



PROJECT EXECUTIVE SUMMARY

GEF COUNCIL SUBMISSION

AGENCY'S PROJECT ID: RER/01/G33/A/1G/31
GEFSEC PROJECT ID:
COUNTRY: Bulgaria, Georgia, Romania, Russian Federation, Turkey, Ukraine
PROJECT TITLE: Control of eutrophication, hazardous substances and related measures for rehabilitating the Black Sea ecosystem: Phase 2
GEF AGENCY: UNDP
OTHER EXECUTING AGENCY(IES): UNOPS
DURATION: 3 years
GEF FOCAL AREA: International Waters
GEF OPERATIONAL PROGRAM: OP8
GEF STRATEGIC PRIORITY: IW1-Catalyzing Financial Resources for Implementation of Agreed Actions
ESTIMATED STARTING DATE: July 1, 2004
IA FEE:

FINANCING PLAN (US\$)	
GEF PROJECT/COMPONENT	
Project Phase 2	
PDF A	
PDF B	
BSERP Phase II	\$6,000,000 ¹
<i>Sub-Total GEF</i>	\$6,000,000
CO-FINANCING	\$5,332,106
GEF Agency	
Government	
Bilateral	
NGOs	
Others	
<i>Sub-Total Co-financing:</i>	<i>\$5,332,106</i>
<i>Total Project Financing:</i>	<i>\$11,332,106</i>
FINANCING FOR ASSOCIATED ACTIVITIES IF ANY:	
\$828,371,588	
LEVERAGED RESOURCES IF ANY:	

CONTRIBUTION TO KEY INDICATORS OF THE BUSINESS PLAN:

- *Global Coverage:* 3 (including this project) – transboundary projects for the Black Sea, and the Danube and Dnipro rivers
- *Agreed Joint Management Actions:* 6 countries, notably:
- *Regional Cooperation:* 7 (The Permanent Secretariat of the Black Sea Commission, as well as 6 Regional Activity Centres in the countries on Safety Aspects of Shipping, Conservation of Biological Diversity, Fisheries, Integrated Coastal Zone Management, Land Based Pollution Sources, and Pollution Monitoring and Assessment)
- *Local Technology Development:* at least 2 of the 6 countries

¹ 1st Tranche Financing: PDF-B: 350,000 US\$ / Project: 4,000,000 US\$ / Co-financing: 4,052,366 US\$
 Total: 8,402,366 US\$

RECORD OF ENDORSEMENT ON BEHALF OF THE GOVERNMENT(S):

(Enter Name, Position, Ministry)

Date: (Month, day, year)

- | | |
|---|------------|
| 1. BULGARIA - ILIAZ, Fathme, Deputy Minister,
Ministry of Environment and Water, GEF Political and
Operational Focal Point | 02/10/2004 |
| 2. GEORGIA - ADEISHVILI, Malkhaz, Head of the
Dept. of Environmental Policy, Ministry of Environment
and Natural Resources, GEF Operational Focal Point | 03/05/2004 |
| 3. ROMANIA - CHIRILA, Liliana, Counselor
Directorate of International Programmes and Projects,
Ministry of Waters, Forests and Environmental Protection,
GEF Operational Focal Point | 02/09/2004 |
| RUSSIAN FEDERATION - OSOKINA, Irina E.
Deputy Minister, Ministry of Natural Resources, GEF
Operational Focal Point | 03/12/2004 |
| 4. TURKEY – EKER, Izamettin, Division Chief
Republic of Turkey Prime Ministry
General Directorate of Foreign Economic Relations, GEF
Operational Focal Point | 02/19/2004 |
| 5. UKRAINE - GRITSENKO, Analoliy, Deputy State
Secretary, Ministry of the Environment and Natural
Resources, GEF Operational Focal Point | 02/18/2004 |

Approved on behalf of the UNDP and UNOPS. This proposal has been prepared in accordance with GEF policies and procedures and meets the standards of the GEF Project Review Criteria for work program inclusion

Name & Signature
IA/ExA Coordinator

Contact for the Project:
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Date: (Month, Day, Year)

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1. PROJECT SUMMARY

a) Project Rationale, Objectives, Outcomes, and Activities.

The overall objective of the BSERP is to support participating countries in the development of national policies and legislation and the definition of priority actions to avoid that discharge of nitrogen and phosphorus to the Black Sea exceed those levels as observed in 1997. This will require countries to adopt strategies and measures that permit economic development whilst ensuring the rehabilitation of coastal and marine ecosystems through pollution control and reduction of nutrients and hazardous substances. At the end of the Project Phase II, it is expected that the institutional mechanism of the Black Sea Commission is reinforced and fully operational ensuring cooperation between all Black Sea countries to efficiently implement joint policies and actions and operate common management and control mechanisms.

Specific objectives of the BSERP from May 2004-April 2007 are (i) to reinforce regional cooperation under the Black Sea Convention, (ii) to set up institutional and legal instruments and to define priority actions at regional and national levels to assure sustainable coastal zone management, (iii) to protect of coastal and marine ecosystems and habitats in order to secure sustainable use of coastal and marine resources. To accomplish these objectives, the project will build up on the results achieved during Phase I. (Jan 2002-April 2004).

Phase 2 of the BSERP contains 16 project components with 85 activities. The following immediate outputs are designed to respond to the overall development objective:

- Supporting the consolidation and operation of institutional mechanism for cooperation under the Black Sea Convention;
- Development of policy guidelines, legal and institutional instruments for nutrient reduction from LBA, and protection of ecosystems of the Black Sea and its coastal zones;
- Development of economic instruments and promotion of investment opportunities in coastal zones for pollution control and protection of Black Sea ecosystems;
- Development of operational systems for monitoring, information management and research under the Black Sea Convention;
- Strengthening of public participation in environmental protection through access to information, stakeholder training and awareness raising and implementation of community actions (Small Grants Programme).

b) Key Indicators, Assumptions, and Risks (from Logframe)

Objectively Verifiable Indicators	Assumptions (A) and Risks (R)
<p>Overall Project Objective: All Black Sea countries have taken concrete measures (including investment activities) in the eutrophication causing sectors to reduce load of nutrients and hazardous substances on the Black Sea ecosystem and major findings and recommendations of the project have been incorporated in national policies, strategies and, where possible, in national legislation.</p>	<p>R Low priority for environmental issues; R Unfavourable conditions in countries with transitional economies; R Political instability in the region;</p>
<p>Objective 1: At the end of the Project Phase II, the institutional mechanism of the Black Sea Commission are reinforced and fully operational ensuring cooperation between all Black Sea countries to efficiently implement joint policies and actions and operate common management and control mechanisms;</p>	<p>A All Contracting Parties provide financial contributions in time and support national and regional bodies cooperating under the BSC;</p>

Objectively Verifiable Indicators	Assumptions (A) and Risks (R)
<p>Objective 2: Policies and legal and institutional instruments in all Black Sea countries are revised and reinforced to assure sustainable coastal zone and marine resource management while reducing nutrients and hazardous substances through the application and translation into concrete actions of revised policies and legislation in the agricultural, industrial, transport and municipal sectors.</p>	<p>A LBA Protocol recognised as a useful political tool;</p> <p>A Sufficient national support for implementation of pilot projects for ICZM provided;</p> <p>A Political commitment existing and financial means sufficient to revise and apply legislation;</p> <p>R Missing control and competition between fishermen leading to violation of fishing regulations and of fisheries-free zones.</p>
<p>Objective 3: Economic analysis in taking into account the principles of EU WFD guidelines is carried out in all Black Sea countries and most cost-effective measures for pollution control and water use are identified and control systems (incl. pollution charges, fines and incentives) are developed and accepted at the national level in the Black Sea countries.</p>	<p>A Reports from DRP for BG, RO and UA available in time;</p> <p>A Cooperation from national level and provision of data and information assured;</p> <p>A Commitment of IFIs incl. GEF-WB and bilateral donors to support the implementations of investment projects with grants and soft loans.</p>
<p>Objective 4: Institutional and organisational mechanisms for transboundary cooperation in water quality monitoring and information management including GIS are established and fully operational at the regional and national level by 2006 to assess water quality and nutrient reduction to the Black Sea; at the same time, results from scientific research on nutrient reduction and eutrophication are available to enhance reporting on the status of the Black Sea.</p>	<p>A Timely supply of reliable data from all national monitoring stations;</p> <p>A Support provided and Permissions granted by the countries in time to organise Black Sea surveys;</p> <p>A Support from all Black Sea countries to establish national information units linked to the Black Sea Information System;</p>
<p>Objective 5: The civil society and in particular national NGOs in all Black Sea countries are at the end of the Project informed and proactively participating in national programmes for nutrient reduction, coastal zone management and protection of coastal and marine ecosystems.</p>	<p>R Insufficient technical competence of NGOs;</p> <p>R Governments reluctance to work with NGOs;</p> <p>R Missing cooperation between NGOs;</p> <p>R “Umbrella” NGOs have not sufficient capacities to mobilize sufficient own financial resources.</p>

2. COUNTRY OWNERSHIP

a) COUNTRY ELIGIBILITY

Eligible under paragraph 9(b) of GEF Instrument.

b) COUNTRY DRIVENNESS

Each of the Black Sea Countries has a legal and institutional framework sufficient to enable its full participation in the project and has expressed its written commitment to make its own infrastructure and resources available for project implementation. As a result of previous interventions by the GEF and its partners within the framework of the BSEP, as well as country-based capacity building programmes, all six countries have received substantial support with equipment and training. The present project therefore focuses on consolidating and integrating these building blocks for the purposes of addressing the specific project objectives.

The level of commitment of the participating countries can be judged by the following criteria:

- All six countries have been consistent in their participation in the BSEP process in general and the UNDP/GEF projects in particular, since its establishment in 1991.
- All six countries have contributed expertise and information in the development of previous interventions, the BS-SAP and the preparation of the present project.
- All six countries are providing in-kind resources for the development of the project (see the Incremental Costs analysis).
- The countries have agreed to support the Secretariat of the Commission for the Bucharest Convention with a total cash contribution estimated at US\$ 800,000 for the 2 –year period (two of the countries, Russia and Georgia, have yet to fulfil their commitment).

Senior government officials are currently discussing a Ministerial meeting to reiterate their commitment to this process.

3. PROGRAM AND POLICY CONFORMITY

a) FIT TO GEF OPERATIONAL PROGRAM AND STRATEGIC PRIORITY

GEF projects aim to reverse the degradation of international waters. Such projects enable countries to recognize and learn more about the water-related challenges they share, find ways to work together, and undertake important domestic changes needed to solve problems. The three categories of water projects are: 1) water bodies; 2) integrated land and water projects; and 3) contaminants.

The BSERP is in line with the overall strategic thrust of GEF-funded international waters activities, which is to meet the agreed incremental costs of: (a) assisting groups of countries to better understand the environmental concerns of their international waters and work collaboratively to address them; (b) building the capacity of existing institutions (or, if appropriate, developing the capacity through new institutional arrangements) to utilize a more comprehensive approach for addressing transboundary water-related environmental concerns; and (c) implementing measures that address the priority transboundary environmental concerns. The goal is to assist countries to utilize the full range of technical, economic, financial, regulatory, and institutional measures needed to operationalise sustainable development strategies for the Black Sea.

The GEF will play a catalytic role in assisting the Black Sea countries by seeking to leverage co-financing in association with national funding, development financing, agency funding, and private sector action for different elements of a comprehensive approach for sustainable managing of international waters. The "precautionary principle," the "polluter pays principle," and policy reforms are included as integral elements of the BSERP and aim to foster incentives to use resource-efficient and clean production methods that will help reduce discharges of toxic substances and sustain global environmental benefits. Both business communities and governments have important roles in developing and implementing pollution prevention programs aimed at reducing or eliminating waste generation. The GEF will assist the Black Sea riparian countries in finding ways to harmonize and overcome technical and financial barriers to waste reduction and build the necessary capacity, including human resources development, to facilitate implementation.

The use of sound science and proven technological innovations described within the Project Document for the BSERP Phase 2 will help riparian countries address the imminent threats to the Black Sea. In particular, simulation models and information technology can provide a basis for improving management decisions on complex environmental problems and often provide an opportunity for involving countries' scientific communities in projects. Stakeholder involvement and participation of different sectors in each recipient country will also constitute important elements of GEF activities concerning the Black Sea. Through such stakeholder involvement, needed changes in sectoral activities can be made to reduce the stress on the Black Sea. In addition, use of computer-based information systems and computer networking among stakeholders and government organizations will foster broad involvement in planning. Implementing of the GEF BSERP will help to improve the quality, public awareness, and scientific basis of international waters projects. Technological innovations will promote transparency among

cooperating countries regarding key information, encourage broader participation by stakeholder groups within country and across countries, and provide a sound basis for evaluation.

b) SUSTAINABILITY (INCLUDING FINANCIAL SUSTAINABILITY)

The Black Sea Ecosystem Recovery Project (Phases I and II) has to be seen as a logical continuation of the GEF assistance to the Black Sea Environmental Program. The BSERP has established the necessary conditions for the BSC and for the Black Sea riparian countries to assure efficient implementation of policies and measures for pollution reduction and resource management. The proposed Phase 2 of the BSERP can build on a very favourable framework for sustainability and participation already reinforced in Phase I, and on the findings and recommendations of:

- The Declaration on the Protection of the Black Sea (Odessa, 1993) that is basic framework of agreement;
- The BS-SAP 1996 as the agreed-upon policy document of the Black Sea environment protection focusing on policies and strategies for pollution control and resource management;
- The Declaration to the Convention on the Protection of the Black Sea Against Pollution (Sofia, 2002);
- The National Strategic Action Plans for rehabilitation and protection of the Black Sea;
- Results of the Danube-Black Sea Task Force (DABLAS) Working Group on Project Prioritization “Prioritization of Municipal Investment Projects in the Danube River Basin”, revising the lists of national projects of the ICPDR Joint Action Programme and selection of municipal priority projects.

Institutional capacities and arrangements: With its entry into force on the beginning of 1994, the Convention on the Protection of the Black Sea Against Pollution became the overall legal instrument for cooperation and water management in the Black Sea Basin. Since 2000 all bodies of the BSC, the Expert Groups and the BSC Permanent Secretariat have been fully operational. The primary objective of the Black Sea Ecosystem Recovery Project is to support the BSC in order to achieve a well-balanced integrated implementation of the BS-SAP. It is assured that there is a full developed and functioning institutional framework for project performance.

Within the Phase I of the BSERP the institutional framework of the BSC and all participating the Black Sea riparian countries have been further reinforced and appropriate arrangements in particular with BSC Expert Groups were developed. As the BSC is permanently sustained via financial contributions of the member states, the GEF intervention would further support and strengthen the BSC and its Expert Groups to improve technical and management capacities for the implementation of nutrient reduction measures identified in the BS-SAP.

The participation of the European Union is assured in the BSERP through the work of the Joint Danube/Black Sea Technical Working Group that has been revitalized during the Phase I of the BSERP.

Government commitment: All the Black Sea riparian countries have actively participated in the frame of the elaboration of the BS-SAP and have provided all necessary information for the preparation of the present Project Brief (PDF-Block B activities) and thus demonstrated their interest in and commitment to pollution control, nutrient reduction and sustainable water management. Further, it should be noticed that two Danube countries (Bulgaria and Romania) and Turkey are actually preparing for accession to the European Union and are therefore committed to applying the European water directives and guidelines for pollution reduction with particular attention to the EU Nitrate Directive, the Urban Waste Water Directive and the implementation of the new EU Water Framework Directive. The EU WFD in the Phase I of the DRP has already provided very good platform for mobilizing all national governments towards participation and coordination of their efforts within ICPDR. The application of elements of WFD will be considered by other three the Black Sea countries (Georgia, Russia and Ukraine) within the Phase II of BSERP.

Legal Frame: The Convention on the Protection of the Black Sea Against Pollution is a legally binding instrument, which provides a solid framework and a legal basis for cooperation, including enforcement. The International Commission for the Protection of the Black Sea (BSC) has been established according to the Convention provision (Art. XVII), and has its seat in Istanbul, Turkey. The BSC and its bodies are responsible for the implementation of the Convention.

c) REPLICABILITY

During the first phase of the project, the web page has been established at an early stage (www.bserp.org) in order to disseminate available documentation related to the project, assure transparency of work, as well as to inform the stakeholders and the public on the context of the project and progress of implementation. This will be expanded in the second phase. In the frame of further strengthening the Black Sea Commission Information System (the Black Sea), the project will support the development of skills of the BSC Permanent Secretariat and Advisory Groups members, and individual experts involved in utilizing the system through organizing user trainings at national and regional level.

Further capacity building activities are planned in the frame of the training component of the BSERP, with main focus on improvement of both institutional capacities (BSC/PS, NGOs etc.) as well as strengthening technical capacities (nutrient reduction, wetland rehabilitation, reduction of toxic substances etc.) to assure an increase of knowledge and capacity to act for water management and pollution control.

The BSERP has put a large emphasis on activities to support public participation and awareness. The BSERP is developing grassroots level (bottoms-up) activities via the Small Grants Programme, as well as is supporting the development of the “umbrella” NGO networks in the Black Sea region, capable of working at all levels, sub-basin, national or local levels through its constituent members.

A number of pilot projects are envisaged within Phase 2 to demonstrate the replicability of the solutions found for the whole of the Black Sea region and other regions (See Annex B).

d) STAKEHOLDER INVOLVEMENT

The development of NGOs and support to “umbrella organisations” for the Black Sea NGOs was an essential contribution of the previous GEF assistance to assure public participation in the planning and plan implementation processes. Small Grants Program successfully conducted within the Phase I of BSERP has facilitated the implementation of community-based projects in the Black Sea riparian countries. It is envisaged within the Phase II of BSERP to continue implementation of GEF Small Grants Programme for NGOs in the Black Sea riparian countries. Since the BSERP is in the 1st phase providing support for strengthening and reinforcement of NGOs capacities, it is assured that the existing structures of local NGOs and NGOs “umbrella organisations” will play an important role in the implementation of the GEF Black Sea Ecosystem Recovery Project and in the development and application of new policies and regulation to improve water quality and to assure rational use of resources.

e) MONITORING AND EVALUATION

The project will be subject to monitoring and evaluation through the following mechanisms:

Steering Committee: A joint review by the representatives of Governments, GEF Implementing Agencies and observers such as, donors, NGOs, and other stakeholders. The Steering Committee will meet regularly twice a year. Ad hoc Meetings can also be organised upon the request of the members of the Committee, the CTA or the IAs provided that budgetary resources are available. Details on the composition and tasks of SC are described in paragraphs 142-144 above.

