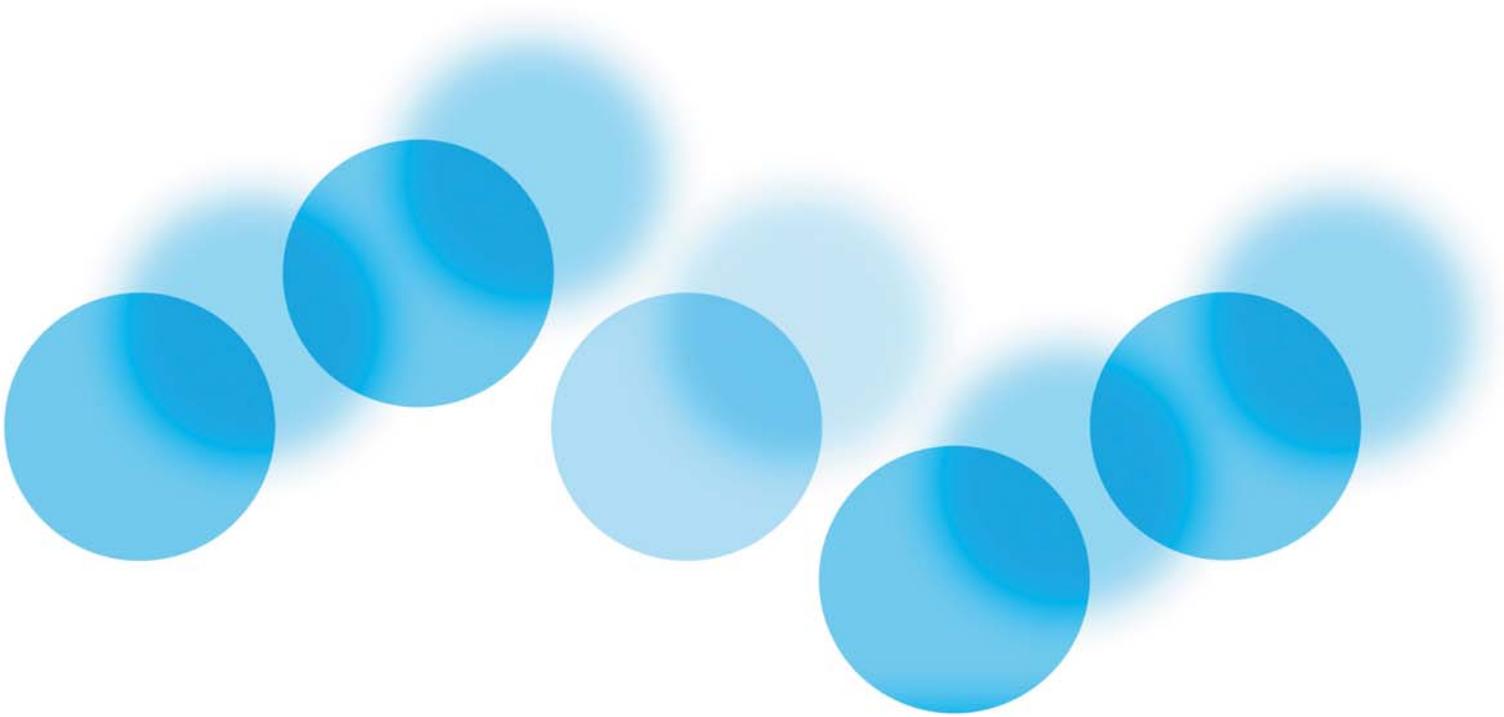




UNDP | GEF
DANUBE
REGIONAL
PROJECT

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REPORT TO THE DANUBE – BLACK SEA STOCKTAKING MEETING



WORKING FOR THE DANUBE AND ITS PEOPLE

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ABBREVIATIONS

APC/EG	Accident Prevention and Control Expert Group
AEWS	Accident Early Warning System
BAT	Best Available Technology
BEP	Best Environmental Practices
BSC	Black Sea Commission
CAS	Country Assistance Strategy
CCF	Country Cooperation Framework
DEF	Danube Environmental Forum
DANUBIS	Danube Information System
DRB	Danube River Basin
DRP	Danube Regional Project
DRPC	Danube River Protection Convention
DWQM	Danube Water Quality Model
EC	European Commission
EBRD	European Bank for Reconstruction and Development
EIB	European Investment Bank
ECO/EG	Ecology Expert Group
EMIS/EG	Emission Expert Group
EG	Expert Group
EPDRB	Environmental Program for the Danube River Basin
EU WFD	European Union Water Framework Directive
EU CARDS	EU Community Assistance for Reconstruction, Development and Stabilization
GEF	Global Environment Facility
GIS	Geographical Information System
GPA	Global Programme of Action
IA	Implementing Agency
ICPDR	International Commission for the Protection of the Danube River
IPPC	Integrated Pollution Prevention and Control (Directive)
IW	International Waters
JAP	Joint Action Program
JDS	Joint Danube Survey
JTWG	Joint Technical Working Group
MLIM/EG	Monitoring Laboratory and Information Management Expert Group
MONERIS	Modelling Nutrient Emission in River System

M&E	Monitoring and Evaluation
NGOs	Non Government Organisations
PRP	Pollution Reduction Program
PIAC	Principal International Alert Centre
RBM	River Basin Management
REC	Regional Environmental Center
SAP	Strategic Action Plan
SAPARD	Special Accession Programme for Agriculture and Rural Development
SP	Strategic Partnership
TA	Transboundary Analysis
TNMN	Transnational Monitoring Network
UNDP	United Nations Development Program
UNEP	United Nations Environmental Program
UNOPS	United Nations Office for Project Services
USD	United States Dollar
WB	World Bank

1 GEF PROJECT ACTIVITIES IN THE FRAME OF THE DANUBE – BLACK SEA STRATEGIC PARTNERSHIP

1.1 BRIEF CHRONICLE OF GEF ASSISTANCE SINCE 1993 TO THE DANUBE REGION AND ANALYSIS OF PAST AND CURRENT OBJECTIVES

1.1.1 Purpose and overall objectives of GEF intervention in the Danube Region and driving forces/reasons for developing the Strategic Partnership

Until the 1960s, the Black Sea was known for its productive fishery, scenic beauty, and as a resort destination for millions of people. Since that time, as with other waterbodies around the world, massive overfertilization of the sea by nitrogen and phosphorus from agriculture, municipal, and industrial sources has seriously degraded the ecosystem, disrupted the fisheries, reduced biodiversity, posed health threats to humans, and resulted in billions of dollars of economic losses to the economies of the 6 countries.

The Danube River as one of the main sources of nutrients flowing to the Black Sea is also facing a problem of pollution by nutrients and toxic substances due to industrial activities, extensive agriculture, growing municipal communities that have a negative impact on the river including its, water quality, water uses (e.g. water supplies for inhabitants), aquatic life, etc.

Pollution from 17 countries (15 GEF-recipient countries as well as Germany and Austria) has created this transboundary water quality problem. Since 1992, efforts have been underway with European Union and GEF support to gradually reverse the situation in the Danube and the Black Sea Basin.

Through its Operation Strategy the GEF identified that there is a need to: (a) build the capacity of countries to work together, (b) jointly understand and set priorities based on the environmental status of their waterbody, (c) identify actions and develop the political commitment to address the top priority transboundary problems, and then (d) to implement the agreed policy, legal, and institutional reforms and investments needed to address them.

Following the previous GEF assistance and building on the achieved results and efforts of the participating countries in the Danube Black Sea Region, a Strategic Partnership was developed, with aim to accelerate implementation of nutrient reduction measures and policy/legal/institutional reforms in the basin.

GEF and its Implementing Agencies are implementing the Strategic Partnership consisting of capital investments, economic instruments, development and enforcement of environmental law and policy, strengthening of public participation, and monitoring of trends and compliance over the period of 2001-2007 for the 17 countries of the Danube/Black Sea basin.

This Partnership is composed of three complementary parts:

1. The Black Sea Ecosystems Recovery Project - a GEF Black Sea Regional capacity building and technical assistance element implemented (in cooperation with the Black Sea Commission under the leadership of UNDP and with the assistance of UNEP for defined components;
2. The Danube Regional Project - a GEF Danube River basin regional capacity building and technical assistance element implemented (in cooperation with the ICPDR) under the leadership of UNDP;
3. The World Bank Investment Fund - a GEF / World Bank Partnership Investment Fund for Nutrient Reduction focused on single country nutrient reduction investments.

In addition to that, activities of the countries, EC, EBRD, EIB, and bilateral support aimed at similar objectives targeting reduction of nutrients and toxic pollutants, as well as the ongoing Dnipro project, are considered as contribution to the Strategic Partnership.

Both, the Danube Regional Project and its sister project based in Istanbul - the Black Sea Ecosystems Recovery Project will strengthen the respective Commissions and will assist countries in their efforts to adopt necessary policy, legal and institutional reforms and enforcement of environmental regulations (with particular attention to the reduction of nutrients and toxic substances). The World Bank-GEF Nutrient Reduction Investment Fund is entailing direct investments aimed at concrete reductions in pollution, primarily nutrients, at the national level that can then be replicated throughout the Danube and Black Sea region.

