The Government of Turkey is willing to allow the study to extend to the Turkish Straits (without implications for other project activities).
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Component II. Sectoral Legal and Policy Reforms, Monitoring and Evaluation of Nutrient Control Measures and Reviewing Targets for Adaptive Management Objective 3. Assist countries to improve their knowledge of the process of eutrophication in the Black Sea			
<u>Outputs</u> <ul style="list-style-type: none"> • State of the Black Sea report (as required by the SAP), focusing on eutrophication and hazardous substances, in December 2001. This activity will enable the report to be made despite the absence of a functional monitoring network (see Objective 4). • Satellite maps of indicators of eutrophication issued weekly. • Recommendations to the Istanbul Commission and ICPDR for new nutrient control objectives within the concept of adaptive management (see also Obj. 5) 	<ul style="list-style-type: none"> • Integration of international study group on Black Sea Eutrophication. • Peer reviewed study plan. • Completion of 4 surveys in 2001 and studies of nutrient sources, sinks and fluxes. • Publication of State of the Black Sea Report, 2001 • Copies of the satellite colour scan maps and explanatory reports distributed widely in all six Black Sea countries. • Use of the information in setting new adaptive management goals 	<ul style="list-style-type: none"> • Reports of the ISG (available at the PIU) • Study Plan published by the PIU and approved by the JMC • Cruise reports (available through the PIU) • State of the Black Sea Report widely published (by the ICBS/PIU) with a summary on local languages. • Copies of all reports held by CBCs, the PIU, AC on monitoring and key scientific institutions. • Use of information in popular guides for public diffusion. • New adaptive management goals published as per Objective 5 	<ul style="list-style-type: none"> • All countries are willing to provide the best national expertise for the study and ISG, irrespective of the institutional setting. • Selected international experts/institutions willing to participate in the study. • Vessels and equipment can be provided on a cost-sharing basis by the countries. • Willingness to cooperate by one of the regional institutions equipped for receiving and interpreting satellite images. • Full transparency of information obtained from the outputs. • Willingness of the ICBS to assist with publication and distribution of outputs

Objective 4. Introduce new sectoral policies and a system of process, stress reduction and environmental status indicators for monitoring the effectiveness of measures to control eutrophication (and hazardous substances where appropriate)

<p><u>Outputs</u></p> <ul style="list-style-type: none"> • Sectoral nutrient control master plans and associated indicators (agriculture, industry, municipalities) for each country. • Amended laws and policies, as appropriate. • National nutrient reduction strategies. • An Istanbul Commission information base, initially managed by the PIU. • Annual environmental status monitoring reports, starting in 2002 and incorporating process and stress reduction indicators by 2003. 	<ul style="list-style-type: none"> • Written agreement of the agricultural, industrial and municipal sectors in each country to cooperate on specific indicators and to help to develop and implement measures within their area of responsibility. • Adopted new system of process, stress reduction and environment status indicators employed, similar to that described in Annex 8. • Indicator data used to enforce existing/new regulations and for regional status and trends reports • Use of the information base by all six countries. • Status reports showing positive trends in selected indicators. 	<ul style="list-style-type: none"> • Sectoral master plans for each country published and distributed in local languages and available at the UNDP COs and PIU, updated at least three times during project duration. • Reports of new laws and policies in the annual report of the PIU/ICBS and the newsletter • National nutrient reduction strategies published by the PIU • ICBS data base fully functional at the PIU • Environmental status monitoring reports published by the ICBS/PIU 	<ul style="list-style-type: none"> • Commissions for the Bucharest Convention able to catalyze in-country support from other sectors. • High level participation from all key sectors. • Willingness to co-operate at a sectoral level. • Willingness of other donors to co-ordinate their work in this process and avoid conflicting advice. • Legislative authorities willing/able to amend regulations or adopt new ones as appropriate. • Information supplied freely to the PIU information base. • Timely contributions from all countries to the status monitoring reports.
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Objective 5. Support the Commissions in their periodic review of Adaptive Management objectives.			
<u>Outputs</u> <ul style="list-style-type: none"> • A benefit/cost study of the application of the recommendations (to be conducted jointly with the ICPDR) • Technical recommendations for new objectives including recommendations of target sectors/sub-sectors for control measures and/or investments. • Final recommendations to the Commissions (from the Joint Working Group) 	<ul style="list-style-type: none"> • Publication and positive reception of the benefit/cost study • Recommendations for new objectives and priorities formulated. • Approval of the new objectives by the two Commissions (hopefully also the new Dnipro Commission). 	<ul style="list-style-type: none"> • Report of the benefit/cost study (PIU) • Minutes of the ICBS and the ICPRD indicating that the report has been reviewed and considered by the Governments. • Minutes of the JWG showing the completion of the process for recommending new objectives and including the recommendations themselves as annexes. • Copy of the final recommendation to the Commissions and a copy of their endorsement. • Written responses from the governments in the Black Sea coastal countries. 	<ul style="list-style-type: none"> • Sufficiency of local expertise and information for the completion of a region wide benefit/cost study. • Willingness of the ICBS and the ICPDR to reschedule the process for setting new adaptive management objectives (2005 instead of 2007). • Continuation of the good working arrangement between the Commissions and the incorporation of new river Commissions into the JWG.