Tripartite Review: In line with UNDP procedures the project will be subject to Tripartite Review (TPR) once every twelve months. The CTA will prepare a draft Annual Project Report (APR) and formulate recommendations for adjustment of strategies and activities where necessary. The APR shall be prepared at least two months in advance of the TPR to allow review by UNDP and UNDP-GEF prior to the meeting. The TPR will review and adopt the APR as appropriate.

GEF Project Implementation Review: In line with GEF procedures the project will be subject to annual Project Implementation Review (PIR). The CTA will prepare a draft PIR report and formulate recommendations for adjustment of strategies and activities where necessary.

External Evaluation: During the last quarter of its implementation period, an external team of specialists selected by UNDP-GEF will evaluate the Project with a view to assess the processes employed, Outputs produced and their impacts, and lessons learned.

Quarterly Reporting: The PIU will be providing a summary report on progress of the project implementation to the Steering Committee members. The report will also reflect the progress in each of the riparian countries, as provided by the CTLs. Quarterly reports for the last quarters of each year will be included in the Annual Programme Reports.

Timing of the monitoring and evaluation events is presented in the table below.

Activity / Report	Year 1				Year 2				Year 3			
	1	2	3	4	1	2	3	4	1	2	3	4
Inception Report with Project Implementation Plan	√											
Quarterly Progress Reports to SC	√	√	√		√	√	√		√	√	√	
Annual Programme Report				√*				√*				√*
Tripartite Review and Report				√				√				
Project Implementation Review				√*				√*				√
Mid-term Evaluation	√**											
Final Evaluation												√
Terminal Report												√
Audit				√				√				√

* The APR and the PIR have been combined into 1 report.

** The project consists of 2 phases. Therefore the Mid-term review should take place at the beginning of Phase 2.

4. FINANCIAL MODALITY AND COST EFFECTIVENESS

Taking into account the social and economic development which will take place in the last decade in the Black Sea countries and considering the EU approximation process and the need to adapt environmental standards to international and EU directives for three riparian countries (Bulgaria, Romania and Turkey), it is evident that investments in environmental protection and management of resources are necessary to assure a sustainable development in the countries of the Black Sea Basin.

It is to be expected that most the Black Sea riparian countries - mainly those in transition – will in the next five to seven years see their GDP grow at an annual rate of 4-5 %. This economic growth will be the result of economic recovery in transition countries and new investments in industry, agriculture and services. The development and implementation of adequate environmental standards and mechanisms for compliance is, therefore, essential to assure sustainable development in the region.

Non-point sources of pollution in relation to land use and agricultural activities represent about half of all nutrients, in particular nitrogen, discharged into the Black Sea. It is assumed that through the development and implementation of policies, legislation and mechanism for compliance, nutrient emissions from non-point sources (land use and agriculture) can be considerably reduced. In respect of this assumption, the actual estimations for the five-year project (according to the DRP methodology) show that development and implementation of appropriate policies and legislation will lead to a reduction of nitrogen for 10.9% and phosphorus for 8.2 % respectively of total nutrient loads discharged into the Black Sea.

According to the methodology on cost-effectiveness, the project contribution into the limitation of nutrients load could be estimated as 20% of the value for capital investments for nutrient reduction from non-point sources of pollution. Taking into consideration this assumption, the value of capital investments in case of BSERP is equal to 47.8 million USD for the period of 5 years (considering the UNDP-GEF BSERP project costs of 4.0 million USD for the 1st period of 2 years (April 2002 – April 2004) and taking into account additional investments of 5,756,608 USD in the 2nd Phase of the project (July 2004 to June 2007)).

The cost-effectiveness of this Project lies in the opportunity to improve water quality in general and to reduce nutrients load (and other hazardous substances) in particular, thus contributing to the rehabilitation of the Black Sea ecosystems.

Co-financing Sources				
Name of Co-financier (source)	Classification	Type	Amount (US\$)	Status*
The Black Sea Commission			\$1,227,632	Confirmed (Annex E)
Tacis/EuropeAid			Appr. \$4,104,474	The Project is being tendered (Annex F)
Sub-Total Co-financing			\$5,332,106	

* Reflects the status of discussion with co-financiers. If there are any letters with expressions of interest or commitment, please attach them.

5. INSTITUTIONAL COORDINATION AND SUPPORT

a) CORE COMMITMENTS AND LINKAGES

The project is strengthening national and regional institutional structures required for the implementation of the Bucharest Convention. The riparian countries are committed to the activities of the project and support the project initiatives. The GEF intervention is becoming an integral part of the implementation of the protective measures for the marine ecosystems. In the same time, a number of activities of the projects will facilitate a dialog between the Black Sea countries the potential donors and IFIs. For instance, the Europe accession process (Bulgaria and Romania) has already undertaken a considerable increase of investment in the environmental, coastal protection, and waste water treatment infrastructure.

b) PROJECT IMPLEMENTATION ARRANGEMENT

In close collaboration with the BSC, the project implementation will be coordinated through the PIU with UNOPS as the Executing Agency on behalf of the recipient countries and the UNDP. The Project Co-ordinator and his team under the guidance of BSC, and through support to the Permanent Secretariat, will have the mandate to organise and coordinate the planning process and implementation activities in line with the project document, and to ensure under the UNOPS, proper management of GEF project funds.

The GEF Black Sea/Danube Basin Strategic Partnership shall provide assistance to the BSC and ICPDR to reinforce their activities in terms of policy/legislative reforms and enforcement of environmental regulations (with particular attention to the reduction of nutrients and toxic substances). The regional projects, individually and jointly, will facilitate a coherent approach for policy and legislative measures to be introduced by the participating countries at the national, regional and wider basin levels. The BSERP and Danube Regional Project regional projects and the World Bank Nutrient Investment Facility shall cross-fertilise each other through inter alia, demonstrating the efficiency and environmental effectiveness of laws and policies to be introduced by the regional projects in investment projects implemented under the Nutrient Investment Facility. This will enhance their replicability; elaborating and implementing the most suitable and feasible mix of management instruments, including the economic instruments; highlighting the significance of certain interventions -investments- in terms of environmental-economic costs and benefits etc.

ANNEX A: INCREMENTAL COST ANALYSIS

The description and calculation of baseline and incremental costs can adequately be done for technical investment projects designed for the protection and management of international waters, respectively the conservation of biodiversity. In these cases it is possible to determine for each expected Output and for each activity the respective baseline and incremental costs and analyse the resulting domestic and global benefits.

In the case of the BSERP costs are considered to be the GEF project cost of \$6,000,000. The special contributions of the BSC, participating countries and institutions for implementing the BSSAP, which amount to 1,227,632 USD (**Error! Reference source not found.**), as well as a Tacis Project, which amounts to \$4,104,474 are considered as “incremental” co-financing costs. The total amount of the incremental co-financing costs is \$5,332,106. The BSERP Project, with a total financial support of \$6,000,000 (Tranche 2) will reinforce - in addition to the investments described under “baseline” cost - the capacities of the BSC and the participating countries to address adequately the problem of nutrient reduction. “Incremental” costs are specially defined to strengthen transboundary cooperation under the Black Sea Strategic Action Plan for the development of national policies and legislation and the identification of jointly implemented priority actions for nutrient reduction leading to the restoration of the Black Sea ecosystems.

In relation to a definition of “baseline” costs, with a total of 828.37 million USD, only indirectly related with project activities, can be identified in relation to non-structural projects for the development of policies, legislation, institutional mechanisms and enforcement systems, which are financed in the frame of technical assistance projects from bilateral and international sources, notably: Bilateral Assistance and EU programme for CIS countries – GEF, WB, Tacis/EuropeAid, Dutch Government, etc 17,716,802 USD.

INCREMENTAL COSTS ANALYSIS AND MATRIX – COSTS

Outputs	Baseline Costs (USD)					Alternative Costs (USD)	Incremental Costs (USD)			
	Governments	UNDP	Bilat. Donors	EU	Total Baseline		EuropeAid	BSC	GEF	Total Incremental
1.1 Operational structures and management tools of the Black Sea Commission further developed and functioning.	109,601,559	2,267,805	743,633	2,461,149	115,074,146	116,477,381	570,178	170,538	662,519	1,403,234
1.2 Black Sea Project Implementation Unit of the BSERP is fully operational for implementing Phase II of the project.	0	0	0	0	0	1,230,800	0	0	1,230,800	1,230,800
Subtotal	109,601,559	2,267,805	743,633	2,461,149	115,074,146	117,708,181	570,178	170,538	1,893,319	2,634,034
2.1 Protocol for Land-based Activities (LBA) revised and submitted for national negotiation.	6,439,575	133,244	43,692	144,603	6,761,113	6,843,559	33,500	10,020	38,926	82,446
2.2 Strengthen Integrated Coastal Zone Management in line with EU Directives and in testing concept for Best Practices for ICZM as developed by BSC/TACIS. to assure reduction of nutrients and hazardous substances from coastal areas into the Black Sea.	55,809,646	1,154,777	378,662	1,253,229	58,596,314	59,310,848	290,337	86,839	337,358	714,534
2.3 Agricultural sector policy reviewed and concepts of BAP proposed for application at national level to assure reduction of nutrients and other hazardous substances from agricultural point and non point sources or pollution in coastal areas of the Black Sea.	34,344,398	710,632	233,023	771,218	36,059,270	36,498,983	178,669	53,439	207,605	439,713
2.4 Policies and legislation for application of BAT in the industrial and transport sectors reviewed and proposed for national adoption to assure reduction of nutrients (N and P) and dangerous substances	35,417,660	732,840	240,304	795,318	37,186,123	37,639,577	184,252	55,109	214,092	453,454

Outputs	Baseline Costs (USD)					Alternative Costs (USD)	Incremental Costs (USD)			
	Governments	UNDP	Bilat. Donors	EU	Total Baseline		EuropeAid	BSC	GEF	Total Incremental
2.5 Policies and legal instruments for pollution reduction for the municipal sector reviewed and affordable (cost recovery) technical solutions for municipal wastewater treatment proposed.	26,831,561	555,181	182,049	602,514	28,171,305	28,514,831	139,585	41,749	162,191	343,526
2.6 A legally binding document on fisheries and proposals for fisheries-free zones developed. as well as preparatory activities on transboundary fish stock assessment completed.	19,318,724	399,731	131,075	433,810	20,283,340	20,530,678	100,501	30,060	116,778	247,339
Subtotal	178,161,563	3,686,405	1,208,804	4,000,693	187,057,465	189,338,476	926,846	277,216	1,076,950	2,281,011
3.1 Overall economic analysis for the Black Sea countries carried out in applying EU guidelines for economic analysis (WFD) and other relevant international concepts.	36,490,923	755,047	247,586	819,419	38,312,975	38,780,170	189,836	56,779	220,580	467,195
3.2 Investment programme for industrial and municipal wastewater treatment and other infrastructural measures in Black Sea coastal zones prepared for submission to international funding agencies.	27,904,823	577,389	189,331	626,615	29,298,157	29,655,424	145,169	43,419	168,679	357,267
Subtotal	64,395,746	1,332,436	436,917	1,446,033	67,611,132	68,435,594	335,004	100,198	389,259	824,462
4.1 Black Sea Integrated Monitoring and Assessment Programme (BSIMAP) developed for coastal zones and marine ecosystems in creating and introducing operational tools and indicators to evaluate changes over time in the coastal and marine environment.	106,252,980	2,198,519	720,913	2,385,955	111,558,368	112,918,730	552,757	165,328	642,277	1,360,362
4.2 Black Sea Information System including tools for GIS. mapping and remote sensing developed	41,857,235	866,083	283,996	939,922	43,947,236	44,483,136	217,753	65,129	253,018	535,900

Outputs	Baseline Costs (USD)					Alternative Costs (USD)	Incremental Costs (USD)			
	Governments	UNDP	Bilat. Donors	EU	Total Baseline		EuropeAid	BSC	GEF	Total Incremental
4.3 Research Programme designed and implemented to assess input of nutrients and hazardous substance in the Black Sea	145,963,690	3,020,187	990,346	3,277,676	153,251,899	155,120,679	759,343	227,117	882,320	1,868,780
Subtotal	294,073,905	6,084,789	1,995,255	6,603,553	308,757,502	312,522,545	1,529,853	457,573	1,777,616	3,765,042
5.1 NGOs structures and activities reinforced though support for institutional development and community actions in awareness raising. training and education	34,344,398	710,632	233,023	771,218	36,059,270	36,498,983	178,669	53,439	207,605	439,713
5.2 Community actions for awareness raising and environmental protection implemented with funding from GEF “Small Grants Programme”	78,348,157	1,621,130	531,583	1,759,341	82,260,210	83,263,306	407,589	121,908	473,598	1,003,095
5.3 Public information and awareness for environmental issues reinforced through special publications and cooperation with mass media to disseminate information on nutrient reduction and sustainable coastal zone management and protection of marine ecosystems.	30,051,348	621,803	203,895	674,816	31,551,862	31,936,610	156,335	46,759	181,654	384,749
Subtotal	142,743,903	2,953,565	968,500	3,205,374	149,871,342	151,698,899	742,593	222,107	862,857	1,827,557
TOTAL	788,976,676	16,325,000	5,353,110	17,716,802	828,371,588	839,703,694	4,104,474	1,227,632	6,000,000	11,332,106

ANNEX B: PROJECT LOGICAL FRAMEWORK

Objectives/Purpose	Objectively Verifiable Indicators	Sources of Verification	Assumptions (A) and Risks (R)
<p>1. Long-term development Objective: The long-term development objective of the proposed Black Sea Recovery Project is to contribute to sustainable human development in the Black Sea area through reinforcing the cooperation and the capacities of the Black Sea countries to take effective measures in reducing nutrients 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>Overall Project Objective: All Black Sea countries have taken concrete measures (including investment activities) in the eutrophication causing sectors to reduce load of nutrients and hazardous substances on the Black Sea ecosystem and major findings and recommendations of the project have been incorporated in national policies, strategies and, where possible, in national legislation.</p>	<ul style="list-style-type: none"> • Annual and 5-year State of the Environment Reports of the BSC as from 2004 onwards; • Reports of Danube - Black Sea Joint Technical Working Group, available in 2004 and subsequent years. 	<p>R Low priority for environmental issues;</p> <p>R Unfavourable conditions in countries with transitional economies;</p> <p>R Political instability in the region;</p>
<p>2. Overall Objective: The overall objective of the Black Sea Recovery Project is to support participating countries in the development of national policies and legislation and the definition of priority actions to avoid that discharge of nitrogen and phosphorus to the Black Sea exceed those levels as observed in 1997. This will require countries to adopt strategies and measures that permit economic development whilst ensuring the rehabilitation of coastal and marine ecosystems through pollution control and reduction of nutrients and hazardous substances.</p>	<p>Objective 1: At the end of the Project Phase II, the institutional mechanism of the Black Sea Commission are reinforced and fully operational ensuring cooperation between all Black Sea countries to efficiently implement joint policies and actions and operate common management and control mechanisms;</p>	<ul style="list-style-type: none"> • Annual report of the BSC Secretariat; • Organisational and operational chart of the BSC • Progress reports from Activity Centres and Advisory Groups. 	<p>A All Contracting Parties provide financial contributions in time and support national and regional bodies cooperating under the BSC;</p>

Objectives/Purpose	Objectively Verifiable Indicators	Sources of Verification	Assumptions (A) and Risks (R)
<p>Specific Objective of Phase II: To reinforce regional cooperation under the Black Sea Convention, to set up institutional and legal instruments and to define priority actions at regional and national levels to assure sustainable coastal zone management, the protection of coastal and marine ecosystems and habitats in order to secure sustainable use of coastal and marine resources. To do this, the project has to build up on the results of Phase I.</p> <p>3. Purpose of the Project: To support and reinforce the structures and the activities of the Black Sea Commission as well as to reinforce at the national level the development of legal and institutional instruments and investment programmes for pollution control, rehabilitation and sustainable management of coastal and marine ecosystems in providing a framework for coordination, dissemination and replication of successful measures for coastal zone management, protection of habitats and marine ecosystems and sustainable exploitation of resources.</p>	<p>Objective 2: Policies and legal and institutional instruments in all Black Sea countries are revised and reinforced to assure sustainable coastal zone and marine resource management while reducing nutrients and hazardous substances through the application and translation into concrete actions of revised policies and legislation in the agricultural, industrial, transport and municipal sectors.</p> <p>Objective 3: Economic analysis in taking into account the principles of EU WFD guidelines is carried out in all Black Sea countries and most cost-effective measures for pollution control and water use are identified and control systems (incl. pollution charges, fines and incentives) are developed and accepted at the national level in the Black Sea countries.</p>	<ul style="list-style-type: none"> ▪ Revised Protocol for Land-based Activities adopted by BSC; ▪ Revised national policies and measures for compliance in the agricultural, industrial, transport and municipal sectors and introduction of BAP and BAT for reduction of nutrients and hazardous substances; ▪ Progress reports on implementation of Pilot Projects for ICZM; ▪ Revised Fisheries Protocol adopted by BSC and ratified by 2006; ▪ Resolution from BSC adopting the document on fisheries-free zones and marine protected areas as Annex to the Protocols of the Bucharest Convention; <ul style="list-style-type: none"> ▪ Summary report on socio-economic analysis in all Black Sea countries including evaluation of cost recovery mechanisms for water services; ▪ Effective system for socially acceptable pollution charges, fines and incentives proposed for all Black sea countries; ▪ DABLAS PPC donor conference organised and financial support for 1/3 of prioritised investment projects for municipal, industrial and transport sector obtained. 	<ul style="list-style-type: none"> A LBA Protocol recognised as a useful political tool; A Sufficient national support for implementation of pilot projects for ICZM provided; A Political commitment existing and financial means sufficient to revise and apply legislation; R Missing control and competition between fishermen leading to violation of fishing regulations and of fisheries-free zones. <ul style="list-style-type: none"> A Reports from DRP for BG, RO and UA available in time; A Cooperation from national level and provision of data and information assured; A Commitment of IFIs incl. GEF-WB and bilateral donors to support the implementations of investment projects with grants and soft loans.

