



## Romania: Black Sea Agricultural Pollution Control (World Bank)

Operational Program: 8 (International Waters)

GEF Secretariat Review: PDF B Approval

Financing (millions): \$0.30                              Total (millions): \$0.30                              1141

### Summary

The key objective of this project is to address the main cause of transboundary pollution in the Danube River and Black Sea by reducing the discharge of nutrients (nitrogen and phosphorous) through integrated land and water management. The project would assist the Government of Romania in its efforts to promote the adoption of environmentally friendly agricultural practices and to restore part of the former floodplain areas along the lower Danube, thus reducing discharge of nutrients and improve water quality in the Danube and Black Sea. The project would be part of a larger regional effort, facilitated by the GEF, to restore aquatic ecosystem health in the Black Sea Basin, which is threatened by excessive nutrient pollution. The project would demonstrate effective inter-sectoral mechanisms for combining good agricultural practices and wetland rehabilitation to reduce nutrient runoff to the Black Sea. It would assist the country to meet its obligations under the Bucharest Convention, the Odessa Declaration, the Danube Convention and the EU Directives. The project area will cover 60,000 ha of agricultural land located in Southern Romania; it borders the Danube and includes the Sticleanu Polder, a reclaimed floodplain area containing the Iezer Calarasi proposed nature reserve.

*Expected Project Outputs:*      The proposed activities will include: A - Changes in agricultural practices: (i) support for farmers associations to promote crop rotation, minimum tillage, integrated pest management, buffer strips and livestock management; (ii) establishment of manure and refuse storage areas and their field applications; (iii) optimum application of organic and inorganic fertilizers. B - Integrated management of the Sticleanu Polder: (i) ecological restoration of degraded lands; (ii) creation of buffer zones around Iezer Calarasi reserve; (iii) promotion of sustainable grazing and afforestation. C - Strengthening of policy and regulatory capacity. D - Public awareness.

*Project Duration (months):*      0

## Basic Project Data

Project GEF ID:

<i>Staff</i>		<i>Processing Status</i>	<i>Date</i>
Program Manager	Merla	Processing Stage	
Implementing Agency	World Bank	Concept Pipeline Discussion	10/21/99
Regional Coordinator		PDF A - Agency Approval	
Executing Agency	National Government	PDF B - CEO Approval	12/21/99
		Bilateral Project Review Meeting	
		Work Program Submission and Approv	
		CEO Endorsement	
		Agency Approval	
		Project Completion	

## Cost Summary

Cost Item	Years	Amount (USD'000)
<u>Preparation</u>		
- PDF A		
- PDF B		\$0.30
- PDF C		
<u>Project Allocation</u>		
- Executing Agency Fees and Costs		\$0.00
- Project Management Costs		\$0.00
- Other Incremental Costs		\$0.00

## Completeness of Documentation

Focal Point.....     Budget.....     Logical Framework.....   
 STAP Review.....     Increment Cost.....     Length.....   
 Disclosure of Administration Cost.....     Complete Cover Sheet....

## **1. Country Ownership**

### ***Country Eligibility***

Under para. 9(b) of GEF Instrument.

### ***Evidence of Country Ownership/Country-Drivenness***

Key to ensure project success. To be demonstrated.

## **2. Program and Policy Conformity**

### ***Portfolio Balance***

The project would be part of the GEF facilitated effort to reduce nutrient runoff in the Black Sea and Danube (SAP implementation).

### ***Program Conformity***

The concept conforms with the objectives and criteria of OP8.

### ***Replicability***

The project is intended as a replicable demonstration of good practices for nutrient reduction. Replicability mechanisms need to be included into project design.

### ***Potential Global Environmental Benefits of Project***

The project would contribute to the rehabilitation of the quality of the Danube and Black Sea transboundary waters.

### ***Sustainability***

Sustainability will be a key element of future project design.

### ***Baseline Course of Action***

To be clearly identified (nationwide: parallel actions on project related policy/legal reforms, wastewater treatment, etc., and relative to the specific intervention).