The DRP is of global interest to GEF and other water basins that require international management. Concrete results have been achieved and future positive outputs are expected. This is especially true for reducing nutrient pollution - a common and serious problem in water bodies worldwide. Ultimately, the Danube Regional Project could become a progressive model for expanding public awareness of the threats from nutrient pollution worldwide.

The Danube Regional Project (DRP) has to be seen as an integral part of the Danube/Black Sea Basin Strategic Partnership and a logical continuation of the GEF support for capacity building provided for a period of five years to the countries of the Danube River Basin.

1.1.2 Background to the Danube Regional Project

Since 1992 the UNDP Global Environment Facility has through the Danube Environmental Programme and the Pollution Reduction Programme and the EU through its Phare and Tacis programmes, provided international assistance to develop appropriate mechanisms and planning tools for the implementation of the Danube River Protection Convention. In addition they have assisted with the funding of pollution prevention and reduction activities required to both restore the Danube River Basin and to protect the Black Sea environment.

In this frame, from 1992 to 2000, donor investments can be estimated at about 27 million USD for the EU Phare and Tacis Programs and about 12.4 million USD for the UNDP/GEF assistance. This facilitated the building up of capacities and structures of the ICPDR for joint operation under the Convention.

Environmental Programme for the Danube River Basin

The EPDRB was established in Sofia in September 1991 by the countries of the Danube river basin, international institutions, financial organisations, G-24 countries and NGOs, to start an initiative to support, enhance and reinforce actions for the restoration and protection of the Danube river. The countries also set up a Task Force and a Programme Coordination Unit for the implementation of the Danube Environmental Programme (short name), and agreed on further development of the Danube River Protection Convention.

The EPDRB was designed to support the Danube countries in their long term objective of improving the environmental management of the Danube river basin and to enable the practical work to begin. In parallel, an international convention for the protection of the river Danube and its catchment area was being negotiated. The Danube Environmental Programme supported monitoring, collection and assessment of data, emergency response systems, pre-investment studies, institutional strengthening, capacity building and NGO activities.

Priority was given to establish a Danube Accident and Emergency Warning System (AEWS), to adopt a common surveying and monitoring procedure throughout the so called Transnational Monitoring Network (TNMN), and to take steps towards the conservation and restoration of wetlands.

The aim was also to prioritise "hot-spots" for urgent action according to the seriousness of the pollution and its effects. Approximately 175 priority projects were received and of these about 60% were related to industrial facilities and the rest from the municipal waste water treatment plants.

The EPDRB also presented an interesting political and legislative challenge to the Danube countries. This challenge arose from the high significance of the transboundary pollution impacts and in finding the right type of support to strengthen the capacity of governments and institutions at the local levels for implementing and financing institutions.

Recently, the implementation of the EU Water Framework Directive (WFD) throughout the Danube River Basin (both EU and non-EU countries) has reinforced the need for a coherent monitoring and management plan for the DRB to reduce pollution from nutrients and other priority substances.

UNDP/GEF Danube Pollution Reduction Programme

The project "Developing the Danube River Basin Pollution Reduction Program" represents the GEF contribution to the phase two of an Environmental Programme for the Danube River Basin. The project followed previous GEF support in the frame of the EPDRB which supported at first the ratification of the Danube River Protection Convention and then the establishment and development of the ICPDR.

The Programme was carried out in period 1997-99 in the Danube River Basin, and its results supported the activities of the ICPDR through a program of action for the implementation of the DRPC. The Programme was a major international response to degradation of surface and ground water quality in the Danube River Basin (DRB) and eutrophication of the Black Sea and it had the following outputs:

- The Transboundary Analysis (TA) was carried out to obtain a complete knowledge base for priority pollution loads and environmental issues in the Danube River Basin.
- The Danube Water Quality Model (DWQM) was designed to estimate and evaluate the flow of pollution – in particular Nitrogen and Phosphorus – through the Danube into the Black Sea.
- A revised Strategic Action Plan has been prepared as a review of the policy for the protection of the Danube River Basin, on basis of existing analytical documents – National Review Reports and National Planning Workshop Reports.
- A Memorandum of Understanding between Danube and Black Sea Countries was drafted based on the results of the Danube-Black Sea Joint Ad Hoc Technical Working Group.
- The development of the ICPDR Information System
- The Project Database includes the Pollution Reduction Programme (PRP) Investment Portfolio available for financing institutions and donor organizations in the future. The Database contained 421 projects, covering 246 hot spots in the Danube River Basin, comprising 192 municipal, 113 industrial, 67 agricultural, 29 wetland restoration projects and 20 projects classified as general measures.
- The project gave support to the NGOs, in particular in developing the regional body, the Danube Environmental Forum (DEF) and the Small Grant Programme was financed to reinforce NGO participation in pollution reduction measures and awareness - raising projects.

The results and products of the Pollution Reduction Programme were transferred to the ICPDR and all information gathered during the project are available at the ICPDR Information System.

Danube Regional Project

Building on achievements of previous projects, a new UNDP/GEF Danube Regional Project was prepared in the frame of the Danube – Black Sea Strategic Partnership, in order to further reinforce implementation of nutrient reduction measures and policy reforms in the Danube Basin Countries. The recent DRP, launched in December 2001 is planned for period of 5 years, with total budget of 17.240 mill. USD.

1.1.3 Analysis of the DRP Activities in response to the ICPDR Objectives

The overall objective of the DRP is to reduce nutrient loadings into the Danube River and its tributaries, in order to improve water quality in the Danube, and in the Black Sea.

The DRP is designed to complement the activities of the International Commission for the Protection of the Danube River (ICPDR), an international commission established through the Danube River Protection Convention (DRPC), providing a regional approach to the development of national policies and legislation and the definition of priority actions for nutrient reduction and pollution control with particular attention to achieving sustainable transboundary ecological effects within the Danube River Basin (DRB) and the Black Sea area.

The DRP is implementing in total 22 project components, out of which 18 is directly contributing or are relevant to the work and achievements of the ICPDR and its Expert Groups. The Project is being implemented under 4 key objectives plus associated pilot projects. The chart "Involvement of the ICPDR Expert Groups in the DRP" shows linkages of the project components to the work of the ICPDR Expert Group.

Development of Policies – Project Objective 1

"Creation of sustainable ecological conditions for land use and water management", the project provides analyses necessary for the EU Water Framework Directive (WFD) implementation, in particular for the Roof Report. These are related to economic analysis, typology, ecological classification, GIS, groundwater assessment and public participation.

The components on agriculture and industry policies are contributing to policy reforms in most polluting sectors introducing innovative and effective management tools such as concept of Best Agricultural Practice (BAP), Integrated Prevention and Pollution Control (IPPC) and concept of Best Available Techniques (BAT). In addition these components support the development of the ICPDR inventories required under the WFD.

Capacity building and transboundary cooperation – Project Objective 2

"Capacity building and reinforcement of transboundary cooperation for the improvement of water quality and environmental standards in the Danube River Basin" is aimed at improvements and strengthening of the existing ICPDR tools and structures. On national level the project contributes to strengthening of national mechanisms for coordination and implementation nutrient reduction and pollution control measures.

Activities are related to the TNMN (Trans-National Monitoring Network), harmonization of water quality objectives for nutrients in the DRB and water quality standards for toxic substances, EMIS Inventory Harmonization, Accident Emergency Response (Danube Accident and Early Warning System) and the ICPDR Information System – Danubis, as well as to strengthening of "Inter-ministerial Coordination Mechanisms.. An Essential part of this objective are capacity building trainings and workshops for the Expert Group (EG) members and ICPDR Secretariat as well as financial support for regular EG meetings.

Public Participation – Project Objective 3

"Strengthening of public involvement in environmental decision making and reinforcement of community actions for pollution reduction and protection of ecosystems" is designed mainly to strengthen the Danube Basin NGOs and to enhance public participation. The project activities carried out within the component on Communication and the component on Public Access to Information are now important, as they are directly related to the EU WFD, which is a priority for the ICPDR.

Monitoring of results – Project Objective 4

"Reinforcement of monitoring, evaluation and information systems to control transboundary pollution, and to reduce nutrients and harmful substances", has focused on the development and

assessment of appropriate methodologies for the monitoring of nutrient reduction in wetlands and preparation of guidelines as the basis for establishing pilot monitoring programmes. The project has developed a system of indicators to monitor and evaluate results from, and environmental effects of, policies and programme implementation that is harmonized with the EU Water Framework Directive and GEF requirements. This system will be further tested and applied to the project and used by the ICPDR.

Pilot Projects and case studies

The pilot projects are very important element of the Danube Regional Project, and are integral part of some project components. The pilot activities are building on the results from Phase 1, where different analyses were carried out and new methodologies and concepts were prepared. Through implementing a pilot project on the application of a checklist methodology on industrial sites (refinery/oil industry) the DRP has contributed to the work of the ICPDR APC Expert Group. In the context of the ICPDR Joint Action Programme, the pilot projects for Agriculture and Wetlands were prepared and will be carried out in the project phase 2.