Component III. Supporting Public Involvement in Nutrient Control.

Objective 6. Assist the public in implementing activities to reduce eutrophication through a programme of grants for small projects and support to regional NGOs.

<p><u>Outputs</u></p> <ul style="list-style-type: none"> • Reports describing 29 completed actions in the first tranche (e.g. wetlands restored, videos produced, farms converted to organic production, etc.) • Reports, as above, for the second tranche. • Regional NGO newsletter 'Black Sea Shared' produced and distributed quarterly (mainly electronically) • Regional report on wetland protection and restoration and recommendation for local actions (WWF) • Inclusion of the Black Sea in WWF's Europe-wide reports on the reform of fisheries management (WWF). 	<ul style="list-style-type: none"> • Full implementation of first tranche of 29 projects (independent review). • Successful second call for proposals. • Full implementation of the second tranche (independent review). • Effective contribution of NGO evinced by the establishment of a regional NGO WG on nutrient reduction, media reports and presence at significant regional open meetings. • Increased number of wetlands protected and/or restored (WWF) • Introduction of fisheries no-take zones and analysis of those subsidies to fishing that may be damaging to stocks or the environment (WWF) – see also Objective 8. 	<ul style="list-style-type: none"> • Project reports collected at the PIU and edited versions distributed to IAs, participating donors, UNDP-COs and all CBCs. • Independent review of the reports circulated as above and to the participating public organisations. • NGO newsletter widely circulated and including regular updates on work sponsored through the project or conducted as a counterpart contribution. • Public media reports, collated at the PIU. • WWF reports presented to the ICBS and the IAs and distributed to all relevant stakeholders. 	<ul style="list-style-type: none"> • Recruitment of suitable candidate to co-ordinate the small projects/NGO component • Continued willingness of NGOs to participate in this work. • Existence of an independently funded regional network of NGOs acting autonomously. • Governments are willing to allow the projects to be completed in an independent manner. • Local authorities are willing to cooperate in project implementation where this is required. • Participating organisations report their projects in a timely manner. • WWF able to provide the required support from its National/Regional bodies.
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Component IV. Innovative Economic Instruments for the Control of Eutrophication

Objective 7. Formulate proposals for market-based or alternative economic instruments for limiting nutrient emissions and establish private-public sector partnerships for environmental protection in the Black Sea.

<p><u>Outputs</u></p> <ul style="list-style-type: none"> • ‘Gap analysis’ published, showing difference between the current use of economic instruments and those that would be required for the effective implementation of national nutrient reduction strategies. • Feasibility study of the nutrient trading mechanism and its alternatives (including action-oriented recommendations for the Commissions). • Letters of agreement and other practical arrangements with regional/national funding institutions. • Long-term investment priorities for the post Partnership Investment Facility for Nutrient Reduction period. 	<ul style="list-style-type: none"> • Reports of actions taken within countries to correct identified gaps in the application of instruments. • Decision of Commissions regarding mechanism for nutrient trading and/or alternatives. • Loans for nutrient-related investments channeled through regional or national development banks. • Substantial project portfolio that can be taken to a 2005 donor conference or similar funding mechanism 	<ul style="list-style-type: none"> • Status reports presented to the ICBS, the IAs and other relevant stakeholders. • ‘Gap analysis’ presented to the ICBS and including national studies that should be translated into relevant local languages and presented to respective inter-sectoral committees. • Nutrient trading analysis presented to the ICBS and the ICPDR. • Copies of key correspondence with regional/national funding institutions held in PIU files. • Draft project portfolio available in the PIU and distributed to the CBCs, IAs, relevant donors, UNDP and WB COs, etc. 	<ul style="list-style-type: none"> • Recruitment of suitable economist to the PIU to provide local expertise/co-ordination. • Project team and CBCs able to convince finance sector of the need to participate fully in the project. • Full co-operation of the national intersectoral committees. • WW COs participating fully in the process. • Successful implementation of the WB/GEF Partnership Investment Facility for Nutrient Reduction. • Regional/national funding institutions willing/able to participate in this work.
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Component V. Sustainable Exploitation of Fish Stocks as Part of an Ecosystem Approach

