



WB - Project Identification Form (PIF) entry – Full Sized Project – GEF - 7

Blueing the Black Sea (BBSEA)

Part I: Project Information

GEF ID

10563

Project Type

FSP

Type of Trust Fund

GET

CBIT/NGI

☐ CBIT

☐ NGI

Project Title

Blueing the Black Sea (BBSEA)

Countries

Regional, Georgia, Moldova, Turkey, Ukraine

Agency(ies)

World Bank

Other Executing Partner(s)

Black Sea Economic Cooperation

Executing Partner Type

Others

GEF Focal Area

International Waters

Taxonomy

Large Marine Ecosystems, International Waters, Focal Areas, Pollution, Nutrient pollution from Wastewater, Coastal, Strengthen institutional capacity and decision-making, Influencing models, Convene multi-stakeholder alliances, Type of Engagement, Stakeholders, Partnership, Participation, Civil Society, Communications, Behavior change, Awareness Raising, Access to benefits and services, Gender results areas, Gender Equality, Learning, Capacity, Knowledge and Research, Nutrient pollution from all sectors except wastewater, Private Sector, SMEs, Individuals/Entrepreneurs, Capital providers, Beneficiaries, Participation and leadership, Knowledge Generation and Exchange, Capacity Development, Gender Mainstreaming, Theory of change, Innovation

Rio Markers**Climate Change Mitigation**

Climate Change Mitigation 1

Climate Change Adaptation

Climate Change Adaptation 1

Duration

48 In Months

Agency Fee(\$)

607,306

Submission Date

4/16/2020

A. Indicative Focal/Non-Focal Area Elements

Programming Directions	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
IW-1-3	GET	6,392,694	291,430,000
Total Project Cost (\$)		6,392,694	291,430,000

B. Indicative Project description summary**Project Objective**

Strengthen governance, cooperation and financing tools for pollution prevention and reduction in the Black Sea by participating countries. The long-term program objective of the project would be to improve environmental health of the Black Sea and increase social and economic benefits for the population.

Project Outcomes

Component 1. Improved national and regional frameworks for pollution prevention and reduction

outcomes:

proposed outcome 1.1 National policies, regulations more aligned with regional and international conventions to address pollution prevention and reduction

proposed outcome 1.2 - Countries adopt investment plan for pollution prevention/reduction and circular economy

proposed outcome 1.3 - Pollution prevention and reduction better integrated in Blue Economy cross-sectoral coordination and planning

proposed outcome 1.4 - Dialogue and regional cooperation between regional institutions (BSC, BSEC, GFCM) is enhanced

Component 2. Strengthen public-private partnership and innovative financing

outcomes:

proposed outcome 2.1 - Sustainable business standards and guidelines in agriculture, aquaculture, tourism, shipping and water management are adopted at regional and/or national levels

proposed outcome 2.2 - Knowledge and skills in green and blue criteria in banking and other financing sectors is improved

proposed outcome 2.3 - Awareness and skills in green technology solutions in the private sector is improved.

proposed outcome 2.4 - Financial institutions approve financing towards pollution prevention/reduction projects

Project Component	Financing Type	Trust Fund	GEF Amount(\$)	Co-Fin Amount(\$)
Component 1. Improved national and regional frameworks for pollution prevention and reduction	Technical Assistance	GET	2,088,280	43,430,000
2. Strengthen public private partnership and innovative financing	Investment	GET	4,000,000	236,000,000
Sub Total (\$)			6,088,280	279,430,000
Project Management Cost (PMC)				
GET			304,414	12,000,000
Sub Total(\$)			304,414	12,000,000
Total Project Cost(\$)			6,392,694	291,430,000

C. Indicative sources of Co-financing for the Project by name and by type

Sources of Co-financing	Name of Co-financier	Type of Co-financing	Investment Mobilized	Amount(\$)
GEF Agency	WB	Loans	Investment mobilized	291,270,000
Government	Georgia, Moldova, Ukraine, Turkey Governments	In-kind	Recurrent expenditures	160,000
Total Project Cost(\$)				291,430,000