1.1.4 Strategic Partnership Objectives relevant to the Danube Regional Project

The DRP Objectives were designed to follow the Objectives of the Strategic partnership and to fulfill the needs of the Danube countries in the context of the implementation of the Danube River Protection Convention by supporting them in developing policies, effective mechanisms for regional cooperation and coordination to ensure protection of international waters, the sustainable management of natural resources and biodiversity in this region.

The matrix on page 11-12 shows how the project components are related to the Objectives of the Strategic Partnership. The status and progress of these activities will be described in the following chapter of this report.

Involvement of the ICPDR Expert Groups in the DRP

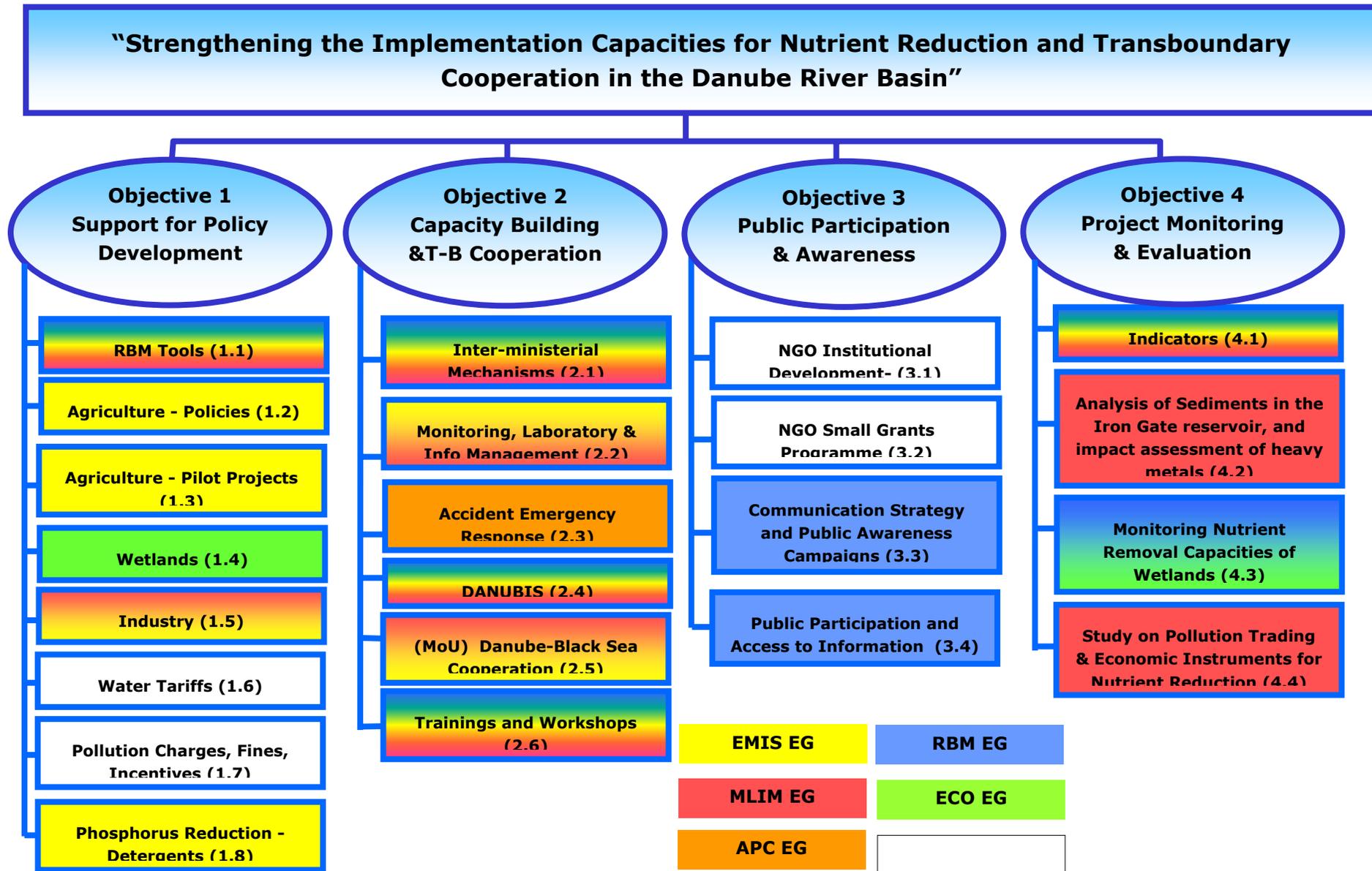


Table : Overview of Contribution of the Danube Regional Project Activities to the Strategic Partnership Objectives

	Strategic Partnership Objectives	Indicators	Danube Regional Project Activities
1	In support of the implementation of the Black Sea Strategic Action Plan and the "Common Platform for Development of National Policies and Actions for Pollution Reduction under the Danube River Protection Convention", and taking into account the mandate of the Sofia and Bucharest Conventions, Danube/Black Sea basin countries adopt and implement policy, institutional and regulatory changes to reduce point and non-point source nutrient discharges, restore nutrient 'sinks', and prevent and remediation of toxics "hot spots".	- By 2007, 100% of participating countries introduce one or more policy or regulatory measures (including P-free detergents) to reduce nutrient discharges in the agricultural, municipal, or industrial sectors, to restore nutrient sinks (wetlands, flood plains), and to prevent and remediate toxics "hot spots", and 50% adopt multiple policy measures, towards goals of maintaining 1997 levels of nutrient inputs to the Black Sea, and reducing toxics contamination in the basin	<ul style="list-style-type: none"> - Guidelines and Tools for River Basin Management - Development of Agriculture Policies for Pollution Reduction - Development of Wetland and Land-use Policies - Development of Industrial Policies - New Water and Wastewaters Tariffs and Effluent Charges - Development of Voluntary Agreements to Reduce Phosphates in Detergents
2	Countries gain experience in making investments in nutrient reduction and prevention and remediation of toxics "hot spots".	- 100% of participating countries initiate one or more investments in agricultural, municipal, land use or industrial sectors for nutrient discharge reduction, nutrient sink restoration, and prevention and remediation of hot spots of toxic substances, some with GEF assistance, by 2007 to accompany expected baseline investments.	
3	Capacity of the Danube and Black Sea Convention Secretariats is increased through, sustainable funding, and development of international waters process, stress reduction and environmental status indicators adopted through Convention processes.	- Payments of contributions by all contracting parties to the Danube and Istanbul Conventions made for 2000 and 2001 and pledged for the period beyond project duration. Nutrient control, toxics reduction and ecosystem indicators assessing processes in place, stress reduction, and environmental status, are developed, harmonized and adopted for reporting to Secretariat databases by 2006.	<ul style="list-style-type: none"> - Establishment of Inter-ministerial Coordination. Mechanisms - Tools for WQ Monitoring and Emission Analysis - Enhancement of the Accident Emergency Response Systems - Support for the ICPDR InfoSystem - Support for the Implementation of MoU between the BSC and the ICPDR - Development of M&E Indicators for the DRP

	Strategic Partnership Objectives	Indicators	Danube Regional Project Activities
4	Country commitments to a cap on nutrient releases to the Black Sea at 1997 levels and agreed targets for toxics reduction for the interim, and possible future reductions or revisions using an adaptive management approach after 2004 are formalized into specific nutrients control and toxics discharge protocol(s) or Annex(es) to both Conventions.	- Countries adopt protocols or annexes to their two conventions and/or develop legally binding "Action Plans" regarding nutrients and toxics reduction commitments as part of their obligations under the GPA for Land-Based Sources of pollution to the Danube/Black Sea basin by 2006 towards agreed goal to restore the Sea to 1960's environmental status. For the Danube, such a commitment will be contained in the revised Nutrient Reduction Plans (coherent with the ICPDR Joint Action Programme) and developed in accord with the application of the relevant EU Water Directives.	- Development of RBM in line with the EU WFD requirements, strategies for compliance and program of measures
5	Implementing Agencies, the European Union, other funding partners and countries formalize nutrient and toxics reduction commitments into IA, EU and partner regular programs with countries.	- Regular programs of IA's and EC support country nutrient and/or toxics reduction commitments during 2001-2007 as part of expected baseline activities and incorporate them into CCF (UNDP), GPA Office Support (UNEP), CAS (WB), and EU (Accession support) by 2005.	- Pilot Sava River Basin Management Plan
6	Pilot techniques for restoration of Danube/Black Sea basin nutrient sinks and reduction of non-point source nutrient discharges through integrated management of land and water resources and their ecosystems in river sub-basins by involving private sector, government, NGOs and communities in restoration and prevention activities, and utilizing GEF Biodiversity and MSP projects to accelerate implementation of results.	- All countries in basin begin nutrient sink restoration and non-point source discharge reduction by 2007 through integrated river sub-basin management of land, water and ecosystems with support from IA's, partners and GEF through small grants to communities, biodiversity projects for wetlands and flood plain conservation, enforcement by legal authorities and holistic approaches to water quality, quantity and biodiversity of aquatic ecosystems. Plans (coherent with the ICPDR Joint Action Programme) are developed in accord with the application of the relevant EU Water Directives	- Agriculture pilot projects - Wetland restoration pilot projects - Wetlands Monitoring - NGO Network Reinforcement - Small Grants Programme - Communication and Awareness Raising - Public Access to information

1.2 OBJECTIVES AND STRATEGIES OF THE UNDP /GEF DANUBE REGIONAL PROJECT

The long-term development objective of the Danube Regional Project is to contribute to sustainable human development in the DRB through reinforcing the capacities of the participating countries in developing effective mechanisms for regional cooperation and coordination in order to ensure protection of international waters, sustainable management of natural resources and biodiversity.