Objective 8. A fisheries exploited within its maximum sustainable yield and incorporating measures to protect ecologically sensitive areas.

<p>Outputs</p> <ul style="list-style-type: none"> • First Black Sea Fish Stock Assessment • Declaration of fisheries free zones to allow for restoration of macrophyte habitats and recovery of nursery grounds. • Measures for enforcing the above. • Signed fisheries convention with measures to limit fishing effort and provisions for enforcement. 	<ul style="list-style-type: none"> • Reports demonstrating effective protection of sensitive habitats as fisheries free zones • Recovery of macrophyte beds damaged by trawling gear (indicators as per Annex 8). • Independent review of stock assessment. • Signature, ratification and implementation of the Fisheries Convention • Signature, ratification and implementation of the new Biological and Landscape Diversity Protocol to the Bucharest Convention (prepared with BSEP (GEF and Tacis) funding. • Sustained increases in sensitive stocks (e.g. Turbot, Sturgeon) 	<ul style="list-style-type: none"> • New Black Sea Fisheries Convention available in PIU and copied to all CBCs, IAs and relevant stakeholders. • Black Sea Status Reports as per Objective 4. • Stock Assessment edited at the PIU and presented to all governments via the CBCs, the fisheries AC and focal points for the new fisheries convention. Independent review available at the PIU. • Biodiversity Protocol available from the ICBS Secretariat/PIU; substantive documents from the Biodiversity Activity Centre. • Reports of new Marine Protected Areas (MPAs) submitted to the ICBS, deposited in the Secretariat and published in the project newsletter. • Reports of measures taken to enforce the MPAs and the Fisheries Convention to be included in the Status Reports from 2003. 	<ul style="list-style-type: none"> • Willingness of all Parties to reach a timely conclusion to negotiations on the new Fisheries Convention. • Acceptance of the need for Marine Protected Areas by all Governments. • Full cooperation of all fisheries institutions in the new stock assessment. • Acceptance/signature/ratification of the new Biological and Landscape Diversity Protocol by all Parties to the Bucharest Convention. • Sufficient institutional strength/capacity to enforce the new Convention/Protocol and the associated regulations. • Governments/authorities willing to share the information needed to measure the status of stocks and the commercial yield of the fisheries. • Full stakeholder participation in the process of regulating the fisheries and establishing MPAs/fisheries-free zones. • Willingness of other donors to co-operate in this process.
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Cover Note

Project Title: **Control of eutrophication, hazardous substances and related measures for rehabilitating the Black Sea ecosystem.**

	<i>Work Program Inclusion</i>	<i>Reference/Note:</i>
1. Country Ownership		
• Country Eligibility	Countries are eligible under para 9(b) of the GEF instrument	Front page, section 1; paragraph #78
• Country Drivenness	<p>Clear description of project's fit within:</p> <ul style="list-style-type: none"> • National reports/communications to Conventions • National or sector development plans • Recommendations of appropriate regional intergovernmental meetings or agreements. 	<p>Paragraph #s: 8, 45, 46</p> <p>This project is a direct response to the following agreements made between all six countries:</p> <ul style="list-style-type: none"> • Bucharest Convention for the Protection of the Black Sea Against Pollution (signed April 1992, ratified February 1994) • Odessa Ministerial Declaration (April 1993) • Black Sea Strategic Action Plan (signed at a Ministerial Conference, October 31, 1996). <p>It also reflects the conclusions of a joint ad-hoc working group between the Istanbul Commission for the Protection of the Black Sea and the International Commission for the Protection of the Danube River (1999)</p>
• Endorsement	• Endorsement by national operational focal point.	Annex 3, the project is also endorsed by the ICBS
2. Program & Policy Conformity		
• Program Designation & Conformity	Describe how project objectives are consistent with Operational Program objectives or operational criteria.	<p>Paragraph 13</p> <p>The project is fully consistent with the GEF Operational Guidelines for international waters and also with the GEF Danube/Black Sea Basin Strategic Partnership</p>