Objectives/Purpose	Objectively Verifiable Indicators	Sources of Verification	Assumptions (A) and Risks (R)
	<p>Objective 4: Institutional and organisational mechanisms for transboundary cooperation in water quality monitoring and information management including GIS are established and fully operational at the regional and national level by 2006 to assess water quality and nutrient reduction to the Black Sea; at the same time, results from scientific research on nutrient reduction and eutrophication are available to enhance reporting on the status of the Black Sea.</p>	<ul style="list-style-type: none"> ▪ Periodical reports on Black Sea status based on data and information provided by Black Sea Monitoring Programme available to the public; ▪ Results of Black Sea surveys and other scientific research projects taken into account to specify indicators for the Black Sea Monitoring Programme; ▪ Web site of Black Sea Information System including GIS and data bank user friendly designed (2005) and fully used by all Black Sea countries; 	<p>A Timely supply of reliable data from all national monitoring stations;</p> <p>A Support provided and Permissions granted by the countries in time to organise Black Sea surveys;</p> <p>A Support from all Black Sea countries to establish national information units linked to the Black Sea Information System;</p>
	<p>Objective 5: The civil society and in particular national NGOs in all Black Sea countries are at the end of the Project informed and proactively participating in national programmes for nutrient reduction, coastal zone management and protection of coastal and marine ecosystems.</p>	<ul style="list-style-type: none"> ▪ NGOs are trained and are participating as from 2005 onwards in pilot projects for coastal zone management; ▪ Environmental education is introduced as part of school programmes; ▪ The GEF Small Grants Programme is fully implemented in 2007 with at least 70% of all projects with sustainable results; ▪ Waste/litter disposal on beaches and shores is reduced through environmental awareness campaigns. 	<p>R Insufficient technical competence of NGOs;</p> <p>R Governments reluctance to work with NGOs;</p> <p>R Missing cooperation between NGOs;</p> <p>R “Umbrella” NGOs have not sufficient capacities to mobilize sufficient own financial resources.</p>

OBJECTIVE 1: Supporting the consolidation and operation of institutional mechanism for cooperation under the Black Sea Convention			
Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
<p>Output 1.1: Operational structures and management tools of the Black Sea Commission further developed and functioning.</p>	<ol style="list-style-type: none"> 1. BS Project Steering Committee continues its operation and meets on a regular basis to follow-up and evaluate BSERP performance; 2. National Coordinating Mechanisms reinforced or set by 2005 in all BS countries; 3. Advisory Groups operational through logistic support from BSERP (continuous); 4. Work programme of D-BS JTWG fully implemented in 2006 through joint support from BSERP and DRP; 5. Contacts established with all BS river basin commissions. 	<ul style="list-style-type: none"> ▪ Progress reports of the Steering Committee; ▪ Final evaluation report on establishment of inter-ministerial coordinating mechanisms in all Black Sea countries; ▪ Project expenditures; ▪ Annual Progress reports of the D-BS JTWG presented to both Commissions; ▪ Modalities of cooperation developed with the GEF/UNDP Dnipro Regional Project. ▪ 	<p>R Insufficient budgetary means of the BSC Secretariat through delayed or omitted payment of contributions and insufficient support from Contracting Parties to the work of national and regional bodies of the BSC;</p> <p>R Governments may rely on informal or not specialized coordinating mechanisms;</p> <p>R Insufficient support from national level to the work of the D-BS JTWG.</p>
<p>Activities:</p> <ol style="list-style-type: none"> 1.1.1 Continue supporting the BS Project Steering Committee to assure regional cooperation and efficient implementation of project activities, 1.1.2 Assist the Black Sea countries to establish or strengthen national coordinating mechanisms to assure nutrient reduction and sustainable management of coastal and marine ecosystems (for Bulgaria, Romania and Ukraine – cooperation with the GEF Danube Regional Project). 1.1.3 Provide logistic support to the Black Sea Commission, its Permanent Secretariat and the Advisory Groups (co-ordinated by Regional Activity Centres) to facilitate implementation of the Black Sea Strategic Action Plan (BSSAP) and the project activities, 1.1.4 Support the work of the Danube – Black Sea Joint Working Group, to assure efficient implementation of the MoU and of the related Joint Work Program (Black Sea indicators to demonstrate changes over time in Black Sea ecosystems), 1.1.5 Support the cooperation with other river basin commissions in the Black Sea Basin (e.g. GEF/UNDP Dnipro Regional Project). 			
<p>Outcomes:</p> <ol style="list-style-type: none"> 1. BSERP activities are closely linked to the real needs of the riparian countries in the implementation of the Bucharest Convention through timely interventions of the Project Steering Committee established in Phase 1 2. Nutrient reduction strategies and sustainable management of the marine ecosystems in the counties are strengthened by effective national coordination (inter-ministerial) mechanisms. Inter-Ministerial Coordinating Mechanisms are functioning in at least 2 Black Sea in order to develop, implement and follow up national policies, legislation and projects for nutrient reduction and pollution control. 			

Continued...

OBJECTIVE 1: Supporting the consolidation and operation of institutional mechanism for cooperation under the Black Sea Convention			
Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
Output 1.1: <u>Operational structures</u> and management tools of the Black Sea Commission further developed and functioning.			
Outcomes: 1. Ability of 6 riparian countries to jointly manage the resources of the Black Sea through measures to protect the marine ecosystem led by the BSC and coordinated by the Permanent Secretariat. 2. Joint policy-making framework established and functioning in the Black Sea region (including the Danube River Basin) for reduction of discharges of nutrients and hazardous substances into the Black Sea. The understanding of the impacts from the Danube and the Dnipro to the Black Sea ecosystem is improved, and potential risks associated with nutrients and hazardous substances is considerably reduced by 2010.			

OBJECTIVE 1: Supporting the consolidation and operation of institutional mechanism for cooperation under the Black Sea Convention			
Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
<p>Output 1.2: Black Sea <u>Project Implementation Unit</u> of the BSERP (BSERP-PIU) fully operational for implementing Phase II of the Project.</p>	<ol style="list-style-type: none"> 1. Legal and institutional instruments in all BS countries improved to reach EU or international standards and monitoring and coordinating mechanisms of BSC fully operational by end 2006; 2. Project Support Structures established in the countries and operational starting mid-2004. 3. Activities between BSERP and DRP fully coordinated and jointly implemented where appropriate (continuous); 4. Information exchange with other BS environmental projects and Agencies established and implementation of activities coordinated (continuous); 5. Specific indicators (e.g. process indicators) to demonstrate efficient implementation of project activities applied in GEF project evaluation as from mid 2005 onwards; 	<ul style="list-style-type: none"> ▪ Progress reports of the BSERP Steering Group; ▪ Progress reports in line with reporting requirements of the BSERP; ▪ Periodic activity reports from Project Support Structures; ▪ Agreements with DRP on joint project implementation and respective progress reports; ▪ GEF Project evaluation report using specific indicators developed; 	<p>R Insufficient support from Governments for project implementation due to political or financial constraints and insufficient human capacities;</p> <p>R Inadequate adaptation of project objectives and activities to national conditions;</p> <p>R Inadequate performance of sub-contractors and/or international consultants;</p> <p>R Inadequate professional performance of national consultants proposed by Government and/or no access to information;</p> <p>A Countries provide premises and logistical support to the Project Support Structure.</p>
<p>Activities:</p> <ol style="list-style-type: none"> 1.2.1 Assure efficient implementation of the UNDP-GEF Black Sea Recovery Project (BSERP) with the aim to reinforce and support the activities of the Black Sea Commission, 1.2.2 Further establish and operate the Project Support Structure at national level to facilitate cooperation between the BSREP and the National Commissioners, to provide support to the work of international consultants, to supervise activities of national consultants and to facilitate gathering of information at the national level, 1.2.3 Reinforce cooperation with the DRP and the UNDP/GEF Dnepr Project to efficiently coordinate project activities to avoid duplication of interventions and assure effective use of funds, 1.2.4 Reinforce cooperation with other projects of technical assistance operating in the Black Sea region to assure coordination and complementary of measures (e.g. W.B. Partnership Programme, EU EuropeAid projects, etc.), 1.2.5 Development of indicators for project evaluation with particular attention to process indicators for GEF project evaluation. 			
<p>Outcomes: The project is implemented according to the programme reaching at least 80% of envisaged tangible results. BSC/PS is efficiently supported through a continuous assistance from the PIU in order to implement the BSC's approved workplan and budget for 2004 (and further).</p>			

OBJECTIVE 2: Development of Policy Guidelines, Legal and Institutional Instruments for Pollution Reduction from LBA, and Protection of Ecosystems of the Black Sea and its Coastal Zones			
Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
<p>Output 2.1: <u>Protocol for Land-based Activities</u> (LBA) revised and submitted for national negotiation.</p>	<p>Revised Protocol on LBA adopted by BSC and submitted for national negotiation by the end 2004.</p>	<ul style="list-style-type: none"> ▪ Resolution of the BSC Meeting on approval of LBA Protocol; ▪ Report from Contracting Parties on results of national negotiation. 	<p>A Cooperation of all Contracting assured for approval in BSC and in following national negotiation (taking into account that accession countries adopt national legislation in line with EU requirements).</p>
<p><u>Activities:</u></p> <p>2.1.1 Finalise the revision of the LBA Protocol (follow-up activity from Phase I) and submit to the BSC for approval, 2.1.2 Facilitating the process for national negotiation.</p>			
<p><u>Outcomes:</u> Revised Protocol becomes a legally binding management document by 2005 used in the activities of the BSC and riparian countries in-line with the EU requirements.</p>			

OBJECTIVE 2: Development of Policy Guidelines, Legal and Institutional Instruments for Pollution Reduction from LBA, and Protection of Ecosystems of the Black Sea and its Coastal Zones			
Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
<p>Output 2.2: Strengthen <u>Integrated Coastal Zone Management</u> in line with EU Directives and in testing concept for Best Practices for ICZM as developed by BSC/TACIS, to assure reduction of nutrients and hazardous substances from coastal areas into the Black Sea.</p>	<ol style="list-style-type: none"> 1. Concepts and guidelines for coastal zone management reviewed by the end 2004 and concepts for national strategies developed; 2. Outline and work program for Pilot Project for testing of ICZM concept developed by end-2004 and project successfully implemented by end-2006; final evaluation report available by March 2007; 3. Preparation of a pilot project for marine protected area is Finalised by Dec 2004 and implementation successfully started demonstrating new concepts for the marine protection; 4. Preparation of a pilot project for restoration and management of wetlands is Finalised by Dec 2004 and implementation successfully started demonstrating new concepts for wetland management; 5. ICZM National Focal Points are strengthened and supported throughout the Phase II in all Black Sea countries. 	<ul style="list-style-type: none"> ▪ Reviewed concept paper and guidelines for coastal zone management; ▪ Project outline and work program for ICZM Pilot Project; ▪ Progress reports on implementation of ICZM Pilot Project; ▪ Project outline and progress reports on restoration and management of wetlands; ▪ Progress reports on implementation of Marine Ecosystems Protection Project; ▪ Reports of the Advisory Group on ICZM to the Black Sea Commission. 	<p>A All Black Sea countries will cooperate in adopting and introducing concept of ICZM;</p> <p>R Insufficient support from Government and local administration for implementation of Pilot Projects on ICZM, wetlands restoration and protection of marine ecosystems;</p> <p>R Insufficient interest and support from private stakeholders and NGOs to cooperate in the implementation of Pilot Projects;</p> <p>R Insufficient engagement (financial and human capacity constraints) from national and local Government to support activities of ICZM Centres.</p>
<p>Activities:</p> <p>2.2.1 Assist in finalizing concept and guidelines for coastal zone management (developed by TACIS Project) and in developing national strategies for ICZM, taking into account principal objectives of the EU WFD and other existing and emerging EU Directives for management of marine ecosystems;</p> <p>2.2.2 Develop pilot project for testing concept and guidelines for ICZM as developed by BSC/TACIS,</p> <p>2.2.3 Conceptualise, design and assist in implementing pilot project for restoration and management of wetlands and transitional waters with the aim to enhance nutrient absorption capacities (in association with the WB project² in Bulgaria);</p> <p>2.2.4 Conceptualise, design and assist in implementing pilot project for marine protected areas (e.g. Vama -Veche, in Bulgarian-Romanian trans-boundary zone);</p> <p>2.2.5 Strengthening of the ICZM National Focal Points of the BSC to implement recommendations and guidelines prepared by pilot projects for coastal zone management and for rehabilitation of coastal wetlands and transitional waters and support efficient management of relevant information and indicator based data on coastal and marine ecosystems in all Black Sea countries.</p>			

² The World Bank financed project on the wetlands is coordinated by the Ministry of Environment and Water in Bulgaria.

Continued..

OBJECTIVE 2: Development of Policy Guidelines, Legal and Institutional Instruments for Pollution Reduction from LBA, and Protection of Ecosystems of the Black Sea and its Coastal Zones			
Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
<p><u>Output 2.2:</u> Strengthen <u>Integrated Coastal Zone Management</u> in line with EU Directives and in testing concept for Best Practices for ICZM as developed by BSC/TACIS, to assure reduction of nutrients and hazardous substances from coastal areas into the Black Sea.</p>			
<p><u>Outcomes:</u> The concepts and guidelines for ICZM are incorporated in the national strategies by 2006 in 3 of the riparian countries. A Pilot Project Is Developed For Testing Concept And Guidelines For ICZM As Developed By BSC/TACIS by mid-2005 and implemented within the life-time of the project. The capacity of the BSC to coordinate the ICZM planning process is strengthened through tools and mechanisms developed. National FPs are trained to provide relevant information and indicator-based data on the coastal and marine ecosystems in all Black Sea counties, which will contribute to the effective production of a regular reporting on the state of the environment.</p>			

OBJECTIVE 2: Development of Policy Guidelines, Legal and Institutional Instruments for Pollution Reduction from LBA, and Protection of Ecosystems of the Black Sea and its Coastal Zones			
Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
<p>Output 2.3: <u>Agricultural sector policy reviewed and concepts of BAP</u> proposed for application at national level to assure reduction of nutrients and other hazardous substances from agricultural point and non point sources or pollution in coastal areas of the Black Sea.</p>	<ol style="list-style-type: none"> 1. Emission Inventory for BS coastal countries prepared for BG and RO by end 2004 (in cooperation with the DRP), for UA, RU, GE and TR by mid 2005; 2. Report on agricultural policy review and programs for BAP for RU, GE and TR available by end 2005 based on common methodology developed by DRP; 3. Inventory on important agrochemicals for RU, GE and TR available by end 2005, based on common methodology developed by DRP; 4. Concepts for introduction of BAP for RU, GE and TR available by end 2005 based on common methodology developed by DRP; adoption in national policy and practical application at least in coastal zones expected by end 2006; 5. Concepts for nutrient reduction and application of BAP known and accepted by Government and stakeholders (farmers associations, NGOs) in the countries through information and training workshops in 2005. 	<ul style="list-style-type: none"> ▪ Emission Inventory for agricultural point and non point sources of pollution; ▪ Report on agricultural policy review; ▪ Inventory on important agrochemicals; ▪ Evaluation report on adoption and application of BAT by the Governmental agencies and farmers at national level in 6 Black Sea countries. 	<p>A Cooperation of Governments in providing necessary information and data assured;</p> <p>A Cooperation with the DRP assured for activities in BG, RO and UA, extension of activities in RU, GE, and TR;</p> <p>A Preparedness of Government and local administration to revise agricultural policies and to introduce BAP through national extension services (limited financial means and human capacities);</p> <p>R Taking into account special know-how, financial and marketing considerations farmers might not adopt BAP without subsidies.</p>
<p>Activities:</p> <p>2.3.1 Establish Coastal Zone Agricultural Emission Inventory (CAEI) on agricultural point and non point sources of pollution, taking into account emissions of nutrients and hazardous substances in the coastal zones of the Black Sea;</p> <p>2.3.2 Review relevant agricultural policies, legal instruments and their actual state of enforcement, and identify existing programs for promotion of Best Agricultural Practices (BAP) in Black Sea countries;</p> <p>2.3.3 Undertake an inventory on important agrochemicals in terms of national production, import and their use (mode of application, misuse, environmental impact) and potential for reduction;</p> <p>2.3.4 Prepare or, where existing, further develop mechanisms for introduction of Best Agricultural Practices in all Black sea countries, taking into account country specific institutional, administrative and economic issues (e.g. incentives);</p> <p>2.3.5 Organise workshops with participants from relevant ministries, agricultural associations, financing institutions and international agencies (EC, UNDP, WB, bilateral donors, etc) on modalities for introduction of Best Agricultural Practices in Black Sea countries with particular attention to agriculture in coastal zones (Cooperation with GEF DRP in organising workshops in Bulgaria, Romania and Ukraine).</p>			

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OBJECTIVE 2: Development of Policy Guidelines, Legal and Institutional Instruments for Pollution Reduction from LBA, and Protection of Ecosystems of the Black Sea and its Coastal Zones			
Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
<u>Output 2.3:</u> <u>Agricultural sector policy reviewed and concepts of BAP</u> proposed for application at national level to assure reduction of nutrients and other hazardous substances from agricultural point and non point sources or pollution in coastal areas of the Black Sea.			
<u>Outcomes:</u> 1. The integration of water quality objectives related to agriculture nutrient pollution into agriculture policies increased in 6 Black Sea countries. 2. New agricultural policies for controlling non-point sources of pollution from agriculture accepted by policy makers based on broadly disseminated nation-specific BAP concepts. 3. BAP accepted by farmers in the field in the Black Sea riparian countries. 4. 50 farmers in the Black Sea coastal region aware of and applying best agricultural practices.			

