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DANUBE - BLACK SEA BASIN STRATEGIC PARTNERSHIP

Interim Progress Report – Annex 2:
Summary Report on Mid-term Evaluations
and Stocktaking Meeting

Summary Report on Mid-Term Evaluations and Stocktaking Meeting

1. Introduction

The GEF Danube - Black Sea Strategic Partnership Stocktaking Meeting (STM) was held on 10 –13 November 2004 in Bucharest, Romania to review progress made over the first 3 years. This large partnership is a test of a new way of working within the GEF, a demonstration of adaptive management for large water systems; a test determining whether implementation of regulatory and policy measures and investment project can be accelerated. This Strategic Partnership is testing for the first time a new GEF modality that can help with coherence among development assistance institutions.

The overall goal of the Stocktaking Meeting was to review progress of key Objectives and Indicators of the Strategic Partnership (SP) for the Danube/Black Sea (D-BS) Basin and to present and analyse the results so far obtained against the SP indicators and to identify and analyse problems and bottlenecks that are hindering efficient project implementation. The meeting adopted a set of mid-course corrective measures in order to streamline the implementation of the Partnership towards its Objectives and adopted recommendations for further reinforcement of cooperation in the Danube/Black Sea Region. The analytical materials and outcomes of this meeting were used for the development of the overall Progress Report to the GEF Council on the Danube/BS Strategic Partnership.

The STM in particular:

1. Reported on progress/delivery of the 6 key Objectives and Indicators of the Strategic Partnership and reviewed objectives, methodological approach and progress made in implementing activities of the GEF Danube/Black Sea regional programs by UNDP, World Bank and UNEP on GEF activities for nutrient reduction and environmental protection in the Danube/Black Sea Basin;
2. Analysed the roles of the two commissions as regional institutional and legal platforms and mechanisms of cooperation with GEF implementing agencies, with national Governments, with international financing institutions and other bilateral and multilateral donor organizations;
3. Considered legislative/policy drivers in the Danube/Black Sea Basin(e.g. EU Water Framework Directive, EU Marine Strategy, EU accession process, etc.) that can be used to reinforce or strengthen GEF efforts;
4. Reviewed current scientific basis on key transboundary environmental issues with particular attention to Black Sea ecosystems (eutrophication) and water quality status in the Danube River Basin;
5. Reviewed common approaches for raising awareness of the GEF Strategic Partnership, analyze involvement of other stakeholders (including the private sector) in activities related to nutrient reduction and environmental protection and efficiency of support provided to Non Governmental Organizations;
6. Discussed concerns raised on the efficiency of GEF interventions for nutrient reduction and environmental protection in Danube/BS region and adopted mid-course corrections to get the Partnership back on the right track in order to meet all Objectives and Indicators;
7. Provided input and materials needed for the Progress Report to the GEF Council on the Partnership.

The STM brought together a number of stakeholders involved in projects and activities of the Partnership - the representatives of the Danube and Black Sea countries, the two Commissions, UN organizations (the Partnership Implementing Agencies and GEF Secretariat), European Commission, donors and NGOs.

A total of about 90 participants, including highly experienced experts and specialists from the project implementation level and high level decision makers from participating countries and International Organizations were present at the meeting from the following organizations and interest groups:

- Danube and Black Sea country representatives and members of the two Commissions (ICPDR and BSC Secretariats): 31 participants;
- GEF Secretariat and M&E team members: 6 participants,
- Strategic Partnership Implementing Agencies, World Bank, UNDP, UNEP: 8 participants;
- European Commission/DABLAS: 2 participants;
- Project staff from the BSERP, DRP, WB IF and Consultants: 31 participants;
- International and regional NGOs (REC, DEF, BS NGO Network): 10 participants.

Staff of the GEF independent M & E Unit also participated at the meeting to analyze the efficiency of GEF programme interventions worldwide and also in the Danube – Black Sea region.