The overall objective of the DRP is to reduce nutrient loadings into the Danube River and its tributaries, in order to improve water quality in the Danube, and in the Black Sea. The DRP is designed to complement the activities of the ICPDR.

In this context, the GEF Regional Project supports the ICPDR, its structures and the participating countries in order to ensure an integrated and coherent implementation of the recent policy document of the ICPDR - the Joint Action Programme (JAP) and the related investment programs in line with the objectives of the DRPC.

Taking into account the basic orientations of the Danube/Black Sea Basin Programmatic Approach, the Danube Regional Project will reinforce the implementation of the Danube River Protection Convention in providing a framework for coordination, dissemination and replication of successful demonstration that will be developed through investment projects (World Bank-GEF Investment Fund, EBRD, EU programmes for accession countries etc.).

The following immediate objectives of the DRP are designed to respond to the overall development objective:

OBJECTIVE 1: Creation of sustainable ecological conditions for land use and water management

Output / Outcome: Nutrient reduction policies and legal instruments and measures for exacting compliance are developed and implemented in all Danube River Basin countries with particular attention to:

- the EU Water Framework Directive;
- integrated river basin management;
- best agricultural and industrial practices;
- appropriate land use and wetland management; and,
- economic instruments.

OBJECTIVE 2: Capacity building and reinforcement of transboundary cooperation for the improvement of water quality and environmental standards in the DRB

Output / Outcome: Institutional and organizational mechanisms for transboundary cooperation in pollution control and nutrient reduction are developed and mechanism for improved:

- national coordinating mechanisms
- water quality monitoring;
- emission control;
- emergency warning and accidental prevention; and,
- information management.

OBJECTIVE 3: Strengthening of public involvement in environmental decision making and reinforcement of community actions for pollution reduction and protection of ecosystems

Output / Outcome: Community based projects for nutrient reduction (Small Grants Program) are implemented in all DRB countries and public concern and response to ecological issues has increased due to:

- the organization of awareness raising campaigns and the regular publishing of basin-wide and national information material;
- the DEF Secretariat is efficiently operating using its own resources and supports national NGOs in the Danube River Basin.

OBJECTIVE 4: Reinforcement of monitoring, evaluation and information systems to control transboundary pollution, and to reduce nutrients and harmful substances

Output / Outcome: A Danube Basin wide system for monitoring and evaluation of environmental impacts is operational, using indicators for process, stress reduction and environmental status in line with EU and international reporting requirements, allowing at the same time follow-up and evaluation of project implementation results; special observations on nutrient removal from wetlands and accumulation of heavy metals and other pollutants in sediments are available and economic instruments (pollution trading) are analyzed.

The DRP was designed to enable all project activities initiated and reported in Phase 1 (2 years) to be further developed in Phase 2 (3 years).

Phase 1 specific objective

The specific issues addressed in Phase 1 of the DRP were to:

- Prepare and initiate basin-wide capacity-building activities with particular attention to creation of inter-ministerial committees;
- Develop concepts for implementation of policies,
- Review and develop legal and economic instruments for water pollution management;
- Develop mechanisms for monitoring and evaluation of the project; and,
- Develop programmes for awareness raising and NGO strengthening within the Danube River Basin.

Phase 2 specific objective

The specific objective of Phase 2 of the Project is to:

- Establish institutional and legal instruments at the national and regional level to assure nutrient reduction and sustainable management of water bodies and ecological resources;
- Involve all stakeholders throughout the DRB; and,
- Strengthen the monitoring and information systems of the ICPDR.

To reach these goals, and to secure the implementation and consolidation of those basin-wide capacity-building activities, the Project will build on the results achieved during the 1st Phase of the Project.

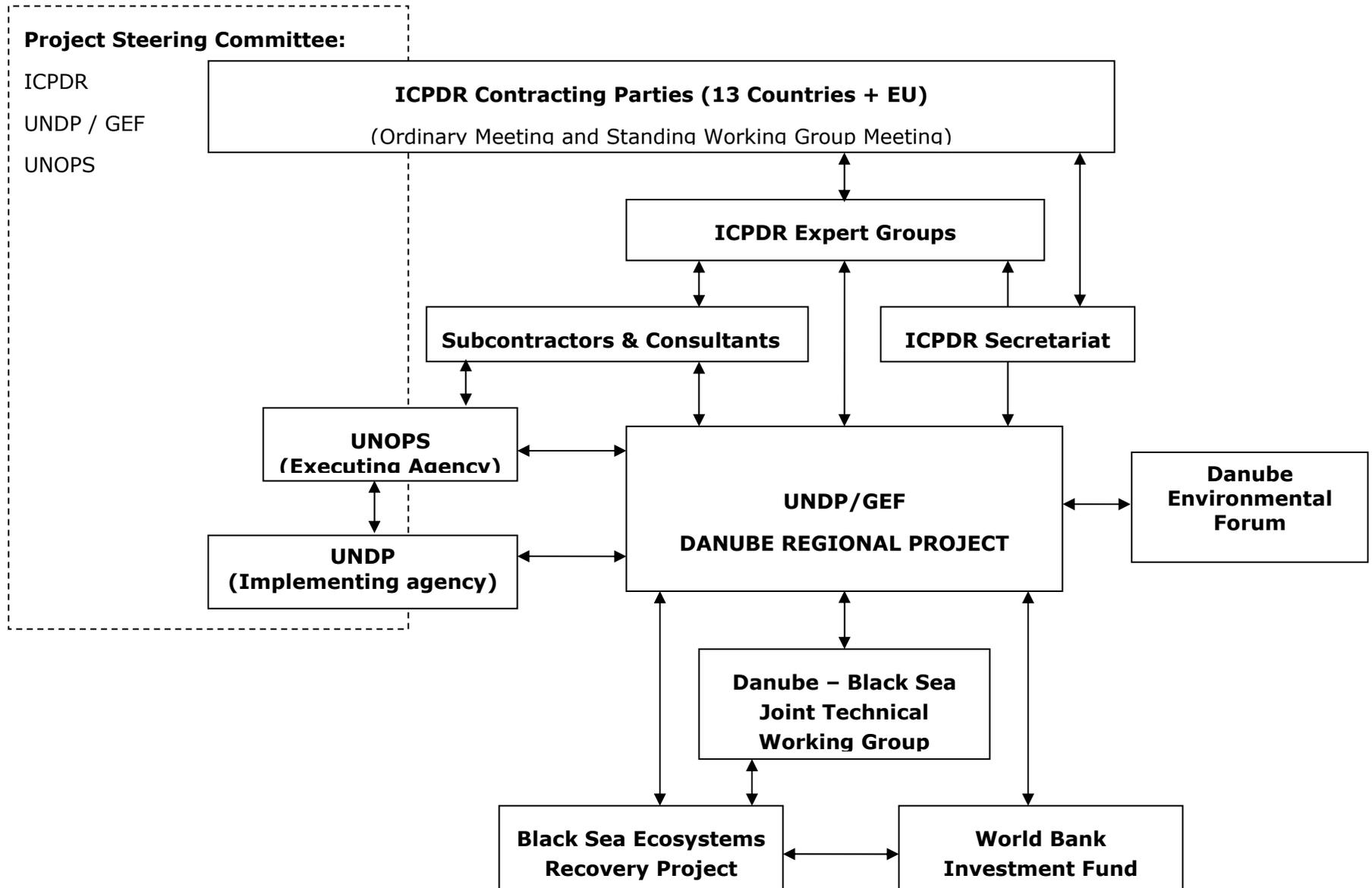
1.3 COOPERATION WITH THE ICPDR

Cooperation with the ICPDR (co-executing agency and primary beneficiary) and its structures is the necessary and very powerful tool for the Project implementation. The ICPDR was formed to implement the Danube River Protection Convention (DRPC) and since 2000 is the platform for coordinating the implementation of the EU WFD in the DRB.

The cooperation between the DRP and the ICPDR is mutually beneficial as the GEF project is proactively working together with the ICPDR at various levels, the Secretariat, the respective ICPDR Expert Groups and respective National Governments. The project participates, together with relevant contractors where appropriate, in all ICPDR Expert Groups Meetings, provides technical and methodology inputs to their work and facilitates basin-wide coordination. In this way the GEF Project has the full overview and understanding and can thereby provide the best assistance and input to the further development of the work.

Further, these commonly implemented activities serve to improve administrative and technical capacities at the National level based on guidelines and requirements set by the ICPDR and the Project. In this way, the GEF project plays a catalytic role in stimulating DRB countries to meet their commitments to the DRPC and increasingly the WFD. This encourages national governments to develop appropriate structures for regional cooperation which is facilitating the strengthening of good governance in the Danube River Basin.