<ul style="list-style-type: none"> Project Design 	<p>Describe:</p> <ul style="list-style-type: none"> sector issues, root causes, threats, barriers, etc, affecting global environment. Project logical framework, including a consistent strategy, goals, objectives, outputs, inputs/activities, measurable performance indicators, risks and assumptions. Detailed description of goals, objectives, outputs, and related assumptions, risks and performance indicators. Brief description of proposed project activities, including an explanation how the activities would result in project outputs. Global environmental benefits of project. Incremental Cost Estimation based on the project logical framework. Describe project outputs(and related activities and costs) that result in <i>global</i> environmental benefits Describe project outputs (and related activities and costs) that result in joint <i>global and national</i> environmental benefits. Describe project outputs (and related activities and costs) that result in <i>national</i> environmental benefits. Describe the process used to jointly estimate incremental cost with in-country project partner. Present the incremental cost estimate. If presented as a range, then a brief explanation of 	<p>Corresponding to bullet points at the left:</p> <ul style="list-style-type: none"> Paragraphs 1-8 Annex 2 in its entirety. Annex 6 b for the full project (Phase I and Phase 2) Paragraph 15-42 (Phase I) The project is divided into five components and a total of eight strategic objectives. An indicative list for Phase II is given in Annex 6A) Table 1, following paragraph 42 Column 7, Annex 1b (Table 2) Annex I The project is designed in such a way as to achieve a mixture of global, regional and national environmental benefits from each objective. This is analysed in detail in Annex 1b The control of eutrophication will ultimately benefits all participating countries though the time -frame for these benefits to accrue is likely to be well beyond that for project implementation. None of the activities proposed for GEF funding will result in purely national benefits. The activities of other donors providing bilateral support to individual countries have been incorporated in the baseline unless clear regional/global benefits can be demonstrated. Discussions at the Black Sea Basin Stocktaking Meeting (funded through the PDF-B) in June 2000 and in the 6th meeting of the ICBS (September 2000) Paragraph 62 <p>Baseline: \$10,149,920</p>
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	challenges and constraints and how these would be addressed by the time of CEO endorsement.	Alternative: \$18,444,840 Increment: \$ 8,294,920
• Sustainability (including financial sustainability)	Describe proposed approach to address factors influencing sustainability, within and/or outside the project to deal with these factors.	▪ Paragraphs 45-48
• Replicability	Describe the proposed approach to replication,(for e.g., dissemination of lessons, training workshops, information exchange, national and regional forum, etc) (could be within project description).	The project maintains strong links with IW-LEARN and GIWA, both of which will help facilitate diffusion of lessons learned. See also 'Project Summary', p1.
• Stakeholder Involvement	<ul style="list-style-type: none"> • Describe how stakeholders have been involved in project development. • Describe the approach for stakeholder involvement in further project development and implementation. 	<ul style="list-style-type: none"> • Paragraphs 4-8 • Paragraphs 49-52 This is a major feature of the current proposal (see also comments of STAP reviewer)
• Monitoring & Evaluation	<ul style="list-style-type: none"> • Describe how the project design has incorporated lessons from similar projects in the past. • Describe approach for project M&E system, based on the project logical framework, including the following elements: • Specification of indicators for objectives and outputs, including intermediate benchmarks, and means of measurement. • Outline organisational arrangement for implementing M&E. • Indicative total cost of M&E (maybe reflected in total project cost). 	<ul style="list-style-type: none"> • Paragraphs 49-52, 67 and Annex 5 This has been part of a phased approach to interventions in the region. • Paragraphs 63-66 • Logical framework Annex III. • Paragraphs: 64-66, • 1% of total budget cost for external M & E but additional provisions for internal M & E. (see also response to STAP review).