OBJECTIVE 2: Development of Policy Guidelines, Legal and Institutional Instruments for Pollution Reduction from LBA, and Protection of Ecosystems of the Black Sea and its Coastal Zones			
Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
<p>Output 2.4: <u>Policies and legislation for application of BAT in the industrial and transport sectors</u> reviewed and proposed for national adoption to assure reduction of nutrients (N and P) and dangerous substances</p>	<ol style="list-style-type: none"> 1. Industrial Emission Inventory prepared for coastal zone of all BS countries by the end 2004; 2. Industrial and transport emission related “hot spots” for all BS countries in coastal zone identified and impact evaluated by mid 2005; 3. Analytical report on industrial production involving N and P and hazardous substances in coastal areas of the BS finalised by end 2005; 4. Analytical report on policies and legal and institutional instruments to control industrial pollution with focus on dangerous substances for RU, GE and TR available by end 2005 (BG, RO, and UA under DRP); 5. Concepts for introduction of BAT for industrial and transport sector for RU, GE and TR available by mid 2005; 6. Adoption of BAT in national policy and practical application at least in coastal zones expected by end 2006; 7. Concepts for reduction of nutrients and dangerous substances and for application of BAT are known and accepted by Government officials and stakeholders (industrial and transport firms, NGOs) in RU, GE and TR through information and training workshops organised in 2005. 	<ul style="list-style-type: none"> ▪ Report on emission inventory and hot spot analysis; ▪ Study on industrial sources and uses of N and P; ▪ Report on industrial policies and regulations for emissions and storage of waste; ▪ Concept paper for policy change and introduction of BAT; ▪ Evaluation report on introduction of BAT in the industrial sector in Black Sea countries; ▪ Workshop(s) documents. ▪ ▪ 	<p>A Cooperation of Governments and industrial private sector in providing necessary information and data;</p> <p>A Preparedness of Government and local administration to revise industrial emission standards and to introduce BAT through national advisory services for cleaner industrial technologies (limited financial means and human capacities);</p> <p>A Cooperation is established with the GEF DRP for Bulgaria, Romania and Ukraine; BSERP other BS countries.</p> <p>A Preparedness of public and private industrial sector to adopt BAT (technological know-how and financial considerations);</p>
<p>Activities :</p> <p>2.4.1 Establish Coastal Zone Industrial Emission Inventory (CIEI) on industrial and transport (e.g. harbours) activities, taking into account emissions of nutrients and toxic substances in the coastal zones of the Black Sea;</p> <p>2.4.2 Develop criteria and revise industrial and transport related “hot spots” having a significant impact on coastal waters (recreation resorts, fish spawning areas, etc.); define Significant Impact Areas (SIA) of pollution from industrial and transport activities (analyze cause-effect relationship);</p> <p>2.4.3 Review policies and relevant existing legislation for industrial pollution control and identify enforcement mechanisms at national level;</p> <p>2.4.4 Develop appropriate mechanisms for step-by-step introduction of BAT, taking into account regulatory and legal issues, awareness raising, fines, economic incentives, etc.;</p> <p>2.4.5 Develop concept for networking amongst technical and economic experts and decision makers to exchange information and to promote innovative and environment friendly technologies for reduction of nutrients and hazardous substances (see also Output 4.2);</p> <p>2.4.6 Organise workshops with participants from relevant ministries, industrial and transport managers, banking institutions, to discuss modalities for introducing BAT, and for obtaining financial support for innovative technologies.</p>			

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OBJECTIVE 2: Development of Policy Guidelines, Legal and Institutional Instruments for Pollution Reduction from LBA, and Protection of Ecosystems of the Black Sea and its Coastal Zones			
Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
Output 2.4: <u>Policies and legislation for application of BAT in the industrial and transport sectors</u> reviewed and proposed for national adoption to assure reduction of nutrients (N and P) and dangerous substances			
Outcomes: 1. The integration of water quality objectives related to industrial pollution into industrial policy and regulatory framework according to EU Directive on Integrated Pollution and Prevention Control enhanced in 6 Black Sea countries. 2. Priorities for pollution reduction revised, based on improved methodology for emissions inventories (reflecting the EU directives requirements on reporting) and on better understanding of cause and effect relationships.			

OBJECTIVE 2: Development of Policy Guidelines, Legal and Institutional Instruments for Pollution Reduction from LBA, and Protection of Ecosystems of the Black Sea and its Coastal Zones

Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
<p>Output 2.5: Policies and legal instruments for pollution reduction for the municipal sector reviewed and affordable (cost recovery) technical solutions for municipal wastewater treatment proposed.</p>	<ol style="list-style-type: none"> 1. Municipal Emission Inventory prepared for coastal zone of all BS countries by end 2004; 2. Municipal “hot spots” in coastal zone for all BS countries reviewed and impact evaluated by mid 2005; 3. Analytical report on existing legal and institutional instruments to control pollution from urban sources for RU, GE and TR available by end 2005 (based on methodology as applied in Danube countries) and concepts for harmonisation of national laws with EU requirements developed; 4. Mechanisms for compliance with legislation developed and concepts for economic and technical solutions developed for RU, GE and TR by mid 2006 and proposed to Governments for application; 5. Concepts for revision of legislation and practical solutions for municipal wastewater treatment are known and accepted by Government officials and stakeholders (municipalities, waterworks, NGOs) in RU, GE and TR through information and training in workshops organised in 2005. 	<ul style="list-style-type: none"> ▪ Report on emission inventory and hot spot analysis; ▪ Report on existing legal and institutional instruments for pollution control from urban sources and proposed harmonization with EU legislation; ▪ Concept paper for introduction of economic and technical solution for compliance with legal requirements in urban wastewater management; ▪ Evaluation report on introduction of regulations and appropriate technologies for urban wastewater treatment in Black Sea countries. 	<p>A Governments, local administration and municipalities cooperate in providing necessary information and data;</p> <p>A ICPDR and EMIS EG provide assistance to develop methodology as applied in Danube countries - Bulgaria, Romania and Ukraine.</p> <p>R Limited financial resources and insufficient technological know how will not allow municipalities to introduce appropriate technologies for urban wastewater collection and treatment.</p>
<p>Activities:</p> <p>2.5.1 Establish basin-wide Coastal Zone Municipal Emission Inventory (CMEI) for agglomerations over 5,000 PE, indicating emissions of BOD/COD, nutrients and toxic substances and compiling information on existing or planned sewer or collector systems and existing or planned WWTP in the coastal zones of the Black Sea;</p> <p>2.5.2 Develop criteria and identify in the coastal zones municipal “hot spots” having a significant impact on coastal waters, in particular recreation resorts, fish spawning areas, etc. (analyze the cause-effect relationship);</p> <p>2.5.3 Review relevant existing legal and institutional mechanisms for pollution control from urban sources and propose measures for harmonizing national legislation with the requirements of the EU Urban Wastewater Directive;</p> <p>2.5.4 Review measures for compliance with national legislation and propose economic (incentives, fines) and technical solutions (appropriate and affordable technologies);</p> <p>2.5.5 Organise workshops in Black Sea countries with participants from relevant ministries, municipalities and local Government to develop and/or updated legislation and to introduce affordable technical solutions for municipal wastewater management.</p>			
<p>Outcomes:</p> <p>Awareness of policy options for improved collection of water and wastewater service tariffs and fees in all 6 Black Sea countries and in most municipalities enhanced.</p> <p>Effective mechanisms for identifying “hot-spots” based on the internationally accepted criteria, including the EU WFD, are developed by 2005 end.</p> <p>Representatives from relevant ministries, municipalities and local Government are trained in approaches to develop and/or updated legislation and to introduce affordable technical solutions for municipal wastewater management.</p>			

OBJECTIVE 2: Development of Policy Guidelines, Legal and Institutional Instruments for Pollution Reduction from LBA, and Protection of Ecosystems of the Black Sea and its Coastal Zones

Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
<p>Output 2.6³: <u>A legally binding document</u> on fisheries and proposals for fisheries-free zones developed, as well as preparatory activities on transboundary fish stock assessment completed.</p>	<ol style="list-style-type: none"> 1. Legally binding document on Fisheries developed by end 2004 and result on national negotiations reported and taken into account in the document; 2. Report on study on sensitive habitats and nursery grounds with recommendations for the establishment of fisheries-free zones and marine protected areas ready by end 2005; 3. Concept paper and outline of study on migrating fish population and nursery grounds available by mid 2005 and search for financial support initiated. 4. Fishermen communities informed and conscious on sustainable fishing practices and fisheries free zones by end 2006; 	<ul style="list-style-type: none"> ▪ Resolution of the BCS meeting on the legally binding Document on Fisheries; ▪ Report with recommendations for the establishment of fisheries-free zones and marine protected areas; ▪ Resolution of the BSC meeting on the prepared Annexes on fisheries-free zones and marine protected areas; ▪ Resolution of the BSC meeting on the Concept paper on assessment of migrating fish population and nursery grounds ▪ Information materials on sustainable fishing practices and fisheries-free zones. 	<p>A National negotiation process successful to develop legally binding document on Fisheries;</p> <p>A BSC reaches agreement in time on Annex for the establishment of fisheries-free zones and marine protected areas;</p> <p>A Cooperation with GFCM and FAO assured to provide advice in migratory stock assessment;</p> <p>R Financial resources and technical cooperation not available to carry out full-scale stock assessment.</p>
<p>Activities:</p> <p>2.6.1 Assist the Black Sea Commission in developing a legally binding document on Fisheries and support the negotiation process at the national level;</p> <p>2.6.2 Prepare outline and carry out study on sensitive habitats and nursery grounds and prepare recommendations for the establishment of fisheries-free zones and marine protected areas in the Black Sea with particular focus on the NW Shelf;</p> <p>2.6.3 Support the preparation of annexes on fisheries-free zones and marine protected areas to be introduced in the Protocol on Protection of Biological and Landscape Diversity of the Bucharest Convention;</p> <p>2.6.4 Develop concept paper and methodology to reinforce the implementation of the future document on fisheries prepared under 2.6.1 for the assessment of migratory population of fish species and their relationship with sensitive habitats and current fishing practices;</p> <p>2.6.5 Prepare and implement training and information seminars for the fishermen community on proposed fisheries-free zones and sustainable exploitation of fish resources in the Black Sea;</p>			

³ To carry out activities for Output 2.6, contacts shall be established with the General Fisheries Council for the Mediterranean (GFCM) and FAO to provide advice and to participate in relevant meetings and workshops.

Continued..

OBJECTIVE 2: Development of Policy Guidelines, Legal and Institutional Instruments for Pollution Reduction from LBA, and Protection of Ecosystems of the Black Sea and its Coastal Zones			
Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
Output 2.6⁴: <u>A legally binding document</u> on fisheries and proposals for fisheries-free zones developed, as well as preparatory activities on transboundary fish stock assessment completed.			
Outcomes: A legally binding document on Fisheries is enforce b y 2005 for the management of the marine ecosystems. Recommendations for the establishment of fisheries-free zones and marine protected areas in the Black Sea are considered by the BSC and riparian countries. Fishing communities in the Black Sea countries are aware of the fishery free zones, as well as of principles of the sustainable exploitation of stocks in-line with national strategies.			

⁴ To carry out activities for Output 2.6, contacts shall be established with the General Fisheries Council for the Mediterranean (GFCM) and FAO to provide advice and to participate in relevant meetings and workshops.

OBJECTIVE 3: Development of economic instruments and promotion of investment opportunities in coastal zones for pollution control and protection of Black Sea ecosystems

Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
<p>Output 3.1 Overall <u>economic analysis</u> for the Black Sea countries carried out in applying EU guidelines for economic analysis (WFD) and other relevant international concepts.</p>	<ol style="list-style-type: none"> 1. Guidelines and templates for socio-economic analysis prepared by end 2004 in line with existing methodologies⁵; 2. First national reports on socio-economic analysis available by mid-2005; 3. Consultation and information workshops organised end 2005 to amend and endorse national reports; 4. Second draft of national reports available after workshop; 5. Summary report on socio economic analysis, focusing on coastal zones, including programme of measures for agriculture, industry and urban sectors with cost estimation and selection of most cost-effective solutions available by beginning 2006 and endorsed by BSC Expert Group; 	<ul style="list-style-type: none"> ▪ Guidelines and templates for socio-economic analysis; ▪ National reports on socio-economic analysis on the current status of water supply/wastewater legislation; ▪ Summary report on socio economic analysis for costal zones of BS countries including programme of measures with cost estimation and selection of most cost-effective solutions. 	<ul style="list-style-type: none"> A Cooperation of Governments, in providing necessary information and data; A Preparedness of the Governments and local administrations to implement proposed programme of measures (limited financial means and human capacities); A Required information is accessible for international and national experts deployed by the project.

Activities:

3.1.1	Prepare guidelines and templates for the socio-economic analysis for Black Sea countries in applying the methodological approach developed for economic analysis under the EU WFD, and in building on results from Phase I on root cause analysis of environmental degradation;
3.1.2	Carry our socio-economic analysis at national level and identify significant deficiencies regarding water supply and wastewater legislation, including water pollution charges, fines and incentives);
3.1.3	Organise consultation and information meeting with Government officials, national consultants and other holders of information to explore possibilities for cost recovery for water services;
3.1.4	Summarise results of socio-economic analysis at national level and evaluate the mechanisms for cost recovery for water services in line with EU WFD guidelines;
3.1.5	Prepare summary report on socio-economic situation in Black Sea coastal countries and make judgment about the most cost-effective combination of measures in respect to reduction of nutrients and hazardous substances ⁶ .

⁵ Most activities for Bulgaria, Romania and Ukraine accomplished in Phase I of the GEF DRP; same methodology can be applied by the BSERP for Georgia, Russia and Turkey.

⁶ This activity can only be carried out when Outputs 2.3, 2.4 and 2.5 as well as 3.2 are available.

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OBJECTIVE 3: Development of economic instruments and promotion of investment opportunities in coastal zones for pollution control and protection of Black Sea ecosystems			
Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
Output 3.1 Overall <u>economic analysis</u> for the Black Sea countries carried out in applying EU guidelines for economic analysis (WFD) and other relevant international concepts.			
Outcomes: Performance indicators of nutrient reduction are linked to socio-economic indicators for a regular review of the current situation in the Black Sea countries by mid-2005.			

OBJECTIVE 3: Development of economic instruments and promotion of investment opportunities in coastal zones for pollution control and protection of Black Sea ecosystems			
Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
<p>Output 3.2: <u>Investment programme</u> for industrial and municipal wastewater treatment and other infrastructural measures in Black Sea coastal zones prepared for submission to international funding agencies.</p>	<p>1 – 2. Investment programmes prepared in line with templates set up for DABLAS data base (ICPDR) by mid 2005 for municipal, industrial and other infrastructural projects for all Black Sea countries (coastal zones) and priorities identified; 2 Potential of local and/or regional financing institutions or intermediaries in RU, GE and TR identified by mid 2005; 3 Potential for public private partnerships (list of firms or organisations) in RU, GE and TR identified by mid 2005; 4 A Donor Conference for Black Sea coastal zones organised in 2005 in one of the Black Sea countries.</p>	<ul style="list-style-type: none"> ▪ Programme with investment projects for the municipal, industrial and transport sectors available in database for consultation and defining of priorities according to chosen indicators; ▪ Report and listing of regional and local banking institutions having capacities to function as intermediaries for project financing; ▪ Report on the Donor Conference. 	<p>R Necessary information and data might not be obtained from central an local Governments and public and private banking sector R Uncertain legal conditions and administrative stumbling block discourage foreign investors to enter private-public partnerships; A Cooperation of risk friendly financing institutions and donors to support implementation of investment projects⁷;</p>
<p>Activities:</p> <p>3.2.1 Prepare investment programmes for municipal, industrial and other infrastructural projects in coastal zones of the Black Sea to reduce nutrients and hazardous substances affecting Black Sea waters and coastal ecosystems (in line with guidelines established by the DABLAS-PPC);</p> <p>3.2.2 Prioritise investment projects at national and regional level in taking into account environmental, economic and financial (bankability) considerations in applying DABLAS prioritisation methodology;</p> <p>3.2.3 Evaluate the potential of the local and/or regional financial intermediaries (e.g. Black Sea Regional Development Bank) as a means of channelling funds to small/medium sized bankable projects in the Black Sea coastal zone;</p> <p>3.2.4 Examine opportunities for public-private partnership for investment projects in the Black sea costal zone (e.g., municipal water supply and wastewater treatment, fishing and fish processing, environmental friendly industrial production, e.g. production of phosphate-free detergents, new technologies in organic farming, etc.);</p> <p>3.2.5 Organise, in cooperation with DABLAS PPC donor conference (IFI and bilateral donors) to mobilize financial support for the implementation of industrial pollution reduction, municipal WWTP and other infrastructural measures to protect coastal waters and ecosystems of the Black Sea.</p>			

⁷ Activities to be carried out in line with the DABLAS-PPC requirements.

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OBJECTIVE 3: Development of economic instruments and promotion of investment opportunities in coastal zones for pollution control and protection of Black Sea ecosystems			
Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
Output 3.2: <u>Investment programme</u> for industrial and municipal wastewater treatment and other infrastructural measures in Black Sea coastal zones prepared for submission to international funding agencies.			
Outcomes: Investment programmes prepared in line with templates set up for DABLAS data base (ICPDR) by mid 2005 for municipal, industrial and other infrastructural projects for all Black Sea countries (coastal zones) and priorities identified A Donor Conference for Black Sea coastal zones organised in 2005 in one of the Black Sea countries presenting at least 20 priority projects for donor support. Involvement of interaction between the private sector and GEF is further developed in the Black Sea countries (in-line with evolving GEF strategy).			