Project Organization



1.4 FINANCING AND CO-FINANCING / BUDGETARY CONTRIBUTION

The UNDP/GEF Danube Regional Project (DRP) was originally planned for a period of five years. Due to financial constraints, the projects had to be split into two phases with an initial phase of two years and implementation phase of three years.

The overall financing of the project is following:

COSTS AND FINANCING (USD)

		<i>Project Tranche 1</i>	Project Tranche 2
GEF	Project	<i>5,000,000 USD</i>	12,240,000 USD
	PDF-B	<i>350,000 USD</i>	
	<i>Subtotal GEF</i>	<i>5,350,000 USD</i>	12,240,000 USD
Co-Financing	Government / ICPDR / others	<i>6,600,000 USD</i>	12,878,000 USD
	<i>Subtotal Co-financing</i>	<i>6,600,000 USD</i>	12,878,000USD
Total Project Cost		<i>11,950,000 USD</i>	25,118,000USD

The co-financing is expected through the ICPDR and Danube country contributions.

Total ICPDR and Danube country contributions in USD :	Phase I	Phase II
A/ The ICPDR, Permanent Secretariat will facilitate overall project implementation with an annual operational budget:	1,600,000	2,742,000
- 800,000 USD for a period of 2 years (phase 1)		
- 914,000 USD for a period of 3 years (phase 2)		
B/ The ICPDR Expert Groups will assure the implementation of project components. The cost for experts, operation, participation and communication can be estimated at :	2,400,000	3,262,000
- 1,200,000 USD per year, for a period of 2 years (phase 1)		
- 1,087,300 USD per year, for a period of 3 years (phase 2)		
C/ The participating countries will contribute in the frame of joint activities under the DRPC to project implementation through financial and in kind contributions (experts, equipment, operational cost), estimated at	2,600,000	5,066,000
- 100,000 USD per country and year, for 13 countries and 2 years (phase 1)		
- 129,900 USD per country and year, for 13 countries and 3 years (phase 2)		
D/ Others (national and international institutions, NGO, bilateral donors)		1,808,000
Total Contribution	6,600,000	12,878,000

2 PROGRESS AND ACHIEVEMENTS OF THE DANUBE REGIONAL PROJECT IN THE FRAME OF THE DANUBE – BLACK SEA STRATEGIC PARTNERSHIP (SP)

2.1 ADOPTING AND IMPLEMENTING OF POLICY, INSTITUTIONAL AND REGULATORY CHANGES (SP OBJECTIVE 1)

Objective 1	Indicator
In support of the implementation of the Black Sea Strategic Action Plan and the "Common Platform for Development of National Policies and Actions for Pollution Reduction under the Danube River Protection Convention", and taking into account the mandate of the Sofia and Bucharest Conventions, Danube/Black Sea basin countries adopt and implement policy, institutional and regulatory changes to reduce point and non-point source nutrient discharges, restore nutrient 'sinks', and prevent and remediate toxics "hot spots".	By 2007, 100% of participating countries introduce one or more policy or regulatory measures (including P-free detergents) to reduce nutrient discharges in the agricultural, municipal, or industrial sectors, to restore nutrient sinks (wetlands, flood plains), and to prevent and remediate toxics "hot spots", and 50% adopt multiple policy measures, towards goals of maintaining 1997 levels of nutrient inputs to the Black Sea, and reducing toxics contamination in the basin.

2.1.1 Guidelines and tools for River Basin Management (1.1)

Considering the DRPC's mandate to assure sustainable water management in the DRB and taking into account the central role of the river basin management in implementing the EU Water Framework Directive, there is a substantial need to facilitate the development of river basin management plans in the Danube River Basin and in its sub-basin areas. These river basin management plans will have to deal with nutrient reduction from point- and non-point sources.

The project is assisting to the DRB countries in the implementation of EU Water Framework Directive through development of common tools and in implementation of common approaches, methodologies and guidelines for sub-basin management plans.

Links between the Nutrient Reduction objectives and the Water Framework Directive

The objective of nutrient reduction is completely consistent with the expected outcome of the implementation of the WFD. Implementation of the WFD requires Member States to prevent deterioration of the status of water bodies and for Member States to restore all surface water bodies to a good ecological status by 2015. Nutrient enrichment is one of the many anthropogenic pressures on Water Bodies that may affect their ecological status. As such, management measures will be required to control nutrient enrichment in order to achieve the objectives of the Directive. This clearly integrates a nutrient reduction strategy within the implementation of the WFD.

Implementation of the WFD encompasses other significant environmental policy issues (in addition to that of nutrient reduction). Explicit in the WFD is the inclusion, for example, of the requirements of the Nitrates Directive, the Urban Wastewater Directive, and through the 'protected areas' provisions, clear links to the 'Natura' Directives on Habitats and Birds.

The key requirements of the Directive to prevent deterioration and to achieve good ecological status, requires an assessment of all pressures (and their corresponding impacts) to be evaluated and for a detailed River Basin Management Plan to be developed on how these impacts will be mitigated. The Management Plans must provide concrete programmes how pollution will be reduced involving a range of measures addressing, for example, agricultural pressures from diffuse sources (including links with the Common Agricultural and the implementation of Good Agricultural

Practice), the management and remediation of contaminated sites and land-fills, and procedures to minimise point-source inputs from industrial and municipal wastewater treatment plants. It is also important to recognise that the WFD deals with more than "chemical" pollution. The pressures associated with structures or hydromorphological alterations also have to be addressed.

During the Phase 1 of the Danube Project concepts and analytical material were prepared, which later during Phase 2 of the Project will be implemented in form of national contributions, pilot projects and workshops on river basin management and implementation of the WFD. Specifically the outputs from Phase 1 included reports and workshops in direct support to the ICPDR's Roof Report and the national reports to the EC under the WFD requirements. Phase 2 will build on this initial "Characterisation" report to provide specific assistance leading to the preparation of River Basin Management Plans. This is a key milestone in the overall implementation of the WFD.

2.1.2 Development of Agriculture Policies for Pollution Reduction(1.2)

According to the Transboundary Analysis (1999), it is assumed that about half of nutrients discharged in the Danube Basin to the fine web of the river network come from agricultural non-point sources of pollution. For the necessary nutrient pollution reduction from agricultural sources combination of different policy measures are needed.

The Project focuses on assisting the DRB countries in designing new agricultural point and non-point source pollution control policies and legislation towards sustainable land use and agricultural practices ("sustainable agriculture"), as well as compliance and enforcement plans in line with the existing and emerging (driven by EU accession process) national legislation. Within the Phase 1 activities, the agricultural policies to control water pollution and their enforcement in DRB countries was analysed and an inventory of pesticide and fertilizers use was prepared and assessed.

The existing situation in policy development and implementation of Best Agricultural Practice (BAP) in Danube countries was reviewed and analysed, and a concept for introduction of BAP was developed. The concept for BAP adopted for the central and lower Danube region was defined as '*...the highest level of pollution control practices that any farmer could be expected to adopt when working within their own national, regional and/or local context in the Danube River Basin*'. Guidelines for manure handling, consistent with the principles of BAP, were developed in national languages.

The first Phase identified six Strategic Aims with eleven objectives for measures to control and reduce agricultural pollution, including the use of fertilisers and manure, use of pesticides, regulatory instruments, economic instruments, promoting organic farming, etc. The output from this first phase built on the conclusions of a workshop that involved a comprehensive cross-section of policy makers in agriculture and water resource management from 11 central and lower DRB countries who participated in discussions of the problem and potential practical solutions associated with agriculture and water pollution in the region.

In Phase 2 of the Project policy and legal recommendations will be developed for DRB governments to reinforce the introduction of BAP and to optimize the use of agrochemicals.

The main focus of this assistance is to identify for each DRB country the main administrative, institutional and funding deficiencies and to develop priority reform measures for policies which are expected to best support the integration of environmental concerns into farm management (BAP), including improvements in the handling of manure and sludge from livestock operations, minimization of the use of chemical fertilizers and pesticides, promotion of improved tillage methods, management of restored wetlands, creation of buffer zones and farmer education and outreach activities.

2.1.3 Development of Wetlands and Land-use Policies (1.4)

The primary focus of this output is to assist DRB countries to prepare new land use and wetlands rehabilitation/protection policies and legislation in line with the existing and emerging (driven by EU accession process) environmental legislation as well as GEF IW strategies. This project output addresses common inappropriate land uses and subsequent impacts on ecologically sensitive areas and wetlands including the effects of transboundary pollution with particular attention to nutrients and toxic substances related to: municipalities, agricultural activities, etc., Standardized integrated land use concepts shall be developed for the protection and/or rehabilitation of selected sensitive nature protection /wetland areas.

Such new approaches will be demonstrated in the frame of pilot activities that should also serve to stimulate activities that will expand the use of sustainable land use practices in critical nature protection and wetland areas of the DRB. (Chapter 2.5.2) The inventory of nature protection areas in the form of a map, besides meeting a core EU WFD requirement, provides a basis for prioritizing actions to protect and rehabilitate priority nature protection areas and wetland habitats in the DRB.

Now in Phase 2, these concepts and methodological approaches will be further developed and required policy, legal and institutional reforms will be applied in the case study areas as models for integrated land use in the DRB. Further, the reform models for integrated land-use will also be proposed to Governments and land development organizations for adaptation of policies and practical implementation.