Describe how any "Investment Mobilized" was identified

The proposed activity is part of the larger Blueing the Black Sea (BBSEA) Program which follows a programmatic approach. The BBSEA will serve as an umbrella, revealing synergies of various national investments projects, analytical work, trust-fund and partnerships. The Program will have an Investment Component and an Analytical Component. The Program will first focus on the Pillar 1 "Save the Sea" aiming at reducing pollution in the Black Sea. Two instruments will be used for the realization of this first component: (i) PROBLUE Regional Analytical Work, executed by the World Bank (USD 400,000) with the objective to support individual countries diagnostic on pollution and synthesize the results in a regional report and; (ii) the proposed GEF Grant in the amount of USD 6.4 \$, financed under the International Water window. The Program is an instrument to enhance synergies of the IBRD financed projects in Black Sea Countries, including amongst others the Integrated Regional and Local Development Project in Georgia (P169747), the Moldova Water Security and Sanitation Project (P173076), the Turkey Integrated Landscapes Management Project (P172562) and the Assessment for Climate Change Impact Opportunities, and Priorities for Ukraine (P171986) and the Blue Economy policy notes in Bulgaria (P167719) and in Russia (P171509).

D. Indicative Trust Fund Resources Requested by Agency(ies), Country(ies), Focal Area and the Programming of Funds

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
World Bank	GET	Regional	International Waters	International Waters	6,392,694	607,306	7,000,000
Total GEF Resources(\$)					6,392,694	607,306	7,000,000

E. Project Preparation Grant (PPG)

PPG Required



PPG Amount (\$)

182,648

PPG Agency Fee (\$)

17,352

Agency	Trust Fund	Country	Focal Area	Programming of Funds	Amount(\$)	Fee(\$)	Total(\$)
World Bank	GET	Regional	International Waters	International Waters	182,648	17,352	200,000
Total Project Costs(\$)					182,648	17,352	200,000

Core Indicators

Indicator 5 Area of marine habitat under improved practices to benefit biodiversity (excluding protected areas)

Ha (Expected at PIF)	Ha (Expected at CEO Endorsement)	Ha (Achieved at MTR)	Ha (Achieved at TE)


Indicator 5.1 Number of fisheries that meet national or international third party certification that incorporates biodiversity considerations

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)

Type/name of the third-party certification

Indicator 5.2 Number of Large Marine Ecosystems (LMEs) with reduced pollutions and hypoxia

Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (achieved at MTR)	Number (achieved at TE)

1	0	0	0
LME at PIF	LME at CEO Endorsement	LME at MTR	LME at TE
Black Sea			


Indicator 5.3 Amount of Marine Litter Avoided

Metric Tons (expected at PIF)	Metric Tons (expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)


Indicator 7 Number of shared water ecosystems (fresh or marine) under new or improved cooperative management

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Shared water Ecosystem	Black Sea			
Count	1	0	0	0


Indicator 7.1 Level of Transboundary Diagnostic Analysis and Strategic Action Program (TDA/SAP) formulation and implementation (scale of 1 to 4; see Guidance)

Shared Water Ecosystem	Rating (Expected at PIF)	Rating (Expected at CEO Endorsement)	Rating (Achieved at MTR)	Rating (Achieved at TE)	
Black Sea	4				

Indicator 7.2 Level of Regional Legal Agreements and Regional management institution(s) (RMI) to support its implementation (scale of 1 to 4; see Guidance)

Shared Water Ecosystem	Rating (Expected at PIF)	Rating (Expected at CEO Endorsement)	Rating (Achieved at MTR)	Rating (Achieved at TE)	
Black Sea	3				

Indicator 7.3 Level of National/Local reforms and active participation of Inter-Ministerial Committees (IMC; scale 1 to 4; See Guidance)

Shared Water Ecosystem	Rating (Expected at PIF)	Rating (Expected at CEO Endorsement)	Rating (Achieved at MTR)	Rating (Achieved at TE)	
Black Sea	2				

Indicator 7.4 Level of engagement in IWLEARN through participation and delivery of key products(scale 1 to 4; see Guidance)

Shared Water Ecosystem	Rating (Expected at PIF)	Rating (Expected at CEO Endorsement)	Rating (Achieved at MTR)	Rating (Achieved at TE)
Black Sea	1			