OBJECTIVE 4: Development of operational systems for monitoring, information management and research under the Black Sea Convention			
Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
<p>Output 4.1: <u>Black Sea Integrated Monitoring and Assessment Programme (BSIMAP)</u> developed for coastal zones and marine ecosystems in creating and introducing operational tools and indicators to evaluate changes over time in the coastal and marine environment.</p>	<ol style="list-style-type: none"> 1. – 2. Black Sea Monitoring Programme based on relevant chemical and biological indicators, fully operational by mid 2005 with full cooperation of national institutions (laboratories) taking into account EU requirements for marine and costal zone monitoring and applying QA/QC procedures; 3. – 4. Monitoring institutions in all BS countries operational, handbook for operation of BSIMAP prepared, staff trained as needed and basic equipment (where necessary) supplied by mid 2005; 5. Pilot project to test monitoring program set up by mid 2005, running test program up to end 2006; 6. Laboratory technicians are familiar with application of SOPs 7. Pilot project to test Black Sea Vessel Traffic Oil Pollution Information System developed by mid-2004 and results available by end 2005. 	<ul style="list-style-type: none"> ▪ Annual reports on Black Sea status including harmonized data from all national monitoring stations; ▪ Report on monitoring test program and with recommendations to set up full scale monitoring system; ▪ Test results of the VTOPIS. 	<p>R National monitoring institutions may lack necessary financial means and equipment for sampling and laboratory work;</p> <p>R Certain national monitoring institutions may not supply reliable data in time;</p> <p>R Financial support might not be available to produce annual summary reports on Black Sea status;</p> <p>A Relevant national units of the BSC support the pilot project in their respective countries.</p>
<p>Activities:</p> <ol style="list-style-type: none"> 4.1.1 Further develop and/or upgrade the BSIMAP including relevant chemical and biological indicators and optimisation of sampling sites, taking into account the main principles of the EU WFD for coastal and transitional waters, the forthcoming EU marine Strategy and other marine monitoring programs currently in use; 4.1.2 Establish and implement QA/QC procedures including inter-institutional calibration exercises for chemical and ecological monitoring and the development of the Standard Operating Procedures (SOP); 4.1.3 Strengthen the capacities of identified monitoring institutions through staff training as needed for improved ecological monitoring, and provide, where necessary, basic monitoring equipment; 4.1.4 Prepare a complete set of technical documents for the implementation for the operation of the BSIMAP (handbook), building on the results of the corresponding activities from the TACIS project; 4.1.5 Develop pilot projects and carry out testing of the monitoring programme with emphasis on environment status indicators, hazardous substances, spatial coverage and regional scopes; 4.1.6 Organise workshops on application of modern assessment techniques and SOPs; 4.1.7 Design and assist implementing a pilot project within the development of a Black Sea Vessel Traffic Oil Pollution Information System (VTOPIS). 			
<p>Outcomes:</p> <ol style="list-style-type: none"> 1. BSIMAP becomes an effective tool for the monitoring and indicator-based assessment of the status and dynamics (including forecasts) of the Black Sea ecosystem by 2007. 2. Practical tools are developed to demonstrate the effectiveness of VTOPIS in the Black Sea through a pilot project by 2005 end. 			

OBJECTIVE 4: Development of operational systems for monitoring, information management and research under the Black Sea Convention			
Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
<p>Output 4.2: <u>Black Sea Information System</u> including tools for GIS, mapping and remote sensing developed</p>	<ol style="list-style-type: none"> 1. State of the Environment Report (annual and 5-year), 2. – 6. Black Sea Information system fully established and operational by mid 2005 within intranet area and for the public access (Internet) and operational units established at national level in all BS countries to facilitate exchange of information and emergency messages; 7. – 8. Black Sea GIS including mapping tools and download of satellite data operational by end 2005 and accessible by all contracting parties and public users; 9. All members of BSC bodies and staff of national operational units or information centres as well as NGO representatives have received training by 2005 to make fully use of the BS Information System. 	<ul style="list-style-type: none"> ▪ State of the Environment Reports (annual and 5-year); ▪ Web site: www.backsea-environment.org/text/default.htm; ▪ Overview maps of Black Sea Basin used for planning purposes by all Black Sea countries; ▪ Reports from the ICZM Centers to the BSC with all information required for the development of State of the Environment Report. 	<p>R Black Sea Contracting Parties do not provide in time and quality information needed to compile the Annual status report;</p> <p>R Governments may not provide in time required information for production of regional Black Sea maps and other data and information for GIS;</p> <p>R BSC might not have sufficient funds to assure sustainable operation and maintenance of the information system;</p>
<p>Activities:</p> <p>4.2.1 Support the development and the operation of the Black Sea Information System (BSIS), administered at the premises of the BSC/PIU (intranet) and ensure that it is widely used by all Black Sea expert bodies, activity centres and other operational bodies under the Black Sea Commission, as well as accessible to the public (internet),</p> <p>4.2.2 Improve reporting formats with user friendly interface to assure coherent and analytical presentation of data and information;</p> <p>4.2.3 Link all Contracting Parties of the Black Sea Commission to the BSIS, which implies the establishment of operational units at the national level to communicate also in case of accidental emergency situations,</p> <p>4.2.4 Assure links with regional and global information systems (e.g. SeaSearch, Black Sea GOOS, DANUBIS, Black Sea Database⁸, etc),</p> <p>4.2.5 Prepare special interactive web sites for public information and response with particular attention to new technologies in the agricultural and in the industrial sectors (BAP/BAT), in urban wastewater treatment, coastal zone management, etc;</p> <p>4.2.6 Develop and operate the Black Sea GIS including textual, numerical and digital mapping information, appropriate data base and reporting formats,</p> <p>4.2.7 In cooperation with the Joint Research Centre (JRC) download, interpret and distribute on a regular basis SeaWifs colour scan satellite data, and assure extended use of GIS,</p> <p>4.2.8 Assist in preparing coherent outline and drafting of the State of the Environment Report, as required by the BS SAP;</p> <p>4.2.9 Launch training at the national level and organise a series of workshops to train users in the best use of the tools made available by the system (interactive web site, update of database, etc).</p>			

⁸ This database was developed under the NATO TU-Black Sea Project. It is operated by the METU Institute in Erdemli (Turkey).

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OBJECTIVE 4: Development of operational systems for monitoring, information management and research under the Black Sea Convention			
Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
Output 4.2: <u>Black Sea Information System</u> including tools for GIS, mapping and remote sensing developed			
Outcomes: 1. Management of information for the BSC on work to manage the Black Sea basin enhanced for 50 experts involved in the BSC (Secretariat, RACs, FP, experts working groups etc.) by the improvement of the BSIS as evidenced by an expansion of the information available as well as the use of the system. 2. The data exchange and reporting procedures within the implementation of the Bucharest Convention (RACs, FPs, BSC/PS), as well as with the EEA is supported by the BSIS. 3. Increased public awareness of Black Sea problems, issues and solutions (including initiatives of the BSC, NGOs etc.) due to an improved, more user-friendly and interactive BSC and project web sites respectively as evidenced by an increase in hits to the web pages from 500 hits per month in 2003 to 2,000 hits per month in 2006.			

OBJECTIVE 4: Development of operational systems for monitoring, information management and research under the Black Sea Convention			
Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
<p>Output 4.3: <u>Research Programme</u> designed and implemented to assess input of nutrients and hazardous substance in the Black Sea</p>	<ol style="list-style-type: none"> 1. Results of first survey cruises available during 2005; 2. Funds requested for additional extension of survey cruises to other recognized impact areas; 3. Scientific study on nutrient inputs by atmospheric deposition is concluded by end 2006; 4. Models adapted and tested building up on the results of regional pilot project(s); 5. Report on baseline data on phosphorus in detergents and estimation of transaction costs available end 2004 6. Preparatory documents prepared and Black Sea Conference organised in 2006. 	<ul style="list-style-type: none"> ▪ Analytical reports on survey; ▪ Letters of requests and negotiations for additional funding; ▪ Study on atmospheric deposition of nutrients; ▪ Model in use for the development of a river basin management plan in at least on of the Black Sea countries; ▪ Report on base line data on present use of phosphorus in detergents; ▪ Proceedings of the ISG Black Sea Conference 	<p>R Government and institutions are reluctant to provide scientific data and information free of charge for various foreseen scientific studies;</p> <p>A For extension of research program (surveys cruises) additional funding will be made available;</p>
<p>Activities:</p> <ol style="list-style-type: none"> 4.3.1 Carry out survey cruises in the Black Sea with special emphasis on impact assessment in the NW Shelf based on existing research programme (Aug/Sept 2004 and Jan. 2005); and identify sources for additional funding to extend present programme to other recognized impact areas of the Black Sea; 4.3.2 Prepare and carry out study on inputs of nutrients to the Black Sea by atmospheric deposition; 4.3.3 Further develop/adapt rapid assessment methodology for diffuse sources in the Black Sea basin (taking into account DANUBS models), 4.3.4 Conducting a study for the use of phosphorus in detergents with the aim to obtain baseline information and evaluation of transaction cost for the Black sea riparian countries; 4.3.5 Prepare and organise scientific Black Sea Conference in 2006 to present and discuss results from all ISG activities including results from surveys and identify further knowledge gaps. 			
<p>Outcomes:</p> <ol style="list-style-type: none"> 1. Knowledge on the functioning of the Black Sea ecosystem is improved and results of the target-based research programme are integrated in the decision making process (e.g. setting of realistic water quality objectives, assessment of impacts and their effects, etc.) 			

OBJECTIVE 5: Strengthening of public participation in environmental protection through access to information, stakeholder training and awareness raising and implementation of community actions (Small Grants Programme)			
Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
<p>Output 5.1: <u>NGOs structures and activities</u> reinforced through support for institutional development and community actions in awareness raising, training and education⁹.</p>	<ol style="list-style-type: none"> 1. Set of criteria developed by end 2004; 2. Optimal operation of Black Sea NGO umbrella organisations is achieved by 2006; 3. Knowledge and awareness on coastal zone management, reduction of nutrients and toxics are improved by mid 2005; 4. NGO publications related to nutrient and hazardous substances, in national languages, are regularly published. 	<ul style="list-style-type: none"> ▪ Evaluation report on NGO activities; ▪ Numbers of NGOs and members registered in Umbrella Organisations having observer status in the BSC; ▪ Number of NGOs and members participating in ICZM Pilot Project; ▪ NGO publications, web-sites. 	<p>R Insufficient professional capacities in NGOs;</p> <p>R Low capacities and experience in fund raising;</p> <p>R Cooperation between Government and NGOs not productive.</p>
<p>Activities:</p> <p>5.1.1 Develop criteria and evaluate the effectiveness of NGOs in environmental protection of the coastal and marine ecosystems (on the basis of Phase I Small Grants Programme) and design programme for the implementation of 5.1.2 - 5.1.4,</p> <p>5.1.2 Provide support to the “Umbrella” NGOs through capacity building in form of regional consultation meetings and reinforcement of communication and information management (NGO website),</p> <p>5.1.3 Organise stakeholder training in environmental protection of coastal areas (with emphasis on nutrient and hazardous substances) and protection of marine ecosystems as part of the Train Sea Coast programme,</p> <p>5.1.4 Support the production and distribution of NGO publications in national languages on nutrient reduction and hazardous substances.</p>			
<p>Outcomes:</p> <p>1. Community involvement increased through an expanded and strengthened network (5 times increase of NGOs involved within the life-time of the project) to undertake awareness raising and pollution reduction activities in 6 Black Sea countries;</p> <p>2. Sustainable operation of the “Umbrella NGOs” achieved , leading the further expansion and effectiveness of the network;</p> <p>3. Active involvement of the “Umbrella NGOs” members in policy development and pollution reduction activities assured through partnerships with the national governments (e.g. activities to involve the public in the Management/Planning process in the frame of the EU Water Framework Directive etc.)</p> <p>4. The Black Sea Day will continue to be an annual event and a platform to raise awareness on pollution control in riparian countries.</p> <p>5. BSC/PS has become a public oriented institution through enhanced quality of communication and by using awareness raising tools and sustainable means of communication (including periodic ones) and the web-page.</p>			

⁹ Coordinate NGO support with GEF DRP to assure coherence in approach and join resources for NGO support (training, information management, etc.)

OBJECTIVE 5: Strengthening of public participation in environmental protection through access to information, stakeholder training and awareness raising and implementation of community actions (Small Grants Programme)			
Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
<p>Output 5.2: <u>Community actions</u> for awareness raising and environmental protection implemented with funding from GEF “Small Grants Programme”</p>	<ol style="list-style-type: none"> 1. Evaluation report on results of 1st tranche of SGM is available in mid 2004 and recommendations are taken into account for implementing 2nd tranche of SGP; 2. – 3. Based on experience of 1st tranche, methodology and procedures are prepared and selection of projects for implementing 2nd tranche of SGP is achieved by end 2004; 4. Efficient and effective NGO involvement in coastal zone management and pollution control is assured through good organisation and careful follow up of SGP implementation (end 2004 to end 2006); 5. Evaluation report on implementation of 2nd tranche of SGP is available beginning 2007. 	<ul style="list-style-type: none"> ▪ Evaluation report on 1st tranche of SGP; ▪ Developed methodology and list of approved projects for financial support in 2nd tranche; ▪ Final evaluation report on performance in project implementation and efficiency of results produced. 	<p>R Insufficient professional capacities in NGOs to reach expected results;</p> <p>R Inefficient management and use of funds;</p> <p>R Insufficient reporting skills,</p> <p>R Missing cooperation from local administration or Government;</p>
<p>Activities:</p> <p>5.2.1 Evaluate results of the first tranche of community based projects financed in the frame of the GEF “Small Grants Programme” through an independent evaluation firm;</p> <p>5.2.2 Define type of projects eligible for GEF SGP support and develop methodology and procedures for selection of projects, follow up of programme implementation and final evaluation of results,</p> <p>5.2.3 For second tranche, identify, in line with above methodology, projects for reduction of nutrients and hazardous substances in the frame of coastal zone management and protection of marine ecosystems (The Black Sea Environmental Education Programme, BSEEP);</p> <p>5.2.4 Assure efficient implementation and follow up of GEF SGP in Black Sea coastal areas through subcontracting experienced firm or organisation;</p> <p>5.2.5 Evaluate results of the second tranche of community-based projects financed in the frame of the GEF “Small Grants Programme” through an independent evaluator.</p>			
<p>Outcomes:</p> <p>Awareness of nutrient pollution and toxic substance problems in the Black Sea basin and involvement of the Black Sea communities in 6 countries enhanced via 15-20 national small grant funded projects led by national environmental NGOs;</p> <p>NGOs play a significant role at the national level to contribute to the management of the marine ecosystems through consultative mechanisms between the local/national governments and a wider public.</p>			

OBJECTIVE 5: Strengthening of public participation in environmental protection through access to information, stakeholder training and awareness raising and implementation of community actions (Small Grants Programme)			
Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
<p>Output 5.3: <u>Public information</u> and awareness for environmental issues reinforced through special publications and cooperation with mass media to disseminate information on nutrient reduction and sustainable coastal zone management and protection of marine ecosystems.</p>	<ol style="list-style-type: none"> 1. Decision makers of public and private sector, opinion leaders and the general public are better informed and sensitised on issues related to coastal zone management and protection of coastal and marine ecosystems (continuous until end of the BSERP); 2. Sufficient and reliable information for mass media purposes are prepared and published (continuous until end of the BSERP); 3. Environmental education in schools is introduced through BSC/BSERP initiative by mid 2006; 4. Funding sources for the documentary film are identified by end 2005 and it is produced by 2007. 5. – 6. Basin-wide information material on management of coastal zones and marine ecosystems, reduction of nutrients and toxics, sustainable fisheries, etc., are periodically published and presented on interactive web site for public information and response (continuous until end of BSERP); 7. Evaluation report on results of communication strategy and awareness raising activities is available in 3/2007. 	<ul style="list-style-type: none"> ▪ Mid term evaluation in Project Progress report; response in interactive web site; ▪ Articles from newspapers, journals, broadcasts etc, ▪ School education curriculum ▪ Documentary film on environmental protection of the Black Sea; ▪ Posters, leaflets, film clips etc. produced; ▪ Evaluation report on communication strategy. 	<p>R Weak or non existing Government response to translate messages in national languages and to participate in awareness raising campaigns;</p> <p>A The script developed in Phase I is supported by the potential sponsors of the film production;</p> <p>A NGOs may play an important role if financial incentives will be provided.</p>
<p>Activities :</p> <ol style="list-style-type: none"> 5.3.1 Conceptualise and implement in line with Communication Strategy developed in Phase I, public information and awareness raising campaigns on sustainable coastal zone management and protection of coastal and marine ecosystems in all Black Sea countries (to be translated in national languages by Governmental department or NGO concerned), 5.3.2 Develop and produce, in line with Communication Strategy, materials for public press and mass media on subjects related to management of coastal zones and marine ecosystems (with focus on eutrophication and sustainable fisheries), reduction of nutrients and toxic substances, and recovery of Black Sea ecosystems, 5.3.3 Support environmental education in schools through the development and introduction of specific messages for nutrient reduction and sustainable management of the coastal zone and marine ecosystems (through the Black Sea Environmental Education Programme, BSEEP), 5.3.4 Encourage the production of a popular documentary film on the Black Sea environmental protection based on the script developed in Phase I and identify relevant sources for financial support, 5.3.5 Assist in developing and producing information material on management of coastal zones and marine ecosystems (with focus on eutrophication), reduction of nutrients and hazardous substances, recovery of Black Sea ecosystems, sustainable fisheries, etc. 5.3.6 Prepare interactive web site for public information and response (see also Activity 4.2.5); 5.3.7 Evaluate at the end of the GEF BSERP the effects and impact of public information and awareness raising campaigns. 			