2.1.4 Development of Industrial Policies (1.5)

Industrial reform is one of the most urgent and critical issues in most central and lower DRB countries. Considering that industrial production in transition countries is actually very low, it is not surprising that industry generates only 5% of the nitrogen and 8% the phosphorus that enter the Danube River Basin. Taking into account the expected revitalization of industries, the Project in Phase 1 has been focused on industrial policies and on a review of legislation in order to ensure that environmental considerations are adequately taken into account and that mechanisms for compliance are put in place.

In this context, the project output assists the DRB countries in the development of new industrial nutrient/toxics pollution control policies and legislation in line with existing and emerging (driven by the EU accession process) national legislation. While Phase 1 of the Project has focused on the identification of gaps and opportunities for reforms and measures, Phase 2 will develop and implement targeted assistance programme to non-accession Danube countries on industrial pollution reduction policy and regulatory frameworks including necessary capacity building activities. The components will include legislation drafting, institutional development, technical assistance and training among others. The program will be developed in cooperation with the individual national government and tailored to the needs of each country. These activities will complement similar activities undertaken by other international organizations, which are either underway or planned for these countries.

For the further application of BAT in Phase 2 of this output the EU guidelines under the IPPC Directives will be reviewed in relation to existing ICPDR BAT Recommendations. Emission reduction potential in key industrial sectors in DRB will be identified as well as gaps between current situation and full compliance with the IPPC Directive.

2.1.5 New Water and Wastewater Tariffs and Effluent Charges (1.6&1.7)

The funding of water sector-related investments and the cost coverage for the operation of WWTP in the DRB countries largely depends on economically and socially acceptable water and wastewater tariffs. Most DRB countries are not currently applying an effective system of fines for

water pollution and respective incentives in comparison to industrialized Western European countries. Water and wastewater service tariffs and effluent charges, fines and incentives (Tariffs and Effluent Charges) have the potential to improve both water resource management generally and protection of water bodies from nutrients and hazardous substances. They may be able to make a substantial contribution towards increasing internal funds and releasing public budgets and thereby facilitate the provision of baseline contributions for new investment projects in nutrient reduction and pollution control.

The purpose of this Project Component is to develop strategies for tariff and effluent charge introduction and reforms given the prevalent conditions in the various countries of the region and taking into consideration the implementation plans of the EU accession countries. Implementation of Polluter Pays Principle, economic incentives for pollution reduction and cost recovery of water services are considered as well. This component has developed policy measures for DRB countries that will help assure economically and socially acceptable tariffs and/or effluent charges. The potential for the increase of revenues of the companies operating in the water and wastewater sector is also being considered. The development and assessment of country-specific concepts for tariff and effluent charge reforms has been completed.

Phase 1 activities principally involved an examination of the current conditions related to regional or Municipal Water and Wastewater Utilities (MWWUs) in eight countries of the region, identification of possible tariff and effluent charge reforms, and evaluation of these prospective reforms. MWWU case studies have been developed in each of the countries. Baseline physical and monetary accounts for the MWWU were constructed. Budgetary, tariff, service, and effluent consequences of various reforms were tested. The baseline conditions and simulations were undertaken within the framework of the Accounts Simulation for Tariffs and Effluent Charges (ASTECC) model and numerous individual reform proposals were identified and evaluated.

Phase 2 activities primarily aim to set the basis for implementation with national stakeholders. This will involve undertaking a series of information dissemination and assistance activities to encourage and expedite adoption of effective reform proposals by the countries and MWWUs of the middle and lower Danube River Basin. The reform proposals themselves, and the conditions necessary for effective implementation and performance have been elaborated within Phase 1. Phase 2 activities would assist national and local decision makers and managers in developing and implementing such reform proposals. Emphasis will also be given to the development, implementation and monitoring of Reform Demonstration Projects in various countries and communities and to disseminate lessons learned.

2.1.6 Development of voluntary agreements to reduce phosphates in detergents (1.8)

The main objective of this output is to assess the possibility for the introduction of acceptable standards in the particular DRB countries and to develop proposals for the required legislative reforms and measures as well as appropriate enforcement and/or voluntary agreement schemes. The EU policies and legislation do not provide for phosphate detergents phase-out plans. The present situation in the EU countries is based on voluntary arrangements established by negotiation with detergent manufacturers.

The country-specific recommendations and implementation schedules shall be mostly based on the experiences from Western European countries and in the context of related developments (i.e. policy and legislative) at the European Union level and should take into account the institutional and especially the economic capability of the particular DRB countries. The Task Force established in the frame of ICPDR and led by Germany aiming on reduction of Phosphorus coming from detergents is supported by this activity. The output will provide analytical background and develop proposals for accomplishing a voluntary agreement between ICPDR and the Detergent Industry with appropriate time frame.

2.2 CAPACITY BUILDING OF THE COMMISSION (SECRETARIATS) (SP OBJECTIVE 3)

Objective 3	Indicator
Capacity of the Danube and Black Sea Convention Secretariats is increased through, sustainable funding, and development of international waters process, stress reduction and environmental status indicators adopted through Convention processes.	Payments of contributions by all contracting parties to the Danube and Istanbul Conventions made for 2000 and 2001 and pledged for the period beyond project duration. Nutrient control, toxics reduction and ecosystem indicators assessing processes in place, stress reduction, and environmental status, are developed, harmonized and adopted for reporting to Secretariat databases by 2006.

2.2.1 Establishment of Inter-ministerial Coordination Mechanisms (2.1)

Inter-Ministerial Coordinating Mechanisms will be set up to ensure adequate coordination and implementation of policies, legislation and projects for nutrient reduction and pollution control.

Based on the detail analysis of inter-ministerial coordinating mechanisms and structures for water management and pollution control in Danube countries proposals for improving of existing and for setting up of new inter-ministerial co-coordinating mechanisms was made.

For Moldova, Ukraine, Bosnia & Herzegovina, Serbia & Montenegro and to a lesser extend for Croatia and Romania the results of the analysis has revealed, in certain cases, unclear competencies between Governmental structures, inadequate or missing mechanisms for coordination, insufficient financial and human capacities for the development and implementation of policies, strategies and measures and an incomplete legal frame for water management and pollution control.

For these countries it is proposed in Phase 2 to undertake Training and Capacity Building activities and to organize intensive workshops in order to analyze the legal and administrative mechanisms of Government structures (mandate and responsibilities of Ministries and public Institutions) and to design, together with Government representatives and other stakeholders, adequate mechanisms for inter-ministerial coordination.

2.2.2 Operational Tools for Water Quality Monitoring and Emission Analysis (2.2)

The project is supporting the Danube countries in developing, upgrade and reinforce capacities of tools for emission control and monitoring of water quality, laboratory and information management. The models and applications supported mostly with data from the ICPDR Trans-National Monitoring Networks (TNMN) and Emission Inventory are essential tools for assessment of environmental stress and impact, in particular transboundary nutrient and toxic pollutant flows as well as an assessment of the expected effects of nutrient and other pollution reduction measures.

This project component uses the results of the Joint Danube Survey (JDS 2001-2002) that provided comparable biological and chemical characteristic data along the Danube in the main river bed and in the major tributaries, as well as the appropriate data and information necessary for the ecological and chemical surface water status characterization in line with the WFD.

Both water quality assessment and emission control (assessment of pressures/programme of measures) are key issues in implementation of the EU WFD, which is a high priority of the ICPDR. In line with the Work Programmes of ICPDR expert groups responsible for water quality (MLIM EG) and emission control (EMIS EG), the following major issues are addressed:

- Development of water quality objectives for nutrients and water quality standards for toxic substances from DRPC list of priority substances, in line with the EU WFD;
- Improvement of the scope of the TNMN and Emission Inventory, including harmonization of their databases, considering EU and ICPDR Lists of Priority Substances. TNMN related activities included the analysis and assessment of TNMN results, development of SOPs and upgrade of web-based databases.
- Development of application for pressure /stress (emissions) and impact (water quality/change in ecosystems) analysis, based on MLIM and EMIS databases (TNMN, JDS, EMIS Inventory) including analysis and comparison of data in these databases;

In the first phase extensive analyses were carried out on environmental quality objectives and standards for nutrients and other Danube specific priority substances and on the results of the EMIS inventory and their comparison with TNMN and JDS results with particular attention to the EU Priority List of Pollutants. Concepts and proposals have been developed that will be implemented in the Phase 2, in particular related to TNMN upgrade and SOPs for new determinands.

2.2.3 Enhancement of the Accident Emergency Response Systems (2.3)

The subject of this project component is to support development activities for accident emergency warning and prevention of accidental pollution. The experience from the accidental pollution events indicated that the basically established AEWS needs substantial improvement before it can become a satisfactory tool for adequate management of transboundary contamination from catastrophic events.

During Phase 1 of the Project, a new internet based communication solution was introduced to the AEWS. An Inventory and prioritization of old contaminated sites in potentially flooded areas was carried out and further recommendations and a check list methodology for the investigation and risk assessment of old contaminated sites was prepared.