Indicator 9 Reduction, disposal/destruction, phase out, elimination and avoidance of chemicals of global concern and their waste in the environment and in processes, materials and products (metric tons of toxic chemicals reduced)

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)
0.00	0.00	0.00	0.00

Indicator 9.1 Solid and liquid Persistent Organic Pollutants (POPs) removed or disposed (POPs type)

POPs type	Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)
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Indicator 9.2 Quantity of mercury reduced (metric tons)

Metric Tons (Expected at PIF)	Metric Tons (Expected at CEO Endorsement)	Metric Tons (Achieved at MTR)	Metric Tons (Achieved at TE)

Indicator 9.3 Hydrochlorofluorocarbons (HCFC) Reduced/Phased out (metric tons)

Metric Tons (Expected at PIF)

Metric Tons (Expected at CEO Endorsement)

Metric Tons (Achieved at MTR)

Metric Tons (Achieved at TE)

Indicator 9.4 Number of countries with legislation and policy implemented to control chemicals and waste (Use this sub-indicator in addition to one of the sub-indicators 9.1, 9.2 and 9.3 if applicable)

Number (Expected at PIF)

Number (Expected at CEO Endorsement)

Number (Achieved at MTR)

Number (Achieved at TE)

Indicator 9.5 Number of low-chemical/non-chemical systems implemented, particularly in food production, manufacturing and cities (Use this sub-indicator in addition to one of the sub-indicators 9.1, 9.2 and 9.3 if applicable)

Number (Expected at PIF)

Number (Expected at CEO Endorsement)

Number (Achieved at MTR)

Number (Achieved at TE)

Indicator 9.6 Quantity of POPs/Mercury containing materials and products directly avoided

Metric Tons (Expected at PIF)

Metric Tons (Expected at CEO Endorsement)

Metric Tons (Achieved at MTR)

Metric Tons (Achieved at TE)

Indicator 11 Number of direct beneficiaries disaggregated by gender as co-benefit of GEF investment

	Number (Expected at PIF)	Number (Expected at CEO Endorsement)	Number (Achieved at MTR)	Number (Achieved at TE)
Female	100,000			
Male	100,000			
Total	200000	0	0	0

Provide additional explanation on targets, other methodologies used, and other focal area specifics (i.e., Aichi targets in BD) including justification where core indicator targets are not provided

Estimation for Indicator 5.2 Project's capital investments targeting direct reduction of the nutrients is estimated at US\$ 2.5 million through the micro-grant mechanism. These micro-grants will address pollution from agriculture, urban and industrial origins in the following proportion: US\$ 1 million targeting pollution of agricultural sources, US\$ 1 million targeting pollution from municipalities and US\$ 0.5 million targeting pollution of industrial/shipping origin. In order to estimate the direct impact on nutrients reduction, calculations take into consideration the baseline of World Bank's projects implemented in the region of Black Sea, displaying cost effectiveness ratios for the reduction of nutrients, indicating ratios (intervals of high estimate & low estimate) of the cost of removing 1 kg nutrient in one year. The ratios fluctuate based on the pollution source (agriculture, municipality or industrial). As result, the direct impact was estimated circa 200 tons of nitrogen and 25 tons of phosphorus to be removed. Moreover, indirect impact contribution on nutrients reduction were considered, accounting for behavior change and "multiplier effect" from parallel ongoing projects in the Project's respective countries. While the establishment of the capital investments will contribute to the direct impact on nutrient reduction, the behavior changes to be encouraged in national and regional terms (as Project's components indicate) is foreseen to contribute with additional nutrient reduction, in long term bases as well. Furthermore, the performance of nutrient reduction will experience an additional increase due to the "merging" effect of Project's outcomes with outcomes of other ongoing Word Bank projects (such as environmental-friendly urbanization, tourism and private sector), generating a "multiplier" effect on the nutrient reduction. In overall, estimations indicate the nutrients reduction totaling over 700 tons (circa 2% of the total pollution generated by the respective countries). Analysis of Project's impact by country, display respective shares of nutrients reduction estimated to be significantly higher especially in Moldova, Georgia and Ukraine, considering that Turkey makes up circa 90% of the 4 countries total pollution. Estimation for Indicator 11 Figures of direct beneficiaries disaggregated by gender as co-benefit of GEF investment were based on World Bank's reference point to other ongoing project revealing similarity in terms of the component's nature and designated funds (namely Moldova Agriculture Competitiveness Project GEF Additional Financing Project). Related data display a ratio of circa 700 employees per USD 1 mln investment. An adjustment of circa 15% discount was applied, accounting for the fact that the total amount of USD 4 mln is expected to be allocated in separate amounts in the Turkey, Georgia, Ukraine and Moldova, therefore generating a slightly lower employment rate due to establishment in different countries and different institution or implementing units. The expected employment by gender was mainly based on Georgian National Statistic Office data on public sector employment by gender." Explanation note : Researches have shown that if lump sum funds are implemented in one employees unit, more people can be employed compared to the case where the sum is separated in different units. The main reason is the seniority of staff. Consider one team with 2 managers, 4 seniors and 20 juniors (26 employees in total). You can hire them all with USD x. If you decide to divide the sum of USD x for 2 different teams with the same structure, than for efficient outcome you must hire managers and seniors of both teams (say 3 managers and 7 seniors, 10 people in total), which will pretty much make up the vast majority of the employment fund. Consequently, instead of hiring 20 juniors, the fund will be able to cover only 10 of them. This leads to a total employment of 20 people (10 managers/seniors and 10 juniors) compared to 26 in the first case. This is the reasoning behind the 15% discount applied.