### ***Alternative Action Supported by project***

The project would represent a replicable demonstration of the cost-effectiveness of environmentally friendly agricultural practices and of wetland restoration for nutrient reduction purposes.

### ***Conformity with GEF Public Involvement Policy***

To be demonstrated.

### ***Private Sector Involvement***

To be considered during project preparation.

## **3. Appropriateness of GEF Financing**

### ***Incremental Cost***

To be addressed. The introduction of environmentally friendly agricultural practices, as well as the restoration of floodplains, would yield both domestic and global benefits.

*Appropriateness of Financial Modality Proposed*

Government co-financing and other donors support will have to be leveraged.

*Financial Sustainability of the GEF-Funded Activity*

*Absorptive Capability*

*Cost Effectiveness*

**4. Coordination with Other Institutions**

*Collaboration*

*Complementarity with Ongoing Activities*

The concept would complement ongoing actions (GEF/EU), and be part of the GEF Strategic Partnership for the Black Sea Basin being prepared by the World Bank.

**5. Responsiveness to Comments and Evaluations**

*Core Commitments*

To be presented.

*Linkages*

Linkages exist with similar actions in Georgia (WB - full project) and Poland (WB - full project) and Bulgaria (WB - concept).

*Consultation and Coordination*

*Consistency w/previous upstream consultations, project preparation work, and processing conditions*

*Monitoring & evaluation: Minimum GEF Standards, ME plan, proposed indicators, lessons from PIRs and Project Lessons Study*

*Indicators*

To be developed in collaboration with GEF regional projects under preparation (Black Sea PDF-B, UNDP/WB/UNEP).

*Implementing Agencies' Comments*

*STAP Review*

*Council members' Comments*

*Technical Assurances*

## *Convention Secretariat*

### *Other Technical Comments*

Clarifications on actions foreseen to restore the Sticleanu floodplain are needed, and on the role of floodplains in nutrient removal (as opposed to permanent wetlands).

### **Further Processing**

The program manager would recommend the concept for pipeline entry. The concept is very preliminary and preparation funds will be needed to address, amongst others, the issues raised in this review. During the October 21st Bilateral Meeting, it was agreed that a PDF-B request would soon be presented that would address all issues raised in this review.

On Dec. 15, 1999, a PDF-B proposal was received for CEO approval. The Program manager observes the following:

The review of the project's concept, approved for entry in the GEF Pipeline in Oct.99, pointed out the need for project preparation work in specific areas. The PDF-B proposal does not address any of these recommended actions. They are therefore repeated below, as requirements by the time of Work Program inclusion.

- (i) design of replicability mechanisms; the full project proposal should contain a specific activity/component dedicated to enhance/ensure replicability;
- (ii) sustainability; this will be considered an essential element of project design by the time of Work Program inclusion;
- (iii) Public involvement; the full project proposal will fully describe the design of this component;
- (iv) private sector; no mention so far - to be addressed in full project proposal;
- (v) incremental costs; during the analysis, it will be kept in mind that the proposed actions will yield substantial domestic benefits (see e.g. Component1, bullets).
- (vi) co-financing; a very limited Government input for the PDF-B work is noted; the full project will necessarily involve a large share of co-financing to cover the expected relevant domestic benefits;
- (vii) World Bank core commitments; to be clarified; links will be established/demonstrated with current Bank's lending in the agricultural sector;
- (viii) the concept's review recommended finally to clarify/quantify the role of flood-plains in nutrients removal as opposed to permanent wetlands; this will be relevant for the IC analysis, since flood hazard control, the main function of flood plains, will have to be considered as a domestic benefit.

The program manager recommends this proposal for CEO approval. By the time of Work Program inclusion, all the issues raised in this review will be fully addressed.

A Bilateral Meeting was held on December 21st, 1999. The World Bank fully agreed with the recommendations and will address the issues by the time of Work Program inclusion.