3. Financing		
<ul style="list-style-type: none"> Financing Plan 	<ul style="list-style-type: none"> Estimate total project cost Estimate contribution by financing partners. Propose type of financing instrument 	<ul style="list-style-type: none"> Cover page; III; Paragraph 62; Annex 1 Cover page; Paragraph 62 Cover page
<ul style="list-style-type: none"> Implementing Agency Fees 	Propose IA fee	NA
<ul style="list-style-type: none"> Cost-effectiveness 	<ul style="list-style-type: none"> Estimate cost effectiveness, if feasible. Describe alternate project approaches considered and discarded. 	<ul style="list-style-type: none"> Annex 1a Annex 1b
4. Institutional Coordination & Support		
IA Coordination and Support <ul style="list-style-type: none"> Core commitments & Linkages 	Describe how the proposed project is located within the IA's: <ul style="list-style-type: none"> Country/regional/global/sector programs. GEF activities with potential influence on the proposed project (design and implementation). 	<ul style="list-style-type: none"> This project is part of the GEF Danube/Black Sea Basin Strategic Approach. The approach is presented in Annex 11 and involves all three IA's (UNDP, UNEP, World Bank) according to their comparative advantage for particular project elements.
<ul style="list-style-type: none"> Consultation, Coordination and Collaboration between IAs, and IAs and EAs, if appropriate. 	<ul style="list-style-type: none"> Describe how the proposed project relates to activities of other IAs (and 4 RDBs) in the country/region. Describe planned/agreed coordination, collaboration between IAs in project implementation. 	<ul style="list-style-type: none"> The Danube/Black Sea Strategic Approach involves broad based coordination with other donors. The specific involvement of other major donors/IAs is described in paragraphs 55-60. Donors will coordinate their efforts through participation in a Joint Management Committee for the project (see paragraph 16)
5. Response to Reviews		
0 Council	Respond to Council Comments at pipeline entry.	NA
Convention Secretariat	Respond to comments from Convention Secretariats .	NA
GEF Secretariat	Respond to comments from GEFSEC on draft project brief.	NA
Other IAs and 4 RDBs	Respond to comments from other IAs, 4RDBs on	NA

	draft project brief.	
STAP	Respond to comments by STAP at work program inclusion	Annex 4A
Review by expert from STAP Roster	Respond to review by expert from STAP roster. ⁴	Annex 4

Ramon Prudencio C. de Mesa
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⁴ STAP Roster Review, and IA response, is a required annex of the project brief.

Cover Note

Project Title: Control of eutrophication, hazardous substances and related measures for rehabilitating the Black Sea ecosystem.

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• Endorsement	• Endorsement by national operational focal point.	Annex 3, the project is also endorsed by the ICBS
2. Program & Policy Conformity		
• Program Designation & Conformity	Describe how project objectives are consistent with Operational Program objectives or operational criteria.	<p>Paragraph 13</p> <p>The project is fully consistent with the GEF Operational Guidelines for international waters and also with the GEF Danube/Black Sea Basin Programmatic Approach.</p>