All participants contributed proactively to the Stocktaking meeting, gave 22 Presentations, participated in 3 Working Group sessions, discussed results and made pertinent recommendations for further actions to enhance the implementation of the Strategic Partnership Programme in the coming 3 years period.

2. Concerns Raised

Taking into account the essential issues of common concern voiced in the discussions of the Stocktaking Meeting and taking into consideration the results of the working groups, the following points have been highlighted at the STM:

- **Sustainability of Commissions (International Commission for the Protection of the Danube River-ICPDR and the Black Sea Commission-BSC):** It has been confirmed that with the present engagement of participating countries the work of the Commissions and the functioning of the Secretariats is assured over the period of the Strategic Partnership. This is in particular true in the case of the which is already at the present fully self sustained, whereas the BSC still depends largely on outside support to assure proper functioning of the Secretariat and to enable certain countries to participate in meetings and to carry out ecosystem monitoring and other activities related to the implementation of the SAP.

However, the perspectives for the BSC seem positive in considering that soon at least 5 out of 6 contracting parties will make their regular financial contributions. In this context it is also anticipated that the EU will become a member of the BSC and thus assist with assuring continuous and effective work of the Commission in reinforcing capacity building, monitoring of the Black Sea ecosystem and in promoting investment programmes through its financing mechanisms.

- **Re-introduction of intensive agricultural production in central and lower Danube Basin:** Many participants reiterated their concerns that a “tidal wave” of agricultural production in the central and lower Danube countries (new EU Member States and accession countries) could be expected that might lead to an increase in the use of chemical fertilizers and consequently in a new increase of nutrients from agricultural non point sources of emissions. There is likelihood of intensive agriculture with increased fertilizer use moving from western Europe to the lower basin. The importance of a potential increase of nutrient pollution in coming years was also raised due to the risk of non-

appropriate implementation of CAP in new EU member states and due to potential recovery of intensive agriculture practices leading to increased nutrient pollution in the Danube - Black Sea region.

The debate focused on possible market trends and the production of high yields and "fuel" crops; the possibility of organic agriculture was not seen as very realistic taken into account competition on the European and Global markets.

It was further stipulated that, as a precautionary measure, countries should give high importance to the control and the rational application of fertilizer and to ensure enhanced monitoring of nutrient levels in ground and surface waters. In this context, a close cooperation with the EC was recommended to assure careful planning when applying the CAP principles for Danube and Black Sea countries.

- **Partnership coordination:** Taking into account the recommendations of the International Waters Programme Study and consequent discussions it has been recommended to enhance coordination and cooperation under the Strategic Partnership and to introduce specific institutional mechanisms, e.g. Coordination meetings with the participation of UNDP, WB, UNEP, EC, the GEF/UNDP Regional Projects, the WB IF Projects and the two Commission Secretariats.

The meeting participants positively noted that the BSERP has developed for Phase 2 a new approach and revised its activities in line with the work programme of the DRP. Therefore, sectoral policies and strategies for pollution reduction (e.g. in agriculture, industry and urban sector), and other instruments for coordination and communication (e.g. inter-ministerial coordination, public participation, NGO development, etc.) already developed by the DRP for Danube countries (Bulgaria, Romania and Ukraine) can be adapted to conditions prevailing in other Black Sea countries. This will allow initiating a harmonized approach in policy development and will lead to more efficient use of project resources. For that reason, a permanent dialogue shall be established between the three Partnership projects, the BSERP, the DRP and the WB IF and the relevant Secretariats of the Commissions.

Further, full scale meetings once a year of all relevant GEF projects (International Waters, Land Degradation, Biological Diversity, POPs) working in the Danube and Black Sea basin area are proposed to enhance inter-focal area cooperation and project coordination.

- **Inter-ministerial coordination:** High importance was assigned to encourage and introduce mechanisms for inter-ministerial coordination where these are not yet established. For that purpose high level consultation meetings with governments are envisaged to obtain commitment from Governments to assure sustainability of nutrient reduction measures. In this context particular attention should be placed on agricultural development and the introduction of Best Agricultural Practices under the EU Common Agricultural Policy and Nitrates Directive applicable for EU and EU accession countries.