Continued..

OBJECTIVE 5: Strengthening of public participation in environmental protection through access to information, stakeholder training and awareness raising and implementation of community actions (Small Grants Programme)			
Outputs	Objectively Verifiable Indicators / Results	Sources of Verification	Assumptions (A) and Risks (R)
Output 5.3: Public <u>information</u> and awareness for environmental issues reinforced through special publications and cooperation with mass media to disseminate information on nutrient reduction and sustainable coastal zone management and protection of marine ecosystems.			
Outcomes: Awareness of public in overall Black Sea on the importance of pollution reduction and environmental challenges has been enhanced through targeted communication activities and campaigns (farmers, municipalities, wetland managers, environmental NGOs, etc.)			

Donald M. Anderson

February 27, 2004

Background

Until the 1960s, the Black Sea was known for its productive fishery and scenic beauty, and as a resort destination for millions of people. Since that time, massive over-enrichment of the sea by nitrogen and phosphorus from agriculture, municipal, and industrial sources has seriously degraded the ecosystem, disrupted fisheries, reduced biodiversity, and resulted in billions of dollars of economic losses to regional economies. Pollution from 17 countries has created this transboundary water quality problem. Through two GEF assisted projects, the affected countries have identified the excessive release of nutrient pollution from agriculture, municipal, and industrial sources as the top priority problem and release of toxic substances and loss of benthic habitat as additional priorities. The Black Sea Ecosystem Recovery Program (BSERP) was formulated to address these problem areas.

The overall objective of the BSERP is to support participating countries in the development of national policies and legislation and the definition of priority actions to limit the discharge of nitrogen and phosphorus to the Black Sea to levels below those of 1997. Specific objectives of the BSERP Phase 2 project are: 1) to reinforce regional cooperation under the Black Sea Convention; 2) to set up institutional and legal instruments and to define priority actions at regional and national levels to assure sustainable coastal zone management; and 3) to protect coastal and marine ecosystems and habitats in order to secure sustainable use of coastal and marine resources.

Scientific and technical soundness of the project

The BSERP is based on a solid scientific assessment of the nature and causes of ecosystem and water quality degradation in the Black Sea. This knowledge was collected and synthesized during the formulation of the Black Sea Action Plan. In particular, a highly technical Transboundary Diagnostic Analysis (TDA) of the Black Sea was produced that identified the root causes of Black Sea degradation and suggested actions which could be taken to address them. The BSERP was formulated to address the three highest priority transboundary problems of the Black Sea (namely eutrophication, discharge of toxic substances including oil, and loss of critical benthic habitats and wetlands).

Although the stated goal of the BSERP is to reduce nutrient loads to levels below those of 1997, the program's long-term development goal is to take measures that "permit Black Sea ecosystems to recover to conditions similar to those observed in the 1960s". This is a questionable goal, since the data and knowledge of ecosystem structure and health in the 1960s was undoubtedly limited, and it will indeed be difficult to achieve a target that is so tenuous and uncertain. Despite this reservation, the goal is an admirable one, and in the absence of a more rigorous alternative, should be maintained.

I offer the following specific and general comments on the Phase 2 Brief of the BSERP.

Scientific Expertise.

Under International Consultants (Table 25), I see no provision for a consultant with expertise in eutrophication or the role of nitrogen or phosphorus in phytoplankton dynamics. Likewise, in Table 20, I do not see a subcontract specified for any oversight of nitrogen and phosphorus issues. I do not know the specific background of the new Project Coordinator in this regard, and wonder if he or she has demonstrated expertise in this central topic. If not, it would seem that some review of the nutrient data to be obtained from the survey cruises and the various national assessments and historical analyses might be needed. Likewise, if numerical model runs are conducted (as suggested below), an expert familiar with phytoplankton nutrient dynamics would be invaluable in interpreting the results.

Some of the issues to be considered as data become available, and as intervention strategies are considered, are, for example, what is actually limiting phytoplankton growth in different areas of the Black Sea. In some eutrophic waters, nitrogen and phosphorus levels are so high that nutrients do not limit phytoplankton growth. Light or other environmental factors become the critical determinant of the level of algal biomass achieved. In those circumstances, reducing nutrient inputs may not result in a decrease in primary productivity or algal biomass. In an analogous fashion, given the nutrient loadings presented in the Brief, it may well be that in nearshore waters of the Black Sea, phosphorus is

the nutrient that will be depleted first, thereby limiting further development of the phytoplankton population, despite the presence of an overabundance of nitrogen. The implications of this are profound, since strategies to reduce nitrogen might not have any appreciable effect on algal biomass, (at least in nearshore receiving waters) whereas efforts to reduce phosphorus (which is typically much less costly to remove from wastewater treatment plants) might have direct positive effects. In such a situation, more environmental benefit (or a more immediate environmental benefit) might accrue to one particular nutrient reduction strategy compared to another.

Another issue that may influence the net effect of pollution control strategies is the supply of nutrients to coastal waters from natural mechanisms, such as regeneration from bottom sediments. It would not surprise me to learn that the amount of phosphorus released from bottom sediments in the Black Sea is roughly equivalent to that supplied in river runoff, as that has been observed in other parts of the world. Here again, pollution reduction strategies may not have the effect that is anticipated. Yet another factor to be evaluated is the form of the nitrogen or phosphorus entering the Black Sea. It is becoming increasingly apparent that urea and other forms of organic nitrogen are preferred nutrients for some forms of algae, including a number of species that are toxic or harmful. In this context, not only should monitoring programs be including organic nutrients in their analyses, but research programs should consider the relative importance of the different forms of the major nutrients. These are examples of a number of issues that an expert in phytoplankton and eutrophication could assess, to the great benefit of this project.

Another apparent gap in this program relates to the value of numerical models in managing water quality. A coupled, physical/biological model of the Black Sea would be of great utility in assessing the relative importance of different nutrient reduction strategies, and in developing an understanding of the mechanisms underlying observed ecosystem and water quality conditions. Presumably, such a model exists for the Black Sea, but I see no mention of it in this Brief, nor do I see any indication that the output from such a model is being used in the decision-making process. To be of use, the model would have to be calibrated against extensive field observations, some of which are being planned through the cruises and monitoring activities of BSERP. I would ask the PIU to clarify whether numerical models are being used in this project, and if so, how BSERP is utilizing their data. There is mention of a model to be used for “rapid assessment methodology” (though I am not sure what that actually means), devised by the University of Plymouth. This is an activity of the BSC that involves the collection of data on nutrient loads to surface and groundwater from domestic, industrial, agricultural, and atmospheric sources. From what I understand, however, these values are not being used to drive a coupled hydrodynamic/water quality model, which is what I am advocating. Such models have been used to great utility in projects dealing with regional pollution issues in Massachusetts Bay (USA), San Francisco Bay (USA), and Hong Kong, to name but a few. This would be one activity that the scientific Advisory Board could foster in its future deliberations on funding for research programs. The needs of modelers should also be taken into consideration in designing the research cruises planned for Objective 4.

Data Consistency and Management.

A critical aspect of any regional project of this type is the consistency and compatibility of data. This need has been recognized by BSERP, the BSC, and other organizations involved in monitoring Black Sea water quality, fisheries, and ecosystem health. It would appear that the scientific Advisory Board established by the BSERP is in the appropriate position to push for standard data formats and measurement methodologies. It was not clear, however, whether this important aspect of coordination was being required of each of the BSERP research projects –either by the PIU or the Advisory Board. If not, then a data management policy for the research projects and cruises should be implemented by the PIU.

At the monitoring level, it is clear from the activities planned for Objective 4 that method and data standardization are recognized priorities for BSERP. This will, however, be a considerable challenge, given the different capabilities and political and economic conditions of the countries involved. On the positive side, I note that the basic approach for integrated monitoring and assessment (BSIMAP) has been established by the BSC, and that a pilot monitoring program for environmental status indicators was recommended by the Joint Technical Working Group of the BSC. This is a major step forward – but this effort is apparently only at the planning stage. The challenge will be to get the beneficiary countries to launch sustained monitoring programs using these procedures. It needs to be clarified in the Brief how this transition to operational modeling will be accomplished, especially given the demands of the EU with respect to water quality certification. Three of the six countries participating in the BSERP will need to establish monitoring programs that are acceptable to the EU, and thus might not want to commit to a BSC program that uses different methods or has different sampling objectives.

Adequacy of technologies.

Not a lot of detail is provided in the Brief on the types of strategies or technologies to be used to reduce nutrient pollution, or to build up fisheries or ecosystem health. In fact, the progress report states that “The project suffered a delay in reaching an agreement on the methodology to be applied for formulating measures for the reduction of nutrients and hazardous substances.” The use of marine protected sites is offered as an example of a strategy to be considered for habitat restoration and fisheries enhancement, and this technology should be encouraged. Even though comparable detail is not provided in the context of reduction of non-point source pollution from agriculture, for example, I am hopeful that appropriate technologies will be utilized, as these are generally included under the heading of Best Agricultural Practices, which will be among the training options to be offered by the BSERP. In this regard, none of the technologies needed to achieve the pollution reduction objectives of the BSERP are technologically challenging or require technical innovation before implementation. This is a positive. The major obstacle to implementation will be the commitment from the Black Sea riparian countries and their farmers to this type of environmental policy.

Institutional Arrangements.

A diverse array of working groups, commissions, projects, and countries are all involved in one way or another with the focal issues of the BSERP. Accordingly, a major project requirement is for effective networking and coordination. Indeed, I attribute part of the slow progress on a number of planned activities in Phase 1 of this project to the time and effort required to establish working relationships with numerous programs, commissions, secretariats, and working groups. This was surely a challenging task, especially since the Permanent Secretariat of the BSC was only established in 2000. One of the major accomplishments of Phase 1 of the BSERP is the establishment of a close working relationship with the BSC. The BSC was formed to implement the Convention on Protection of the Black Sea Against Pollution, and is thus the primary entity in regional efforts to control pollution. By proactively working with the BSC at various levels, (e.g., with the Secretariat or with BSC Expert Groups) the BSERP is privy to current issues and activities, and can thus provide directed assistance and input to further the development of that work. The establishment of a Permanent Secretariat for the BSC is clearly a major positive factor to help the BSERP better focus its participation in regional pollution control efforts.

Another positive on the institutional or organizational aspect of this project is the effort to merge BSERP activities with relevant legislative frameworks. A good example is the recognition of the EU Water Framework Directive (WFD) as a guide or framework for specific activities of the BSERP. By linking project activities within Phase 2 closely with the WFD, the BSERP can strengthen the sustainability of its project activities.

At the national level, the BSERP recognizes the need for inter-ministerial consultation and coordination. The involvement and cooperation of all relevant governmental bodies, in particular the Ministries of Environment, Economy, Agriculture and Foreign Affairs, are given a high priority in Phase 2, as should be the case.

In this context, a major concern is the commitment of the six beneficiary countries at the national and regional levels. Economic and political forces will cause this commitment to fluctuate, and this is likely to reduce project outputs. Nevertheless, actions such as the support of the Permanent Secretariat of the BSC or the construction or upgrading of wastewater treatment plants suggest that pollution control policies will continue to receive sufficient priority among these countries to warrant optimism for BSERP project success and sustainability.

Global Environmental Benefits and GEF Relevance.

The Black Sea is a major water body that directly or indirectly affects dozens of countries as well as adjacent seas and oceans. This project thus has clear global environmental benefits. It also fits perfectly with the strategic thrust of the GEF IW program. Indeed, it is hard to imagine a project that has more relevance to the GEF mission. In particular, the BSERP will assist six countries to better understand the environmental issues of their international waters and to work collaboratively to address those problems, it will build capacity in pollution reduction, water quality, coastal zone management, and coastal oceanography, and will implement measures that address the priority transboundary issues - eutrophication, discharge of toxic substances, and loss of critical benthic habitats and wetlands. The BSERP has the potential to be a jewel in the GEF crown.

Regional Context.

Here again, the BSERP fits perfectly with the multi-national scope of GEF IW projects. Six countries are directly involved in the project, but a total of 17 are part of the Black Sea watershed, and thus are linked to the policies and activities of the project.

I was pleased to see a recognition of a common problem in projects of this type – that activities conducted by international experts without close integration and cooperation with experts from the involved countries are often not given serious consideration, and recommendations often go unheeded. The BSERP brief states that all project components will be carried out in close cooperation with the BSC's expert bodies and that highly qualified national experts/consultants from the Black Sea riparian countries will be fully involved as well. It is important that this policy be continued in Phase 2, even if this involves a shift of resources from other project elements.

Replicability of the Project.

Many of the activities and experiences of this project are relevant to similar projects in other parts of the world. Numerous countries share water bodies or coastlines, and many of these are threatened by eutrophication and toxic substances, especially in developing parts of the world. Just as the BSERP project will benefit from water quality policies established among member countries of the European Union, other countries or regions can benefit from the policies, procedures, and legislation formulated by the BSERP for coordinated pollution control.

Sustainability of the Project.

Sustainability remains a significant unknown for the BSERP, but as long as expectations are not too high and time-frames too short, the benefits from this GEF project should be long lasting. The six countries involved have already shown a reasonable level of commitment to environmental control, despite difficult economic and political situations. They are providing financial support for the BSC Permanent Secretariat, are contributing significant in-kind support in terms of wastewater treatment construction and upgrades, are conducting monitoring of the coastal waters to provide baseline data, and are willing to endorse the BSERP project.

These multi-country financial arrangements, such as the support for the permanent Secretariat, can contribute to long-term sustainability. The BSERP has also plans to involve the private sector, inter-governmental financial institutions, and other entities in project implementation, and this should also lead to a long-term commitment to the objectives and ideals of the program. An underlying reason for my optimism is that the Black Sea is widely recognized to have been severely damaged by the countries that surround it, and the negative effects are clear, dramatic, and easily linked to substantial economic losses. These are the factors that attract public attention, as well as the attention of politicians. Given this, it is highly likely that efforts to clean up the Black Sea will be sustained for many years, although the nature and rate of those efforts will likely fluctuate significantly with political and economic conditions.

In this context, it is of note that the BSERP is itself a continuation of the GEF Black Sea Environmental Program. The BSERP also builds on the findings and recommendations of the Declaration on the Protection of the Black Sea, the Black Sea Strategic Action Program, national Strategic Action Plans for rehabilitation and protection of the Black Sea, and several other programs and task forces.

Linkages to other Focal Areas.

The most obvious linkage between the BSERP and other GEF focal areas is in biodiversity. It is well established that the environmental degradation of the Black Sea (from pollution, over-fishing, and other human activities) has drastically affected biodiversity at all levels of the region's ecosystems. Ecosystem stress has been significant, and the outlook for the future is ominous as the regional economies improve.

There is also a linkage to the GEF land degradation focal area, as some of the agricultural practices that lead to enhanced pollution of the Black Sea are also degrading the land, such as through increased erosion, and build-up of minerals and nutrient salts in soils.

Stakeholder Involvement.

Public communication and involvement are emphasized heavily in the BSERP, and this is as it should be. A Public Information specialist will be part of the core PIU team, and numerous planned activities will educate the public about the nature of the pollution threat to the Black Sea and the steps that can be taken to alleviate it through time. This type of public education has proven to have a long-term payoff in other projects of this type. Further stakeholder involvement will occur through small grants to NGOs.

Capacity Building.

Capacity building is an important aspect of the BSERP. It is evident in plans for training courses, in development of monitoring program design, support of a regional information system and GIS database, and other related activities. I was concerned to read that there was a delay in the “Black Sea Train Sea Coast” course development for agricultural management of nutrients in coastal regions. This seems to be a major element of the effort to reduce agricultural nutrient pollution, yet the BSERP has not made much progress in this direction at all. The PIU should clarify the nature of the delay in Phase 1, and the steps that will be taken in Phase 2 to rectify the situation.

Innovativeness of the Project.

The BSERP approach to control of eutrophication and coastal degradation is innovative because it does not simply target the pollution sources, as is often done in other programs. The BSERP approach is to tackle the problem in a holistic manner, recognizing that resolution of the problem is not simply a matter of reducing nutrient loads, but involves protective measures to help vital ecosystems become re-established, fisheries and other living resources to be exploited in a sustainable manner and chemical contamination to be controlled. This approach is certainly more challenging as well, as it involves many different constituencies, overlapping agency jurisdictions, and multiple approaches to mitigation.

General Comments

Presumably as a result of the latest APR/PIR Review (April 2003) which rated Phase 1 progress as “unsatisfactory”, the Project Coordinator was replaced in July 2003. The implementation schedule of BSERP activities was then revised and a new spending schedule for project funds developed. Since this major project reorganization occurred only 7 months ago, it is very difficult for this reviewer to assess whether this change will lead to better project implementation and satisfactory progress in Phase 2. Project oversight was apparently deficient, and one hopes that a new Project Coordinator or CTA will remedy the situation. However, I would like the Brief to acknowledge past problems, and specifying steps that will be taken in Phase 2 to better assess and monitor progress during project execution. Paragraph 208 specifies a review structure composed of a Project Steering Committee, a Tripartite Review (TPR), a GEF Project Implementation Review, and an External Evaluation. Presumably, this structure has not changed from that used in Phase 1, but from an external perspective at least, I would argue that this system did not work. Will anything new be done to increase oversight, or monitor progress? For example, what can the project Steering Committee (SC) do to better monitor progress? In paragraph 200, the text suggests that two meetings per year will be held for the SC to review progress on the basis of a report prepared by the CTA. Is this sufficient? What assurances are there that the SC will be able to identify shortfalls in project output in Phase 2, when this did not happen in Phase 1? Alternatively, will the Tripartite Review or the Project Implementation Review be able to detect shortcomings in time to remedy them? Can the PIU suggest some additional steps to gauge and monitor progress? For example, should there be formal (quarterly?) progress reports produced by the CTA and sent to the Steering Committee? Obviously, project oversight should be a key issue in Phase 2, yet I see no evidence that anything has changed in this regard, other than the new Project Coordinator. I note also that in Section 14 (Lessons Learned), there is no discussion of the problems encountered that led to delays and incomplete project activities in Phase 1. The PIU should acknowledge the problems it encountered and tell us how it plans to avoid them in Phase 2.