Part II. Project Justification

1b. Project Map and Coordinates

Please provide geo-referenced information and map where the project interventions will take place.



2. Stakeholders

Select the stakeholders that have participated in consultations during the project identification phase:

Indigenous Peoples and Local Communities

Civil Society Organizations No

Private Sector Entities No

If none of the above, please explain why: Yes

Consultations took place with Focal Point but the travel restriction due to COVID-19 and the short time for project preparation left no time for national-level consultation. Virtual consultations will take place before the appraisal.

The project will establish effective participation of stakeholders through extensive citizen engagement activities (including civil society representatives and local communities) at local and national levels during preparation and implementation, exploring extensive and meaningful stakeholder consultations through focus groups and surveys. A detailed citizen engagement strategy that highlights mechanisms and actions for enhancing multi-stakeholder dialogue and inclusion throughout the project cycle will be designed.

In addition, provide indicative information on how stakeholders, including civil society and indigenous peoples, will be engaged in the project preparation, and their respective roles and means of engagement.

Stakeholders	Mandate and relevant roles in the project	
Ministries in charge of Environment in Georgia, Moldova, Turkey and Ukraine	Ministries in charge of Environment in each of the beneficiary countries are central institution responsible for the management, planning, coordination and control of implementation of policies related to pollution issues in the Black Sea. Each of the Ministry will be involved in the Steering Committee for the identification of the activities in each country as well as providing guidance for the implementation.	

3. Gender Equality and Women's Empowerment

Briefly include below any gender dimensions relevant to the project, and any plans to address gender in project design (e.g. gender analysis).

The project will address the gender gap and include gender disaggregated indicators. The environmental and social impact assessment of the project will include a gender analysis of the conditions, needs, and aspirations of women and men living within selected project areas. The gender analysis will be conducted during project preparation to identify relevant gender gaps concerning rural livelihood, access to infrastructure (drinking water, sanitation, irrigation), and access to agricultural investments and services. The gender analysis will also help to define relevant actions and indicators to reduce identified gender gaps. A gender action plan will be developed for the project to guide the mainstreaming of efforts for equitable distribution of project benefits between men and women during and beyond implementation. Specific Indicators will be developed for the Eco-Business competition and a specific competition will be organized for women.

Does the project expect to include any gender-responsive measures to address gender gaps or promote gender equality and women empowerment? Yes

closing gender gaps in access to and control over natural resources; No

improving women's participation and decision-making; and/or No

generating socio-economic benefits or services for women. Yes

Will the project's results framework or logical framework include gender-sensitive indicators?

TBD

4. Private sector engagement

Will there be private sector engagement in the project?