Therefore inter-ministerial coordination should also relate to the implementation of investment projects for pollution control and nutrient reduction to assure coherence between policy measures and investment programmes; in this context close cooperation with the DABLAS Task Force should be envisaged.

Further proposed measures relate to the organization of national workshops, using participatory approach to discuss and design/reinforce appropriate mechanisms for inter-ministerial coordination concerning all aspects of water environmental management and protection.

- **Replication of results:** Replication mechanisms will be a priority issue of the Partnership coordination meeting to engage EU (DABLAS), other donors and provisions in national budgets for continued financing of pollution control measures and to obtain national commitments under the Conventions (DRPC and BSC) and other international agreements (e.g. LBS protocol) to implement relevant policies and regulations after the Strategic Partnership programme is phased out.

It was further suggested to reinforce the cooperation between the EU DABLAS Task Force and the WB IF to assure higher efficiency of project financing and access of GEF Grants also to combined sources of funding.

- **Public involvement & communication:** The meeting participants have taken note of the fact that the DRP, in cooperation with the ICPDR, has developed adequate concepts for public participation (in line with the EU WFD) and a communication strategy. The meeting proposed that the BSERP should develop communication and public participation strategies using Danube experience to strengthen public participation and broader stakeholder involvement in all Black Sea countries.
- **Review of indicators and monitoring systems:** To improve monitoring of progress in implementing the objectives of the Strategic Partnership, the meeting recommended that environmental status, stress reduction and process indicators should be revised and adapted not only to the expected outcomes of GEF Programme activities but also to be relevant for the monitoring progress in implementing Action Programmes of the Commissions. The meeting recommended further to the BSERP to review, together with the BSC, environmental status and stress reduction indicators before the end of the project. In this context it was also suggested to reconsider process indicators in the Logframe and to make them generally acceptable to the Danube and Black Sea Protection Commissions to measure progress in implementing legal and institutional framework mechanisms.

3. Corrective measures proposed for further implementation of the Strategic Partnership:

Taking into account the presentations and discussions at the Plenary and Working Group Sessions and the concerns raised set of corrective measures was adopted at the Closing Session of the Stocktaking Meeting.

In total eight (8) particular issues have been identified, gaps have been analyzed and solutions have been proposed to assure efficient implementation of the Strategic Partnership in Phase 2 from 2005 to 2007:

	Gap / Issue	Response
1	Inter-ministerial coordinating mechanisms	<ul style="list-style-type: none"> – Using existing mechanisms for coordination when appropriate, – Organizing high level consultation meetings with governments to obtain commitment to establishing such mechanisms, – Filling gaps where required in improving existing or in creating new mechanisms.
2	Reporting on progress of Strategic Partnership objectives	<ul style="list-style-type: none"> – All Strategic Partnership partners will revise current progress reports according to issues discussed and will report tangible results on: <ul style="list-style-type: none"> ○ Adopting and implementing nutrient and toxics reduction policies and regulatory measures (national level), including Convention Protocols/Annexes, ○ Implementing nutrients and toxics pollution reduction investment projects (completed, in progress) and reporting on actual/projected