A related comment is that Appendix A was provided to list progress, but the detail provided is not sufficient to indicate actual accomplishments as opposed to plans or expectations. Furthermore, many actions are listed in that Appendix that are not specified as BSERP activities, and that may well be actions planned and implemented by other organizations such as the GEF UNDP Danube Regional Project (DRP) or working groups such as the Joint Working Group of the ICPDR and BSC. In effect, this reviewer is concerned that actual BSERP progress is being embellished by the inclusion of actions taken by other regional programs and groups. Accordingly, the Preface, as well as Appendix A and Table 26 should be modified to indicate, where possible, the specific role of BSERP in the “progress” that is listed. For example, the text states that “The Memorandum concerning cooperation between the Black Sea and Danube Commissions was

signed in November 2001. A task force (DABLAS Task Force) was established as a platform for common decision making and encouraging investments for environmental protection, BSERP participates in the process.” What does this mean? Is BSERP a member of the Task Force? If not, is this truly a project accomplishment? Likewise, “A Joint Technical Working Group was established with the mandate to develop harmonized monitoring systems, common assessment of the ecological status of inputs of nutrients and other hazardous substances.” The implication is that BSERP established this Joint Technical Working Group, but I wonder if this is the case. These and other activities listed under project progress should be clarified so the role BSERP has taken is more evident. I raise this issue because this reviewer is asked to assess the likelihood for satisfactory progress in Phase 2, yet that assessment requires some knowledge of the true effectiveness or accomplishments of the present BSERP PIU.

Another serious concern is that Phase 2 project activities are numerous and diverse (16 project components with 85 different activities). Problems with full project implementation were clearly encountered in Phase 1, and steps were taken to improve the situation. One was to hire a new Project Coordinator, and the other was to establish support offices in each of the 6 countries to support the project activities in those countries. Five-month contracts have been awarded to coordinating experts in each country, with the expectation that their effectiveness will be evaluated at the end of April and a decision made as to whether to continue this approach. I fully endorse the need for additional staff support, and hope that this strategy proves effective. If it does, the national support offices should be continued. If not, then an alternative support structure will be needed.

Again on the staffing issue – in paragraph 204, the core staff of the PIU are listed as: a Programme Coordinator (CTA); a Monitoring and Evaluation and Information Specialist/Deputy Project Manager; and a Regional Support Officer for Harmonisation with EU Water Policies. I am doubtful that this small group of individuals (one of whom is only on staff for one year) can effectively oversee all 85 proposed activities, produce the many reports that are promised, and coordinate and attend all the meetings that will be held. Phase 2 might thus have the same backlog of incomplete or delayed activities that characterized Phase 1. In this regard, Project Management Sheets (Appendix J) are potentially useful tools for guiding the progress of individual project activities. As I read through these, I wonder who will be the responsible individual(s) for each of the activities. The sheets list the main parties to be involved in the implementation of these activities, but these are organizational entities such as the BSC, the BSC Permanent Secretariat, or simply BSERP. No specification is given on the BSERP staff who will be involved. Perhaps an additional column could be added to these sheets to indicate the individual responsible for the action (e.g., the CTA, an external consultant, an in-country coordinating expert, etc.). In this way, a manager, a reviewer, or an oversight committee could begin to see which individuals are over-committed so that steps could be taken to either drop activities, or add staff. This would also help in project management, as each staff member would could readily identify the activities require their attention.

A final comment concerns the budget. Through July 2003, project spending was considerably lower than proposed for Phase 1. Following the budget revision and appointment of a new Project Coordinator in July 2003, a new work program was established and executed. A revised budget for the remainder of 2003 and 2004 was developed and is currently being implemented. In effect, an accelerated spending plan has been put in place in which 70% of the project budget will be spent in less than 10 months. In one sense, this is welcome news, as it suggests that incomplete or delayed project activities will be undertaken. On the other hand, one wonders if this additional spending is driven by the need to spend out the budget, rather than by what can realistically be accomplished by the project staff. In other words, please assure us that the accelerated spending to close out Phase 1 will not lead to inefficiencies and reduced oversight by an over-committed PIU

Overview

The BSERP is a complex, multi-faceted program being conducted in a changing and challenging political and economic environment. The latter considerations have clearly hampered progress in Phase 1, as has some level of inadequate management or oversight by the Project Coordinator and several review or oversight committees. It is clear that significant challenges were encountered during project start-up, and it is therefore logical to wonder if Phase 2 will suffer from the same problems. This is a major concern that needs to be addressed if Phase 2 funds are to be approved. My view is that it would be unwise to extrapolate future productivity on the basis of the first years of project effort. Steps have been taken to change the pace of work and the management has changed as well. I would thus recommend that the project continue into Phase 2.

Another major concern relates to the commitment from the six beneficiary countries at the national and regional levels. Economic and political forces will cause this commitment to fluctuate, and this is sure to reduce project outputs from the optimistic levels of the Brief. Nevertheless, actions such as the multi-lateral financial support of the Permanent Secretariat of the BSC and commitment of millions of dollars to wastewater treatment projects suggest that pollution

control policies will continue to receive sufficient priority among these countries to warrant optimism for BSERP project success and sustainability.

Many other aspects of the project also argue strongly for a continuation. The BSERP fits perfectly with the GEF mandate for IW projects, and addresses a societal problem of great importance, not only in the Black Sea region, but worldwide as well. It is difficult to imagine a project that fits this mandate any better. To its credit, the BSERP is attempting to tackle the problem of eutrophication in a holistic or comprehensive manner, recognizing that the solution is not merely a matter of reducing the discharge of nutrients but involves protective measures to help vital ecosystems become re-established, fisheries and other living resources to be exploited in a sustainable manner and chemical contamination to be controlled. In this context, it should be noted that economic decline has brought temporary relief to the Black Sea since the discharge of nutrients and hazardous substances has also decreased. There is therefore an opportunity to adopt a new development approach at a time when the region is starting to rebuild its infrastructure and change its policies. This window of opportunity is open now, but will most likely be a very small one.

Yet another positive factor is that the proposed project is an important component in a wider GEF Black Sea Basin Strategic Partnership that includes separate GEF interventions in the Danube and the Dniro, several biodiversity projects, and the World Bank GEF Nutrient Investment Facility.

Overall, the BSERP should receive Phase 2 funding, but with strong recommendations for tighter project oversight, and perhaps a realistic appraisal of staffing commitments relative to proposed activities. It may come down to a choice between hiring additional support staff and national experts, versus dropping certain activities or outputs.

ANNEX D: RESPONSE TO STAP REVIEW

by

Pat Reynolds, CTA

March 5th, 2004

The BSERP PIU has taken into consideration all of the identified problems and recommendations of the STAP review (**Error! Reference source not found.**). For ease of reference, the acknowledgement of the comments/recommendations and the response of the PIU is provided in a tabulated form according to the headings of the specific and general comments provided. The Project Document has been be altered to reflect all of the recommendations of the STAP review and responses of the PIU.

The PIU would like to thank the reviewer for his valuable comments. These have allowed for more extended presentation of the PIU's position on a number of issues, which are considered as important for successful project implementation by both the reviewer and PIU.

STAP Review: BSERP PIU Response

Section	Identified problem/recommendation by STAP review ¹⁰	BSERP PIU Response
Scientific expertise		
	<p>P – Project personnel not planned to include expertise on eutrophication or phytoplankton nutrient dynamics</p> <p>P – No subcontracts envisaged for phytoplankton nutrient dynamics</p> <p>R – Review of data as and when available from cruises and monitoring programmes to substantiate effective control strategies for nutrients entering coastal waters</p> <p>R– Numerical models required for phytoplankton nutrient dynamics</p> <p>R – Assessment of historical data sets</p> <p>R –Organic nutrient analysis should be included in research and monitoring programmes</p>	<p>The PIU agree with the reviewer’s comments and will include a core staff member to manage and coordinate all activities in relation to eutrophication and phytoplankton dynamics.</p> <p>The essential studies proposed by the reviewer, which include determination of nutrient limitation; phytoplankton nutrient dynamics; sediment/water flux determination and quantification of the different nutrient forms entering the Black Sea are all included in the ISG work-plan during 2004-2007 (i.e. Phase 1 and 2).</p> <p>As a support to the new staff member, the PIU to outsource a variety of data analysis and assessment from cruise and monitoring studies to international and regional experts involved in the International Study Group activities.</p>
	<p>P – Water quality management of the Black Sea will not be supported by the development of decision-support tools</p> <p>Q – Are numerical models being used in BSERP and if so, how?</p>	<p>It was not the original intention of the BSERP to produce an output which describes a physical/biological model of the Black Sea. Various physical/biological models do exist for the Black Sea but are limited with respect to the accuracy of calculations/observations for spatial and temporal rate processes.</p> <p>The focus of the BSERP, through the ISG activities, has been placed on the determination of factors controlling the movement and interaction of nutrients and hazardous substances in the coastal zone, transitional and marine waters within different environmental compartments. In addition, hydrodynamic and meteorological modelling is being conducted by the EU under their ARENA project, of which the BSERP is a stakeholder. With a numerical description of the nutrient dynamics, hydrodynamics and meteorological processes to hand, the attainment of such a physical/biological model would be within the scope of the BSERP.</p>

¹⁰ P - Identified problem, R – Recommendation, Q – Query, N - Note

Section	Identified problem/recommendation by STAP review ¹⁰	BSERP PIU Response
		<p>The BSERP is also on the advisory board of a further related EU project, the ‘European Lifestyles and their effect on Large Marine Ecosystems’ (ELME)¹¹. The EU project, which is coordinated by the Chairperson of the ISG activities, Professor Laurence Mee (Plymouth University, UK), brings together the resources of 28 institutions from the EU and aims to provide scenario development modelling to predict the ecological impact on the four European Seas (NW Atlantic, Mediterranean, Baltic and Black Seas) with respect to future European policy development (e.g. accession process) incorporating the socio-economic changes, based on current and projected trends. The BSERP will act to support the involvement of countries outside of the EU Accession process.</p> <p>The Commissions responsible for the protection of the European Seas are all represented in the EU project, and thus the ELME will serve to enhance cooperation between the regional Commissions. One notable mode of cooperation through the ELME project that will aide the Black Sea is the development of a decision-support system related to eutrophication, which has been recently completed by the HELCOM for the Baltic Sea. This approach will serve as a template for development of a similar system for the Black Sea. The data generated by the ISG, pilot monitoring activities, ARENA¹² and land-based nutrient exports modelling (see below) will serve to populate the Black Sea decision-support model.</p>

¹¹ ELME – “The European Lifestyles and their effect on Large Marine Ecosystems”. EU 6th Framework Research Project. Total financing is 2.5MEuro. Start date – Dec 2003, end date – Dec 2006. BSERP representatives participated as member of the Project Advisory Board in the Inception Workshop held in the UK on 25-27 February 2004.

¹² ARENA – A Regional Capacity Building and Networking Programme to Upgrade Monitoring and Forecasting Activity in the Black Sea Basin. Financed by the EU, this project aims to initiate a co-operative ocean programme to assess and identify the Black Sea resources, the needs for operational oceanography, to formulate a Data-Base Management System and to build capacity through training and improving the communication and other essential facilities, for the monitoring, modelling/prediction and forecasting for the entire Black Sea basin.

Section	Identified problem/recommendation by STAP review	BSERP PIU Response
	R – The term ‘rapid assessment methodology’ requires clarification	The employment of a ‘rapid assessment methodology’ refers to the development of a nutrient export model to indicate and prioritise the major point and diffuse sources entering the Black Sea from the whole basin. This methodology will be carried out in conjunction with the GEF Danube regional project and will take into account the prior studies in the region such as the ongoing EU DANUBS model and the BSERP Kamchia river basin model, the latter being a demonstration project carried out in the first phase of the BSERP. The methodology, which relies on statistical data sets reflecting sectoral activities, has been used successfully in situations where monitoring data is limited or unreliable. The output of this activity will be linked to the decision-support system described above.
Data consistency and management		
	P - Obtaining consistency and compatibility of data	Data consistency will be ensured through the Black Sea Information System (BSIS) by use of recognised statistical techniques for data management. Data compatibility with the European Environmental Agency (EEA) and other Regional Sea Commissions is one of the key functions of the Pollution Monitoring and Assessment (PMA) Advisory Group to the Black Sea Commission. The BSERP supports the PMA Advisory group financially and technically. A joint EEA/JRC13/BSC/BSERP workshop on the assessment methodologies is planned for April 2004. This workshop will be held in Istanbul.
	P - Pilot monitoring only at the planning stage	Pilot monitoring is well underway in Phase 1. This activity is currently carried out by regionally laboratories who have been designated by the riparian countries to take part in the Black Sea Integrated Monitoring and Assessment Programme (BSIMAP). The activity includes the regional harmonisation and QA/QC approach for biological, chemical and physical determinants prescribed in the BSIMAP. The activity includes the delivery of historical data sets to the PIU for analysis of the suitability/responsiveness and robustness of indicators of environmental status as agreed by the JTWG of the BSC and the ICPDR. Evaluation of historical data sets will be carried out in accordance with the methodologies derived by the EEA. A regional workshop to assess the results of the current Pilot Monitoring exercise will be held in July 2004. This workshop will also include the design of future pilot monitoring efforts, e.g. hazardous chemical assessment and spatial coverage.

¹³ JRC is the EU Joint Research Centre in Ispra, Italy.

Section	Identified problem/recommendation by STAP review	BSERP PIU Response
	P – Water quality assessments conforming to EU guidelines may not be adopted in all Black Sea countries	The BSIMAP has been designed to meet the EU requirements for water quality assessments according to the EU WFD. It is correct to assume that those countries that are not in accession to the EU will not have a legal obligation to conform to the requirements of the EU and as such may not adopt the EU guidelines. However, the BSIMAP has been designed not to enforce EU legislation, but rather to promote harmonisation of water quality objectives, standards and assessment methodologies.
Adequacy of technologies		
	P – Not enough detail in strategies and technologies for nutrient reduction and ecosystem recovery strategies	As noted by the reviewer, ‘none of the technologies needed to achieve pollution reduction objectives of the BSERP are technologically challenging or require technical innovation before implementation’. The BSERP has recognised that further development is required, not in the available technologies (such as wetland restoration), but rather in the institutional capacity and logical framework required to ensure that financial support is cost-effective and administered efficiently.
	P – Country commitment to project implementation	<p>Country commitment to project implementation is always a risk. To ensure continued commitment by the riparian countries, in Phase 1 the BSERP initiated the creation of country project offices which are supported by key country staff who will act to support the project activities throughout the second phase, as well as to support the existing obligations/requirements of the countries signatory to the Bucharest Convention. The BSERP has successfully adopted in Phase 1 of BSERP a policy of working with the Black Sea Commissioners directly through the country offices.</p> <p>In order to maintain the country commitment, the involvement of all stakeholders is essential. This is a key concern and challenge of the BSERP. A recent regional coastal zone stakeholder assessment clearly showed that the planning process is not in the least consultative. In phase 2, the BSERP aims to bridge this gap by means of a) incorporating public relations officers within the country staff teams, b) enhanced public awareness programmes; c) training of regulatory and NGOs and d) the development of public-private partnerships (PPPs) for environmental management</p> <p>The readiness of each of the countries to accept loans for investment in environmental management of the Black Sea will be assured by the development of the essential institutional structures which are inter-ministerial and inter-sectoral in nature and, where relevant, incorporate PPPs.</p>

Section	Identified problem/recommendation by STAP review	BSERP PIU Response
	R – Marine Protected Areas should be encouraged as a strategy for habitat restoration and ecosystem health	Phase 2 of the BSERP will conceptualise, design and assist in implementing a pilot project for marine areas in the Bulgarian-Romanian transboundary zone (Vama-Veche). This model will serve as a template for the creation of further MPAs in the Black Sea region.
Institutional arrangements		
	P – Achieving effective networking and coordination resulting in slow progress in Phase 1	Effective networking has been achieved during Phase 1 although this undoubtedly had an impact on the progress achieved to date with respect to the activities planned. The latter half of Phase 1 has focussed on the establishment of working arrangements for Phase 2 with the ICPDR, DRP, IFIs, EU/EEA and other regional Seas Commissions, as well as the inter-ministerial, inter-sectoral and national institutional bodies acting as stakeholders in the environmental management of the Black Sea.
	P – Country commitments may fluctuate during the lifetime of the project	See above ‘Adequacy of Technologies’ - P – Country commitment to project implementation
	R – Proactive cooperation with the Black Sea Commission at various levels	The BSERP has established adequate cooperation with the BSC and its various Advisory Bodies as well as being responsible for the creation of ad-hoc experts groups. This will be continued through the whole of Phase 2.
	R – Recognition of EU WFD	The importance of the EU WFD (and the forthcoming EU Marine Strategy) are fully recognised by the BSC and are included in its work-plan, which is wholly supported by the BSERP. The PIU will continue working closely in Phase 2 with the EEA by means of its organisational centre responsible for inland, transitional and coastal waters (WRc, UK). The PIU also actively supports the participation of members of the BS Permanent Secretariat within the relevant working groups of the EU.
	R – Inter-ministerial coordination must have high priority in the project	Agreed. At the start of Phase 2, coordination will be assured with the ICPDR and DRP for Bulgaria, Romania and Ukraine with further elaboration by BSERP in Georgia, Russia and Turkey during the second Phase. This activity will start in early Phase 2 and will continue through the life-time of the project. Inter-ministerial representation will be sought during the Black Sea Donor Conference to be held back-to-back with the Black Sea Scientific Conference and Black Sea Commission Meeting in October 2006.