Building on the Phase 1 results, the project will further support the AEWS, in particular through establishment of the national alert centres (PIACs) in Serbia and Montenegro and upgrading of Danube Basin Alarm Model. Implementation of pilot projects on the application of checklist methodology for industrial sites (refinery/oil industry) and the further development of inventories of contaminated sites in flood risk areas will be key activities of the Phase 2

2.2.4 Support for the ICPDR Information System (2.4)

The Danube Information System (DANUBIS) has been developed with financial support from the Austrian Government (computer equipment and software) and from the Austrian Environmental Trust Fund, administered by UNOPS (concept and development of the Information System). The system is presently installed at the Permanent Secretariat of the ICPDR and is fully operational.

The project provided further professional/technical and financial support needed for the build-up and extension of DANUBIS to assure adequate administration of the information and reporting obligations under the DRPC. Based on the DANUBIS user Survey (2002), the project supported the hardware upgrade of the Information System at the central and national level and a training programme for users was conducted in 11 countries, assuring a regionally consistent approach for information management within the various activities of the ICPDR.

Further activities are planned to support further update of Information System, in particular to include Danube GIS into Danubis, that is also a priority for the ICPDR.

2.2.5 Support for the Implementation of MoU between BSC and ICPDR (2.5)

The objective of this output is to assist the ICPDR in further implementing the Memorandum of Understanding (MoU), identifying appropriate modalities for the implementation and developing of a monitoring system for commonly agreed process, stress reduction and environmental status indicators for the Black Sea.

The work is carried out by the Joint Technical Working Group (JTWG) ICPDR - BSC. During Phase 1 of the Project, a joint working programme was revised and approved by both Commissions. Ecological status indicators in the Black Sea Convention area, and appropriate reporting formats were agreed as well as amendment of the work programme taking into account implementation of WFD in coastal waters.

In Phase 2, based on the results obtained from monitoring and analytical assessment of the BSC area, the JTWG will develop strategies for the limitation of the discharge of nutrients and hazardous substances.

2.2.6 Development of M&E Indicators for the DRP (4.1)

To ensure efficient monitoring and evaluation of project implementation, and to document project and program achievements, it is necessary to establish an operational system of indicators. The ICPDR accepted to use the EU WFD Indicators and the DRP needs to fulfill the GEF M& E requirements.

Considering the fact that the GEF reporting requirements are slightly different than EU WFD, the project proposed two compatible systems of indicators to monitor and evaluate results from and environmental effects of policies and programme implementation: i) indicators for GEF M&E purposes to be used by the project and ii) indicators for WFD and EEA reporting to be used by the ICPDR.

To monitor the results of the DRP, the project will be using 3 categories of the GEF indicators: process indicators (identified in the project logframe as outputs/outcomes), stress reduction (response indicators of WFD) and status indicators (identical with the WFD and the ICPDR).

The baseline for both, the WFD and GEF indicators will be year 1996, since the ICPDR has reliable data on pressures, status and investment in the Danube Basin.

2.3 NUTRIENT AND TOXICS REDUCTION PLANS RELEVANT TO APPLICATION OF THE EU WFD (SP OBJECTIVE 4)

Objective 4	Indicator
Country commitments to a cap on nutrient releases to the Black Sea at 1997 levels and agreed targets for toxics reduction for the interim, and possible future reductions or revisions using an adaptive management approach after 2004 are formalized into specific nutrients control and toxics discharge protocol(s) or Annex(es) to both Conventions.	Countries adopt protocols or annexes to their two conventions and/or develop legally binding "Action Plans" regarding nutrients and toxics reduction commitments as part of their obligations under the GPA for Land-Based Sources of pollution to the Danube/Black Sea basin by 2006 towards agreed goal to restore the Sea to 1960's environmental status. For the Danube, such a commitment will be contained in the revised Nutrient Reduction Plans (coherent with the ICPDR Joint Action Programme) and developed in accord with the application of the relevant EU Water Directives.

2.3.1 Development of the Danube River Basin Management Plan in line with the EU WFD requirements, strategies for compliance and program of measures (1.1-4, 1.1-10)

An important deliverable for EU Member States under the WFD is referred to as the "Characterisation" or "Article 5" report due in March 2005. This report provides information on the characteristics of each river basin district, a review of the impact of human activity on the status of the surface waters and on groundwaters, and an economic review of water use. The WFD requires Member States to provide this report for waterbodies within their borders but to include issues of importance to the whole river basin. To facilitate this activity within the Danube River Basin the ICPDR has developed the concept of a "Roof Report" which provides details of the Danube River that are common to all Danube Basin countries. This Roof Report will be submitted together with the respective detailed national reports. The Roof Report contains, in particular, an overview of the main driving forces of multi-lateral or basin-wide importance and the related pressures exerted on the environment. This analysis has been based on available data resulting from past and on-going projects.

The DRP, in co-ordination with the ICPDR's Joint Action Programme (JAP), has implemented a range of activity addressing specific pollution problems associated with nutrients and toxic discharges within a river basin management framework. The projects executed have been consistent with, and of benefit to, the overall implementation of the WFD in the basin and, the preparation of the Roof Report and national Characterisation Reports in particular. This support has included significant capacity building workshops assisting with the long-term sustainability of these pollution reduction initiatives. Specifically this support has included workshops on groundwaters, nutrient reduction, typology and reference conditions, risk of failure of meeting "good status" and on Heavily Modified Water Bodies. These five workshops have all been directed at supporting the WFD implementation.

Future support on pollution reduction will continue to assist with the implementation of the WFD in addressing agricultural diffuse pollution, industrial pollution sources and, for example, a reduction of nutrients through programmes to initiate voluntary agreements on phosphate reduction in detergents. The DRP will focus on providing strategies to assist with the ICPDR's JAP through the provision of new tools and techniques from a range of capacity building workshops and technical assistance. These activities will assist the ICPDR and the Danube countries with the next stages of the WFD implementation leading to the preparation of appropriate "Programme of Measures" (to mitigate the pressures) and the incorporation of these in to a "River Basin Management Plan".

2.4 SUPPORT FOR WATER QUALITY MANAGEMENT, POLLUTION AND NUTRIENT REDUCTION PROVIDED BY IAS, EU AND OTHER FUNDING PARTNERS (SP OBJECTIVE 5)

Objective 5	Indicator
Implementing Agencies, the European Union, other funding partners and countries formalize nutrient and toxics reduction commitments into IA, EU and partner regular programs with countries.	Regular programs of IA's and EC support country nutrient and/or toxics reduction commitments during 2001-2007 as part of expected baseline activities and incorporate them into CCF (UNDP), GPA Office Support (UNEP), CAS (WB), and EU (Accession support) by 2005.

2.4.1 Pilot Sava River Basin Management Plan (1.1-9)

This Project supports the development of a pilot plan for the Sava River Basin as a model for river basin management planning in line with the WFD. In this context, the project defines concepts for common approaches and methodologies, standards and guidelines to be applied in the regional context, and formulate recommendations for implementation strategies and program of measures likely to be effective in the transboundary context.

In Phase 1 the Project has carried out a first situation analysis on data availability and on institutional capacities in the four Sava countries to carry out the development of the Sava River Basin Management Plan. A concept and work plan for Phase II of the project was developed.

Number of national projects under EU-CARDS in Croatia and in Bosnia i Herzegovina and the European Agency for Reconstruction in S&M are being implemented between 2004 and 2007. All will strengthen local capacities in water management and introducing the EU-WFD. A new large 3-year EU-CARDS project "Pilot River Basin Plan for the Sava River Basin" assists Croatia, Bosnia i Herzegovina, and Serbia and Montenegro to strengthening national capacities on WFD-oriented, transboundary water management, and to develop pilot projects in selected catchment areas to test the implementation of the EU WFD. Slovenia with support of ISPA funds is doing a similar activity, i.e. testing the EU guidelines for the implementation of the EU WFD in the Krka river basin.

It is agreed that the DRP Sava Pilot and EU-CARDS projects will be closely coordinated in order to prevent overlapping and to secure complementarity both at national and Sava basin level.

At the end of Phase 2 (2007), a "*Pragmatic River Basin Management Plan (Roof Report)*" for the Sava River Basin, which analyses the major transboundary issues related to water quality control and water management in the basin and identifies the main measures to deal with them, including the necessary investments needed to meet the main principles of the WFD (Sava investment programme), will be available.

2.5 PILOT ACTIONS FOR RESTORATION OF DANUBE-BLACK SEA NUTRIENT SINK AND REDUCTION OF NON-POINT SOURCE NUTRIENT DISCHARGES (SP OBJECTIVE 6)

Objective 6	Indicator
Pilot techniques for restoration of Danube/Black Sea basin nutrient sinks and reduction of non-point source nutrient discharges through integrated management of land and water resources and their ecosystems in river subbasins by involving private sector, government, NGO's and communities in restoration and prevention activities, and utilizing GEF Biodiversity and MSP projects to accelerate implementation of results.	All countries in basin begin nutrient sink restoration and non-point source discharge reduction by 2007 through integrated river sub-basin management of land, water and ecosystems with support from IA's, partners and GEF through small grants to communities, biodiversity projects for wetlands and flood plain conservation, enforcement by legal authorities and holistic approaches to water quality, quantity and biodiversity of aquatic ecosystems. Plans (coherent with the ICPDR JAP) are developed in accord with the application of the relevant EU Water Directives

Very important elements of the Danube Regional Project are the pilot activities that are an integral part of some project components. The pilot activities build on the results from the phase 1, where analyses were carried out and new methodologies and concepts were prepared. The project components containing 'pilot activities' are Agriculture (1.3), Wetlands (1.4, 4.3), Tariffs and Charges (1.6&1.7) and Accident Risk Response (2.3). In addition, the project includes components that are involving the wider public, in particular NGOs in pollution reduction activities, that offers a good basis for replicability.