	Gap / Issue	Response
		nutrient/toxics reductions, <ul style="list-style-type: none"> Development of International Waters process, stress reduction and environmental status indicators, Donor partner (WB, UNDP, EU, etc.) 'mainstreaming' of nutrient and toxics reduction commitments into their regular programmes, Reinforcing stakeholder involvement.
3	Sustainability of commissions / functioning of secretariats	<ul style="list-style-type: none"> Accepting flexibility in payment of contribution (engagement of counties to meet their commitments before the end of the project), Broadening indicators for commitment taking into account proactive cooperation of countries in expert group meetings, participation in regional workshops, timely responding to reporting requirements under the convention and cooperation in GEF activities.
4	Partnership coordination	<ul style="list-style-type: none"> Organizing coordination meetings: Project and task managers from IAs, EC, WB, UNDP UNEP, Commission Secretariats, Reinforcing inter-focal area cooperation / project coordination: full scale annual meeting of all relevant GEF projects (IW, LD, BD, POPs) working in the Danube and Black Sea basin area, Establishing permanent dialogue between DRP, BSERP and WB IF projects.
5	Replication	<ul style="list-style-type: none"> Engaging the EU in continued financing of the pollution control measures after the Strategic Partnership programme will phase out as one of the important replication mechanisms (one of the first issues to be discussed at the partnership coordination meeting).
6	Public involvement & communication	<ul style="list-style-type: none"> Developing communication and public participation strategies by the BSERP based on Danube experience to strengthen public participation and broader stakeholder involvement in Black Sea countries.
7	Indicators for monitoring of progress in implementation of Strategic Partnership projects / Investment Fund	<ul style="list-style-type: none"> Reviewing and revising when necessary the process indicators of the project log frames.
8	Process, stress reduction and environmental status indicators for the BSC	<ul style="list-style-type: none"> Further reviewing and applying process, stress reduction and environmental status indicators in the frame of the BSERP together with the BSC, including the need for national process indicators (e.g. policy / legal / institutional reforms which the countries would enact), before the end of the project.

4. Midterm Evaluation of UNDP/GEF Danube and Black Sea Regional Projects

Both capacity building regional projects: Danube Regional Project* and Black Sea Ecosystem Recovery Project* have in 2004 undergone external mid-term evaluation (BSERP MTE was finished in March 2005) with the objective to enable beneficiaries (both Commissions, Government bodies in participating countries, etc.), UNDP-GEF and UNOPS to assess the progress and to take decisions on the future orientation and emphasis of the projects during their remaining time.

Both midterm evaluation reports contain detailed assessments of progress achieved in Phase 1 and a set of recommendations for further implementation until 2007. These recommendations have been incorporated in the detail Project Implementation Plans that have been discussed and approved by the respective Project Steering Committees.

- **Danube Regional Project:**

- To achieve project objectives it would be useful for the DRP to identify and promote agro-environmental support mechanisms under the Common Agricultural Policy (CAP) and the SAPARD program. EU enlargement may well trigger a resurgence in farm production along the Danube, with resulting increased nutrient loadings. Many farmers are not aware of opportunities through the agricultural support mechanisms to reduce pollution by improving on-farm practices.
- The wetlands rehabilitation and appropriate land use outputs are well considered. Attention should also be paid to mixed-use opportunities and compensation issues, recognizing that wetlands rehabilitation can restrict economic opportunities for landowner. Lessons learnt in the US and elsewhere on the implementation of conservation easements, and mitigation requirements for building in wetlands, should be studied. Cost and benefit analyses should be part of the pilot rehabilitation efforts.
- Decisions need to be made as to the future thrust of the industrial pollution output as there has not been a clear consideration of what is to be achieved. During phase 1, the initiative has considered industrial pollutants in general and the current status of governmental actions, largely based on implementation of EU directives (WFD, Dangerous Substances, IPPC, Seveso II). The outputs identified for phase 2 continue this general approach, including developing a legal gap assessment and providing country-specific recommendations on legal measures. As an additional note, the final report for this output in Phase 1 recommends establishing a multi-year assistance effort for industrial pollution reduction program development in the lower Danube countries. The current and proposed activities are not aimed specifically at the DRP's central focus - nutrient reduction, and they fail to account for efforts already underway in the EU accession states to transpose EU industrial pollution legislation. We suggest a narrowing of the scope, to specifically focus on nutrient loading, and the major industrial point sources within the Danube basin that contribute significant nutrient and phosphorous loading (e.g. large scale agriculture, food processing, pulp and paper, detergents). Taking a more narrow sectoral approach would allow more effort to be directed towards identifying existing problem sites, and researching and presenting BAT options for the specific sectors and sites
- The workshop to discuss with industry the phase out of phosphate detergents was originally planned for Phase 1, but has been carried over to Phase 2 as a result of the prolonged search to find the proper facilitation. This initiative holds the greatest promise for enabling the DRP to meet one of the overall project objectives - to substantially reduce phosphate loadings into the Danube, and thereby reduce the problems of eutrophication in the Danube delta and Black Sea. It needs to be given high priority during Phase 2, with consideration given both to regulatory and voluntary mechanisms.
- The Phase 2 project brief assumes the setting up of inter-ministerial committees has been completed during Phase 1. In fact, this effort is incomplete and several countries have asked for continuing assistance with establishing inter-ministerial committee structures. The inter-ministerial committee development effort is an important output, requiring attention and financing still during the 2nd phase, and special emphasis needs to be placed on engaging agricultural interests.