Section	Identified problem/recommendation by STAP review	BSERP PIU Response
Global environmental benefits and GEF relevance		
		No comments required. The PIU agree with the reviewer.
Regional context		
		No comments required. The PIU agree with the reviewer.
Replicability of the project		
		No comments required. The PIU agree with the reviewer.
Sustainability of the project		
		No comments required. The PIU agree with the reviewer.
Linkages to other focal areas		
		No comments required. The PIU agree with the reviewer.
Stakeholder involvement		
		No comments required. The PIU agree with the reviewer.
Capacity building		
	Q – Black Sea ‘Train Sea Coast’ course development for agricultural management of nutrients delayed, explain why?	In the Phase 1 project Document, it was envisaged that Train Sea Coast (TSC) course development for agricultural management would be completed and delivery of the course would have been initiated within the Black Sea region. Unfortunately, due to circumstances outside of the control of the BSERP, the required progress in this area was not achieved, i.e. the course material has only recently been completed. The problem stems from the fact that the TSC is not directly responsible to the BSERP. In other words, the BSERP is an end-user of the TSC and in this capacity cannot influence the speed, at which the course development takes place. Since the course material for agricultural management training is now complete, the BSERP does not envisage any further delays with the implementation of the TSC programme in the Black Sea region.
Innovativeness of the project		
		No comments required. The PIU agree with the reviewer.

Section	Identified problem/recommendation by STAP review	BSERP PIU Response
General comments		
	P - Project oversights	
	a) acknowledge past problems and specify steps to be taken in Phase 2	<p>The PIU team recognises the management problems encountered in Phase 1 of the project. It would not be correct to assume that the previous management of the project was alone responsible for the lack of progress achieved in Phase 1. The riparian countries and the Permanent Secretariat of the BSC must also share responsibility for the slow progress in the project implementation. However, the PIU agree with the reviewer's comments to acknowledge past problems and specify appropriate steps that will ensure that progress in Phase 2 does not meet with the same blockages. The following project oversights occurred in Phase 1.</p> <ul style="list-style-type: none"> 4 out of 7 of the PIU core team were changed in the first 1.5 years of Phase 1 leading to a lack of consistency in project implementation: <i>Staffing structure and activities refocused during the latter half of Phase 1. With respect to the support staff, changes were made by the creation of a position for a contract manager and the replacement of the financial administrator (see below). The professional staff included a new CTA, a Monitoring and Evaluation and Information specialist and a Public Participation Specialist. The latter role proved difficult since there is a conflict in choosing an individual for this post, i.e. the position requires extensive public participation experience with acceptance of the individual in the Black Sea region deemed critical for the success of the activity. In Phase 1 BSERP has selected 2 individuals, the first of which failed to implement the activities required, and the replacement was not accepted by a number of NGOs in the region due to lack of relevant experience. This situation needs to be drastically corrected in Phase 2. The project team will be further strengthened in Phase 2 with the inclusion of an Eutrophication/Marine Pollution Specialist, an officer responsible for the harmonisation of EU legislation in the Black Sea region and a Public Relations Officer. The latter position will act as a replacement to the Public Participation Officer, but with more emphasis on the relations to</i>
	b) increased monitoring by SC	
	c) additional steps required to gauge and monitor progress by PIU	
	d) no evidence of management change from Phase 1	
	e) no acknowledgement of previous problems encountered in Phase 1 or how they will be avoided in Phase 2	
	f) progress insufficient to indicate actual accomplishments	

Section	Identified problem/recommendation by STAP review	BSERP PIU Response
	<p>g) actual progress of project is embellished by actions taken by other regional programmes or groups</p>	<p><i>the public and dissemination of information on the implementation of the BSERP and Bucharest Convention.</i></p> <ul style="list-style-type: none"> • Previous management underestimated the importance of detailed operational planning: <i>phase 2 planning achieved following dialogue and agreement with BCS, Permanent Secretariat, ICPDR/DRP;</i> • Previous project management did not effectively delegate responsibility to other team members who were responsible for specific activities: <i>responsibility of the project team and supporting staff have now been delegated for effective operation of the PIU as a facilitation unit;</i> • Involvement of Black Sea Commissioners and national coordinators was insufficient, resulting in a lack of support for project initiatives in each of the riparian countries: <i>creation of project offices linked directly to the Black Sea Commissioners;</i> • A scholastic approach was taken to implementation of a number of tasks, i.e. lacking a link to the real situation and conditions in the countries: <i>regular in-country meetings of CTA and Black Sea Commissioner and country project supporting staff planned for Phase 2;</i> • Insufficient involvement of regional expertise in the countries: <i>contracting of national/regional experts in line with the requirements of the Black Sea Commission's work-plan and the requests of the Permanent Secretariat. This activities were heavily increased following the departure of the previous project management;</i> • Inadequate financial management of the project leading to ineffective implementation: <i>staff accountant replaced;</i> • The project team did not take pro-active measures to initiate a number of activities, which were delayed due to lack of communication and/or designation of responsibilities between the project, the Permanent Secretariat and the countries: <i>enhanced dialogue with the Permanent Secretariat by means of meetings scheduled on a weekly basis. Continuous dialogue with the Black Sea Commissioners through the country offices;</i> • Insufficient involvement of the SC in both planning and implementation, both technically and financially: <i>Regular visits of the management team to the country project offices, production of quarterly progress reports for all members of the SC planned for Phase 2. The latter coincides with the proposal of the reviewer;</i> • Phase 1 was not sufficiently focused to practically achieve project objectives, i.e. sectoral planning: <i>refocus of activities during Phase 2 and identification and engagement of all stakeholders;</i> • Actual progress of project is embellished by actions taken by other regional programmes or groups: <i>Projects such as BSERP can never be implemented as a stand-alone activity without a close cooperation with other international, regional, national and local initiative and programmes. The main project role is sought to support and instigate sustainable mechanisms for the cooperation in the Black Sea region and implementation of the Bucharest Convention. There has been no intention to embellish the outputs of the BSERP</i>

Section	Identified problem/recommendation by STAP review	BSERP PIU Response
		<p><i>with those originating from other political, structural, and institutional programmes. The corresponding documents of the programmes mentioned above have been included in the Project Document, since they form the boundary conditions for the project implementation.</i></p> <p><i>However, a pro-active role of the project should not be underestimated. This related to a number of innovative development tasks, such as the Inter-Ministerial coordination, root-cause analysis, activities of the International Study Group, design and implementation of the BSIS and assessment methodologies and techniques, scenario development and a series of demonstrational projects, initiatives for the development of bankable projects by the IFIs (incl. potential new GEF interventions in the region), Public Private Partnerships, public awareness and educational programmes.</i></p>
	P – programme activities numerous and diverse	<p>The original project activities planned for both Phase 1 and 2 were numerous and diverse. The PIU clearly recognised this situation and subsequently re-focussed the activities originally planned for Phase 2. This is in-part evidenced by the reduction of main objectives in Phase 1 and 2 from eight to five, respectively.</p> <p>Since the BSERP is tackling the Black Sea Ecosystem recovery from a holistic viewpoint, it would be difficult to undertake such a programme which excluded the activities planned for Phase 2. It is evident that there is a need for further support to (i) the Black Sea Permanent Secretariat (which has only been in operation since 2000 and is still understaffed), (ii) the development of policy guidelines, (iii) the development of economic instruments and investment opportunities, (iv) the development for operational systems and information management and (v) further strengthening in public participation in the region.</p>
	R – need for further staff support	Agreed. Answered in the section relating to ‘Scientific Expertise’.

Section	Identified problem/recommendation by STAP review	BSERP PIU Response
	R – Support to national project offices should be continued	<p>Although this is a financial burden to the project, the positive value of such an institutional set-up in each country out ways the negative aspects considerably. It would be inconceivable for the BSERP to manage the activities without such a structure in place. The direct linkage of the country team leaders to their respective Black Sea Commissioner ensures that the implementation of project activities is under the auspice of the government, i.e. data collection, environmental management planning.</p> <p>National experts are employed by the BSERP only after agreement with the country Commissioner. The intention of setting-up national project offices is also linked to sustainability. It is expected that such offices will in the future remain as ministerial nodes for the management of the Black Sea.</p>
	P – With staffing specified in Phase 2, the PIU would not be able to oversee all project activities as well as produce reports and participate in meetings	The inclusion of an eutrophication expert to the core project staff will alleviate this problem. Project management data sheets have been altered to reflect the responsibilities of the PIU team. Another means of ensuring a coherent oversight of the project from the countries perspective is the newly established project country offices.
	Q – Was the budget spending in Phase 1 driven by the need to spend out the monies?	<p>There is no doubt that the spending of the project monies could be interpreted as a ‘spend-out’. However, it must be borne in mind that when the change of management of the PIU took place in July 2003, it was evident to the Steering Committee that few activities had actually been initiated since the start of the project in April 2002 (reference to Objectives 2 and 4 in particular). As a response, the new management team initiated activities in all of the 8 objectives of the BSERP. Since the management change over, the project has delivered in excess of 150 contracts to international and regional companies and individual experts to initiate the activities in preparation of Phase 2.</p> <p>In order to aide with the capacity-building and development of an institutional structure, the majority of contracts were provided to regional experts in Phase 1. In each area of activity, the PIU chose an international ‘mentor’ to aid in the coordination and direction of the activity. This approach will be continued throughout Phase 2.</p>

Overview	P – Inadequate management during Phase 1 with respect to coordination and performance monitoring	<p>This is very much appreciated by the PIU. Interventions to improve the situation are:</p> <ul style="list-style-type: none"> • The CTA and Deputy Manager of the Project have additional related tasks for the monitoring and evaluation of the progress in the project implementation; • A set of process indicators for the monitoring and implementation of the project are being developed and currently under discussion between the DRP, BSERP, ICPDR, BSC. This activity will be completed before the start of Phase 2 • The involvement of each riparian country in monitoring and evaluation of the project implementation has increased through regular (monthly) reporting by each Country Team Leader. This was introduced in Nov 2003. • Quarterly reporting by the PIU on the project's progress will be initiated in Phase 2. The recipients of the progress report will be members of the Project Steering Committee. • The project management team have planned additional visits to each riparian country in order to discuss project implementation issues with the Black Sea Commissioners, National Coordinators, and country project office staff.
	R – Possible choice between hiring additional support staff/experts versus dropping certain activities or outputs	<p>Recommended option is not to drop any activities, since they have been agreed and supported by the countries, as well as by international commissions (BSC, ICPDR). The preferred choice of the PIU would be to increase the budget of the project sufficiently to allow support for an additional professional international staff member with experience in eutrophication and nutrient dynamics. This idea has been preliminary agreed with the UNDP's Principal Technical Advisor for International Waters.</p>

Istanbul, Turkey
March 5th, 2004

ANNEX E: CO-FINANCING BY THE BLACK SEA COMMISSION

Total BSC and BS countries contributions

The overall budget of the BSC and its Permanent Secretariat comprises the following:

- a) BSC PS – annual budget;
- b) BSC advisory groups
- c) Participating countries
- d) Others

Total Contributions

- a) BSC PS

Year	2003-2004	2004-2005	2005-2006	Total
Operational BSC Budget, USD	261,360	261,360	261,360	784,080

- b) BSC PS

Year	2003-2004	2004-2005	2005-2006	Total
Advisory groups, USD	118,000	118,000	118,000	354,000

- c) Joint activities of the participating countries

Year	2004	2005	2006	Total
Joint activities, USD	0	0	0	0

- d) Other

Year	2004	2005	2006	Total
European Commission, USD	44,776 ¹⁴	44,776	0	89,552

Summary Table of the BSC and BS countries contribution

Budget Item	2003-2004	2004-2005	2005-2006	Total
BSC Budget	261,360	261,360	261,360	784,080
BSC AGs	118,000	118,000	118,000	354,000
Joint Activities	0	0	0	0
Others	44,776	44,776		89,552
Total	424,136	424,136	379,360	1,227,632

¹⁴ The contribution of the EC is Euro 36,000 a year. The exchange rate applied is 1Euro = 1.24378 USD.

Annex A: BSC Budget

Summary of the contributions of the Contracting Parties

	2004	2005	2006
Bulgaria	43,560	43,560	43,560
Georgia	43,560	43,560	43,560
Romania	43,560	43,560	43,560
Russian Federation	43,560	43,560	43,560
Turkey	43,560	43,560	43,560
Ukraine	43,560	43,560	43,560
Total	261,360	261,360	261,360

Budget for the year 2003-2004 (USD)

Contracting Parties	Contribution share (%)	Amounts (USD)
Bulgaria	16.67	43,560
Georgia	16.67	43,560
Romania	16.67	43,560
Russian Federation	16.67	43,560
Turkey	16.67	43,560
Ukraine	16.67	43,560
Total contribution	100	261,360
DG AidCo		Euro 36,000

Total Expenditure

Operational Costs (USD)	39,360
Personnel Costs (USD)	150,000
Activities under the Work Program (USD)	72,000
Total	261 360
Seconded staff by EC DG AidCo	Euro 36 000

Budget for the year 2004-2005 (USD)

Contracting Parties	Contribution share (%)	Amounts (USD)
Bulgaria	16.67	43,560
Georgia	16.67	43,560
Romania	16.67	43,560
Russian Federation	16.67	43,560
Turkey	16.67	43,560
Ukraine	16.67	43,560
Total contribution	100	261,360
DG AidCo		Euro 36 000

Total Expenditure

Operational Costs (USD)	39 360
Personnel Costs (USD)	150,000
Activities under the Work Program (USD)	72 000
Total	261 360
Seconded staff by EC DG AidCo	Euro 36 000

Budget for the year 2005-2006 (USD)

Contracting Parties	Contribution share (%)	Amounts
Bulgaria	16.67	43,560
Georgia	16.67	43,560
Romania	16.67	43,560
Russian Federation	16.67	43,560
Turkey	16.67	43,560
Ukraine	16.67	43,560
Total contribution	100	261 360

Total Expenditure

Operational Costs (USD)	39 360
Personnel Costs (USD)	150,000
Activities under the Work Program (USD)	72 000
Total	261 360

Expenditures per Advisory Groups

Advisory Group		2003-2004	2004-2005	2005-2006	Total
AG ESAS	Domestic	7,200	7,200	7,200	21,600
	Meetings	8,000	8,000	8,000	24,000
	Subtotal	15,200	15,200	15,200	45,600
AG FOMLIR	Domestic	7,200	7,200	7,200	21,600
	Meetings	8,000	8,000	8,000	24,000
	Subtotal	15,200	15,200	15,200	45,600
AG PMA	Domestic	7,200	7,200	7,200	21,600
	Meetings	8,000	8,000	8,000	24,000
	Subtotal	15,200	15,200	15,200	45,600
AG ICZM	Domestic	7,200	7,200	7,200	21,600
	Meetings	8,000	8,000	8,000	24,000
	Subtotal	15,200	15,200	15,200	45,600

Advisory Group		2003-2004	2004-2005	2005-2006	Total
AG CBD	Domestic	7,200	7,200	7,200	21,600
	Meetings	8,000	8,000	8,000	24,000
	Subtotal	15,200	15,200	15,200	45,600
AG LBS	Domestic	7,200	7,200	7,200	21,600
	Meetings	8,000	8,000	8,000	24,000
	Subtotal	15,200	15,200	15,200	45,600
AG IM	Domestic	5,400	5,400	5,400	16,200
	Meetings	8,000	8,000	8,000	24,000
	Subtotal	13,400	13,400	13,400	40,200
EG WFD	Domestic	5,400	5,400	5,400	16,200
	Meetings	8,000	8,000	8,000	24,000
	Subtotal	13,400	13,400	13,400	40,200
Total		118,000	118,000	118,000	354,000

Activities	ESAS		FOMLIR		PMA		ICZM		CBD		LBS		IM		WFD	
	m-d	US\$	m-d	US\$	m-d	US\$	m-d	US\$	m-d	US\$	m-d	US\$	m-d	US\$	m-d	US\$
Bulgaria	90	2700	30	900	30	900	30	900	30	900	30	900	30	900	30	900
Georgia	30	900	30	900	30	900	30	900	90	2700	30	900	30	900	30	900
Romania	30	900	90	2700	30	900	30	900	30	900	30	900	30	900	30	900
Russia	30	900	30	900	30	900	90	2700	30	900	30	900	30	900	30	900
Turkey	30	900	30	900	30	900	30	900	30	900	90	2700	30	900	30	900
Ukraine	30	900	30	900	90	2700	30	900	30	900	30	900	30	900	30	900
Total	7200		7200		7200		7200		7200		7200		5400		5400	

Calculations are made based on the assumption that the average expenditures in the region and for the time period in question amount to 30 USD/d

The average expenditures for a meeting of an advisory group amount to USD 8,000.



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02/05/2003 S85 PHARE, TACIS and countries of Central and Easter
Tender notice

Go to paragraph: 1. 2. 3. 4. 5. 6. 7. 8. 9. 10. 11.

B-Brussels: Tacis - investment facility for the Black Sea

2003/S 85-075302

Service contract forecast

Georgia, Russia and Ukraine.

1. **Publication reference:** EuropeAid/116448/C/SV/Multi
2. **Procedure:** Restricted.
3. **Programme:** Tacis.
4. **Financing:** Regional environmental programme 2002.
5. **Contracting authority:** European Commission, on behalf of beneficiary c Brussels.
6. **Nature of contract:** Technical assistance.
7. **Contract description:** The objective of this facility is to support investme pollution remediation affecting the Black Sea and its basins.
Main components are:
 - to assist in identifying high priority, high impact environmental investme
 - to assist in identifying so called 'win-win' investments;
 - to support planned loans with feasibility and pre-feasibility studies.
8. **Indicative maximum budget:** 4 000 000 EUR.
9. **Intended timing of publication:** June 2003.
10. **Additional information:** Not applicable.
11. **Legal basis:** EC Council Regulation (Euratom, EC) No 99/2000 of 29.12.1 concerning the provision of assistance to the partner states in eastern Eur central Asia.

Remarks:

There must be a minimum period of 30 calendar days between the publication c forecast and the publication of the corresponding procurement notice.
No applications or requests for information should be sent at this stage.