Yes

Please briefly explain the rationale behind your answer.

1. **Component 2. Strengthen public-private partnership and innovative financing (GEF US\$ 4 million):** Globally, it is observed that public financial resources have become increasingly scarce. On the other hand, financial sources have diversified. Strategically using limited public resources to catalyze public and private finance appear as a new paradigm for marine restoration and protection. Private sector resources provide both financial flows but also skills, innovation and knowledge critical to developing and scaling-up technologies and state-of-the-art management solutions. The proposed project will particularly look at establishing a momentum and incentives to reduce pollution and invest in pollution reduction technology, innovation and finance. It will include the following activities:
2. *Development of sustainable business standards and guidelines* in agriculture, aquaculture, tourism, shipping and water management will be developed based on international best practices. Models from investments into nature-based solutions will be also used. The Black Sea Trade and Development Bank (BSTDB) / and the BSEC Business Council are affiliated institutions of the BSEC and key instruments for investments development in the Black Sea Region and will be used as a vehicle for this activity (i.e. training of trainers). To disseminate the standards, a training mechanism consisting of training of trainers (ToT) and set-of workshops targeting Small and Medium Enterprises (SMEs) in the region will be provided.
3. *Capacity building in banking and innovative financing:* Trainings will be provided on green technology investments, focusing on pollution reduction and prevention. The trainings will provide insights on selection / eligibility criteria for potential investments as well as results framework for the loans/grants provided. The trainings will target regional financial/investment organizations such as the BSTDB and or the BSEC Business Council. At the national level, relevant banks/investors will be convened for participation. International best models for green technology investments will be explored. This activity will directly support the provision of grant as described in the next activity.
4. *Eco-Business Competition and Grants:* the competition will engage public agencies, local authorities, private sector and youth programs from the Black Sea region to promote eco-sustainable business practices, innovation and finance supporting pollution reduction. Best practices and innovations for pollution reduction will be selected for further implementation and financing through grants. A fair event will be organized for the competition. Various rounds will be organized throughout the project duration, including a competition open for women led SME as well as for young entrepreneurs. Rounds will be organized in each country as well as a regional final round. Eligibility criteria will encourage a full alignment with the World Bank Environmental and Social Standards (ESSs), in particular ESS 3 on Resource Efficiency and Pollution Prevention and Management^[1]. Categories would include (a) grey solution including collection and storage systems for manure, waste water or ship's black water, filtration technologies, conversion of polluting industrial activities^[2] and biogas facility; (b) green solutions such plantation and ponds filtering contaminants; afforestation of degraded lands and circular systems such as individual composting, and (c) financial solution such as performance-based incentive for farmers.
5. *Public Private Partnership (PPP) investment preparation:* the project will support the preparation of a PPP investment (e.g. identification and pre-feasibility study) in at least one of the beneficiary country. The PPP will target investments for waste water treatment, water depollution, water recycling, etc. Circular economy models focusing on pollution prevention and reduction could be also explored for the selection of the investment. Transboundary benefits / compensation would be also taken into consideration.

[1] Other eligibility criteria will include the absence of land acquisition and the neutral or positive impact on the environment.

[2] Reference to the Strategic Action Plan (SAP)

Part III: Approval/Endorsement By GEF Operational Focal Point(S) And Gef Agency(ies)

A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT (S) ON BEHALF OF THE GOVERNMENT(S): (Please attach the Operational Focal Point endorsement letter with this template).

Name	Position	Ministry	Date
Nino Tkhilava	Head, Department of Environment and Climate Change	Ministry of Environment Protection and Agriculture	
Oleksandra KOZLOVSKA	Director of Department of international cooperation	MINISTRY OF ENERGY AND ENVIRONMENTAL PROTECTION OF UKRAINE	4/1/2020
Ion Lika	Head of Environmental Project Management Division	Ministry of Agriculture, Regional Development, and Environment Of the Republic of Moldova	3/20/2020
Akif Ozkaldi	Deputy Minister	Ministry of Agriculture and Forestry	4/11/2020

ANNEX A: Project Map and Geographic Coordinates

Please provide geo-referenced information and map where the project intervention takes place