- The river basin planning efforts that the DPR is spearheading for the region can provide great opportunities to establish more holistic and sustainable land use planning for the region. This will require that plans get designed not only to improve water quality, but also to stimulate economic development and employment opportunities. The economic benefits of a clean and healthy Danube river system need to be tangible for inhabitants to change behaviors and support costly improvements. The DPR during phase 2 will continue its work to complete the outputs dealing with wetlands and appropriate land use. Meanwhile, to complete output 1.1 the team will be working to develop an economic analysis of the region, consistent with WFD requirements for establishing the Danube RBMP. Within these two efforts there should be room to engage with spatial and regional planners in the countries to consider how economic development aims and environmental protection aims can be reconciled.
- Consideration should be given to how the DPR can increase assistance to the ICPDR and DABLAS task force in the prioritization, pre-feasibility preparation, and dissemination of information on investment projects for nutrient reduction. The ICPDR has drawn up a list of priority projects for nutrient reduction, within the Joint Action Program. Based from inputs of the 13 countries, it indicates that among 158 identified projects, 45 are fully funded with a total of 622 mil. EUR. The investment needs for the remaining 113 projects is 2,567 mil. EUR, of which 2,121 mil. EUR are not yet secured. Interviews during the evaluation mission highlighted that some IFI's are not cognizant of the basin-wide work done by DPR and ICPDR to identify nutrient reduction projects.
- Opportunities exist with current technologies to make the DPR and ICPDR web sites more interactive and user friendly. Real time information on flow rates, temperature and water quality can be attached. Real time video footage of beautiful and historic places along the river can now be viewed on line. Towards the end of the DPR, the project's dedicated web site will need to phase down, with information transferred into the ICPDR site.
- Public awareness raising is an important objective during Phase 2. At this stage, the public awareness efforts have focused on the usual media package: create a series of brochures and develop a web site that provides static information. The DPR working with the ICPDR have the potential to do much more. Two planned initiatives are especially promising. First there is Danube Day, which is to take place annually, and has the potential to become a major media event in many if not all of the Danube countries, especially those with a major city along the banks of the Danube. The first year's events are centered in Vienna. It is recommended that a media package gets developed to help local efforts in each participating country. While the themes may be environmentally focused, the emphasis should be on events, activities and fun, to bring people out to celebrate the Danube.
- The public participation activities of ICPDR are supported partly by DPR and partly funded by ICPDR. During the DPR Phase 1, ICPDR has prepared the *Danube Basin Strategy for Public Participation in River Basin Management Planning 2003-2009* and *ICPDR Operation Plan to Ensure Public Participation in Implementing the EU WFD on the Basin Wide (roof) Level*. Both relevant and valuable papers outlining roof level public participation efforts with long-term perspective. During the DPR phase 2 ICPDR should gain further understanding on financing possibilities of these activities including other ongoing public awareness activities such as Danube Watch-magazine and Danube Day-initiative, both being activities where private interest to participate could be attracted.
- For the new member states and accession countries, they are wrestling with public access and reporting requirements across dozens of new

statutes. Signatories to the Aarhus Convention have additional obligations. Establishing the proper mechanisms – both legal and practical, to meet these obligations presents a real challenge for participating countries that the project can help to meet. One particular problem faced in many states is the lack of public access to, and participation in, not just spatial and regional planning but also to Environmental Impact Assessment processes for new development projects affecting them indirectly or directly.