<ul style="list-style-type: none"> • Project Design 	<p>Describe:</p> <ul style="list-style-type: none"> • sector issues, root causes, threats, barriers, etc, affecting global environment. • Project logical framework, including a consistent strategy, goals, objectives, outputs, inputs/activities, measurable performance indicators, risks and assumptions. • Detailed description of goals, objectives, outputs, and related assumptions, risks and performance indicators. • Brief description of proposed project activities, including an explanation how the activities would result in project outputs. • Global environmental benefits of project. • Incremental Cost Estimation based on the project logical framework. • Describe project outputs(and related activities and costs) that result in <i>global</i> environmental benefits • Describe project outputs (and related activities and costs) that result in joint <i>global and national</i> environmental benefits. • Describe project outputs (and related activities and costs) that result in <i>national</i> environmental benefits. • Describe the process used to jointly estimate incremental cost with in-country project partner. • Present the incremental cost estimate. If presented as a range, then a brief explanation of 	<p>Corresponding to bullet points at the left:</p> <ul style="list-style-type: none"> ▪ Paragraphs 1-8 ▪ Annex 2 in its entirety. • Paragraph 15-42 The project is divided into five components and a total of eight strategic objectives. ▪ Table 1, following paragraph 42 ▪ Column 7, Annex 1b (Table 2) ▪ Annex I • The project is designed in such a way as to achieve a mixture of global, regional and national environmental benefits from each objective. This is analysed in detail in Annex 1b • The control of eutrophication will ultimately benefits all participating countries though the time-frame for these benefits to accrue is likely to be well beyond that for project implementation. ▪ None of the activities proposed for GEF funding will result in purely national benefits. The activities of other donors providing bilateral support to individual countries have been incorporated in the baseline unless clear regional/global benefits can be demonstrated. ▪ Discussions at the Black Sea Basin Stocktaking Meeting (funded through the PDF-B) in June 2000 and in the 6th meeting of the ICBS (September 2000) ▪ Paragraph 62
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	challenges and constraints and how these would be addressed by the time of CEO endorsement.	Baseline: \$10,149,920 Alternative: \$18,444,840 Increment: \$ 8,294,920
<ul style="list-style-type: none"> Sustainability (including financial sustainability) 	Describe proposed approach to address factors influencing sustainability, within and/or outside the project to deal with these factors.	<ul style="list-style-type: none"> Paragraphs 45-48
<ul style="list-style-type: none"> Replicability 	Describe the proposed approach to replication,(for e.g., dissemination of lessons, training workshops, information exchange, national and regional forum, etc) (could be within project description).	The project maintains strong links with IW-LEARN and GIWA, both of which will help facilitate diffusion of lessons learned. See also 'Project Summary', p1.
<ul style="list-style-type: none"> Stakeholder Involvement Monitoring & Evaluation 	<ul style="list-style-type: none"> Describe how stakeholders have been involved in project development. Describe the approach for stakeholder involvement in further project development and implementation. Describe how the project design has incorporated lessons from similar projects in the past. Describe approach for project M&E system, based on the project logical framework, including the following elements: <ul style="list-style-type: none"> Specification of indicators for objectives and outputs, including intermediate benchmarks, and means of measurement. Outline organisational arrangement for implementing M&E. Indicative total cost of M&E (maybe reflected in total project cost). 	<ul style="list-style-type: none"> Paragraphs 4-8 Paragraphs 49-52 This is a major feature of the current proposal (see also comments of STAP reviewer) Paragraphs 49-52, 67 This has been part of a phased approach to interventions in the region. Paragraphs 63-66 Logical framework Annex III. Paragraphs: 64-66, 1% of total budget cost for external M & E but additional provision s for internal M & E. (see also response to STAP review).

3. Financing		
<ul style="list-style-type: none"> Financing Plan 	<ul style="list-style-type: none"> Estimate total project cost Estimate contribution by financing partners. Propose type of financing instrument 	<ul style="list-style-type: none"> Cover page; III; Paragraph 62; Annex 1 Cover page; Paragraph 62 Cover page
<ul style="list-style-type: none"> Implementing Agency Fees 	Propose IA fee	NA
<ul style="list-style-type: none"> Cost-effectiveness 	<ul style="list-style-type: none"> Estimate cost effectiveness, if feasible. Describe alternate project approaches considered and discarded. 	<ul style="list-style-type: none"> Annex 1a Annex 1b
4. Institutional Coordination & Support		
IA Coordination and Support <ul style="list-style-type: none"> Core commitments & Linkages 	Describe how the proposed project is located within the IA's: <ul style="list-style-type: none"> Country/regional/global/sector programs. GEF activities with potential influence on the proposed project (design and implementation). 	<ul style="list-style-type: none"> This project is part of the GEF Danube/Black Sea Basin Strategic Approach. The approach is presented in Annex 11 and involves all three IA's (UNDP, UNEP, World Bank) according to their comparative advantage for particular project elements.
<ul style="list-style-type: none"> Consultation, Coordination and Collaboration between IAs, and IAs and EAs, if appropriate. 	<ul style="list-style-type: none"> Describe how the proposed project relates to activities of other IAs (and 4 RDBs) in the country/region. Describe planned/agreed coordination, collaboration between IAs in project implementation. 	<ul style="list-style-type: none"> The Danube/Black Sea Strategic Approach involves broad based coordination with other donors. The specific involvement of other major donors/IAs is described in paragraphs 55-60. Donors will coordinate their efforts through participation in a Joint Management Committee for the project (see paragraph 16)
5. Response to Reviews		
OCouncil	Respond to Council Comments at pipeline entry.	NA
Convention Secretariat	Respond to comments from Convention Secretariats .	NA
GEF Secretariat	Respond to comments from GEFSEC on draft project brief.	NA
Other IAs and 4 RDBs	Respond to comments from other IAs, 4RDBs on	NA

	draft project brief.	
STAP	Respond to comments by STAP at work program inclusion	Annex 4A
Review by expert from STAP Roster	Respond to review by expert from STAP roster. ¹	Annex 4

¹ STAP Roster Review, and IA response, is a required annex of the project brief.