- **Black Sea Ecosystem Recovery Project:**

The project efforts should continue to be driven by two overarching project objectives:

- To assist the six Black Sea countries to develop regulatory frameworks that can achieve significant and sustainable reductions in nutrient loading into the Black Sea.
- To help the Black Sea Commission and Black Sea Countries meet their commitments under the Bucharest Convention and Odessa Declaration.

To achieve these objectives, the following recommendations are offered to the BSERP Steering Committee for their consideration:

- In order to better assist the Black Sea states on regulatory reform, the BSERP 2nd Phase ProDoc sections on Integrated Coastal Zone Management(ICZM), agriculture, industry and municipal sectors should be revised. The goals should be to work with each of the six Black Sea countries to propose legislative and regulatory reforms to improve water resource protection, (harmonized with the WFD), and establish ICZM, (harmonized with the European Marine Strategy). The identification of hot spots and recommendations on the application of BAT are useful as a starting point, from which detailed country-specific recommendations should be developed.
- The development of ICZM strategies should drive the BSERP effort to promote interministerial coordination in each participating country. The goal should be to have interministerial / intersectoral coordinating mechanisms in place that can work to negotiate and approve national Black Sea ICZM strategies and legislation. ICZM strategy development should also include opportunities for external stakeholder involvement – from NGOs and economic interests.
- Recognizing the extensive support offered to Romania and Bulgaria, and increasingly Turkey, for approximation of the EU Environmental Acquis, the BSERP should focus special attention on regulatory reform / capacity building in the non / slower accession states (Georgia, Russia, Ukraine).
- The BSERP should assist the BSC to become a more effective and sustainable organization, including providing funding for a management review of the BSC and its subsidiary bodies. The BSERP should also assist the BSC PS so that by mid-2005 there are detailed work plans and timetables in place for the effort to revise the Black Sea Transboundary Diagnostic Assessment and Strategic Action Plan, and to develop the next State of the Environment Report.
- The BSERP should strengthen public awareness efforts and revamp the BSERP communications plan. A new public relations person should be hired as soon as possible, and be tasked also to assist the BSC PS to improve their communications program. The 2006 Black Sea symposium and the annual Black Sea Day are significant events requiring greater exposure.
- Project outputs related to fisheries should be reviewed, and a decision made by the BSERP SC on whether to continue providing technical assistance. The decision should depend on expectations for BSC approval of a new Black Sea Fisheries Convention in 2005. If an agreement is unlikely, the Fisheries activities should be discontinued. If there is a fair chance for approval, the BSERP assistance should be framed through the drafting of a Fisheries Development Plan, to include recommended fishing-free / re-stocking zones, and strategies for the aquaculture industry. The extent of technical support in the fisheries sector should be decided

recognizing an EU funded Fisheries project in the Black Sea will commence in 2006.

- The activities related to economic instruments, should be revised, deleting the expectation of a general report on socio-economic indicators. Cost benefit analyses and consideration of economic instruments should be included as a part of each legislative and strategic planning activity.
- Investment program development should be done in close coordination with the WB NRF, and should focus on small and medium investments in coastal areas. Ports facility management should be considered in addition to municipal system improvements.
- Project activities related to shipping and electronic ship tracking systems are outside of the main focus of the BSERP, and should be discontinued.
- The research program planned for the last several years should proceed as planned; and the call for proposals for the second tranche of small grants (5.3) should proceed as conceived, with continuing focus on agriculture, and wetlands.