2.5.1 Agricultural Pilot Projects (1.3)

This pilot project component has to be considered as complementary to the policy component on Agriculture (1.2), it is particularly focusing on adequate handling of manure and on the practical introduction of organic farming methods. Agricultural point sources (e.g. large pig farms), including inappropriate handling of manure, are estimated to supply 2.5% and 6.8 %, respectively, of the nitrogen and phosphorus reaching the Danube River Basin.

Through the Project Output 1.3 the DRP will assist the DRB countries (especially in the lower Danube basin) with the development of low-input agriculture and with pilot programs for agricultural pollution reduction, in line with existing and emerging (driven by EU accession process) national environmental legislation.

It will help to introduce new relationships among national governments, local governments, agricultural community and general public (different land-users) in order to improve management practices in agriculture and to reduce nutrient loads. Specific needs to improve agricultural practices and relevant sites for demonstration activities on manure handling should be identified in practical concepts for each DRB country.

Based on the analysis of agricultural "hot spots" and taking into account national concepts developed in Phase 1, for practically introducing respectively expanding best agricultural practices in each DRB country, Phase 2 will focus on the implementation of the prioritized pilot projects in particular in the lower Danube basin, but will also strengthen already existing initiatives in other DRB countries. It will provide demonstration and training to local farmers on best manure handling and best agricultural practices, as well as stimulate the institutional development of low input farming. In a concluding regional workshop, the experiences gained at local and national level should be assessed and conclusions shared.

2.5.2 Wetland Restoration Pilot Projects (4.3)

In the frame of the Pollution Reduction Program, the rehabilitation and management of about 600.000 hectares of wetlands and floodplains in the DRB have been proposed. In the World Bank-GEF Strategic Partnership, the restoration or creation of wetlands is one of the types of projects eligible for funding. It is generally recognized that the removal capacity varies considerably according to water flow, concentration, loads and natural conditions of the wetlands.

In the frame of the DRP, a quantified approach will be made for the wetlands to better assess their removal capacities and the possibilities in wetland management to optimize such processes, while still giving priority to the ecological needs of these ecosystems. These results will considerably improve and disseminate world-wide the knowledge about nutrient removal through wetlands rehabilitation and would define the technical and economic parameters for efficient wetlands management while still considering other benefits (biodiversity, water purification etc.) and giving priority to the ecological needs of these ecosystems.

This proposed project component, which would support a larger GEF need in the frame of Targeted Research has been covered in Phase 1 preparatory tasks and will now, in Phase 2, provide the actual removal observation programme and management guidance.

2.5.3 NGO Network Reinforcement – DEF (3.1)

The overall focus of the components under Objective 3 is to increase public participation in environmental decision-making. A vital and effective route to public participation is via NGOs, because they address communities' concerns and represent the members of communities.

The Danube Regional Project Phase 1 has focused on NGO institutional development support as well as awareness raising and community involvement. A mark of the success of this focus in Phase 1 has been the growth in the number of NGOs actively engaged with DRP: from 50 at the start of the Project to 154 today.

Cooperation of the civil society and in particular of local NGOs is essential to achieving the objectives and goals of the ICPDR and the Danube Regional Project. Particular attention has therefore been given to the reinforcement of the Danube Environmental Forum (DEF), which is the umbrella organization of the NGOs in the Danube River Basin as well as to increase DEF's capacities to take action for pollution reduction and control.

The project gives technical/professional assistance and financial support for the Danube Environmental Forum (DEF) and for national NGOs working on transboundary pollution issues and nutrient reduction. Phase 1 of the Project have been providing the support to make the DEF network (Secretariat, national focal points, national members etc.) fully operational and to prepare programs for training and awareness raising (publications), as well as specific activities (public participation) which will be implemented during Phase 2 of the Project.

Within the frame of the present project component, the support for awareness raising and public participation will be extended during phase 2 and focused on concrete demonstration measures of pollution control, nutrient reduction and transboundary cooperation.

2.5.4 Small Grants Programme (3.2)

One objective of the Danube Regional Project is to reinforce the participation of NGOs and other interested parties in water management and pollution reduction (nutrients and toxic substances) with particular attention to transboundary cooperation and river basin management.

This can best be achieved through practical measures and the support of community-based activities for rational resources management, transboundary cooperation and pollution control with

particular attention to nutrient reduction. Financial support is therefore given to implement community-based demonstration projects in various Danube River Basin countries (Small Grants Program).

During Phase 1 of the Project the Small Grants Programme was designed and prepared and national and regional project were selected (1st call, 58 National and 5 regional projects) within 4 categories; Agriculture (e.g. Promoting eco-farming methods), land-use/wetlands (e.g. restoration of flood plain forest), municipal (e.g. household waste management) and industry (e.g. promoting best available practices). These are now under implementation.

Based on the monitoring and evaluation of the first call, the second call will be designed and implemented during 2005/2006. When proposals are reviewed, an increased emphasis will be placed upon enhancing awareness in civil society

2.5.5 Communication and Public Awareness raising (3.3)

Communication and awareness raising have been central to Phase 1 of the Danube Regional Project's work. Effective communication, in partnership with ICPDR, at a personal, professional and institutional level has led to several important results:

- All 13 Danube Basin countries are now signatories to the Convention (increased from 8 at the commencement of the Convention);
- 9 ICPDR Expert Groups meet regularly and provide significant input to the positive environmental management of the Danube and its Basin;
- 154 NGOs are actively engaged with the Project through DEF;
- 30 workshops and 11 trainings in all countries were conducted during the first phase of the project;

Phase 2 of the Project, while continuing this work, will take a broader view. The practical awareness and daily sensitivity of the general public on pollution problems and their transboundary impacts is still very low in most DRB countries. Phase 2 will prioritise public communication.

To this end, a number of initiatives have been undertaken:

- Preparation of a communication strategy (and good practice sourcebook), which is being implemented. Some of the key interventions of the strategy include building capacity for communication in NGOs (including training of trainers), enhancing media work, clarifying the identity and profile of DRP and ICPDR, sharing good practice, and supporting and developing effective periodicals (e.g. Danube Watch) and other information materials.
- Danube Day was launched. It was a major public event in 2004, and will be followed up in 2005 Phase 2 of the Small Grants Scheme (see above) will emphasise, in the awarding of grants, the importance of public communication.
- A professional media agency has been engaged to generate media coverage of DRP, ICPDR and partner NGOs (including DEF) and their activities.
- A strategic capacity-building plan for communication by NGOs is being prepared.
- Target Audience analysis and Stakeholder Analysis workshop was conducted- updating the Stakeholder Analysis carried out under the Pollution Reduction Programme.
- The NGO small grants projects (component 3.3.(i)) can have a much wider impact and become more relevant for the public's opinion-making at national and regional scale if they are complemented by public awareness raising campaigns and professionally work with the media (see above, 2.4.4), in this respect we will focus especially on these projects during Phase 2.

- The DRP supports the creation of enabling structures for public participation on basin-wide, sub-basin, national and local levels. Public participation strategies for all these levels have been discussed at a joint DRP/ICPDR workshop in Bratislava in April 2003. Following this workshop, a sub-group of the River Basin Management Working Group, including the DRP, ICPDR, WWF, REC and GWEP, developed a Danube River Basin Strategy for Public Participation in River Basin Management Planning, 2003-2009. The ICPDR adopted the strategy for the Danube River Basin level and recommended to the Danube countries to implement the strategy at the other levels as well. This implementation will be continue in Phase 2 of the project.

2.5.6 Public Access to Information (3.4)

This additional component in the frame of the Danube Regional Project will strengthen and enhance the GEF priority of community involvement by access to information and public participation. The component, to be implemented in 2004-2006, will build national capacity in interested CEE Danube countries on implementation of public access to information on Danube pollution and thereby support public participation in decision making on hot spot cleanup and prevention. It would focus on government officials and also include citizens, communities and NGOs, specifically including capacity building to enable changed attitudes and behaviour as well concrete efforts to implement and facilitate access to information.

3 PERSPECTIVES

3.1 PRIORITY PROJECT INTERVENTION IN 2004-2007

- To achieve the project objectives the DRP will 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 study on phasing out phosphorus containing detergents is crucial for the DRP to meet one of the overall project objectives - to substantially reduce phosphate loads 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.
- Several countries have asked for continuing assistance with establishing inter-ministerial coordination structures. The inter-ministerial coordination 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 DRP during Phase 2 will continue its work to complete the outputs under Development of Wetlands and Land-use Policies (1.4), dealing with wetlands and appropriate land use. 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.
- The new EU Member States and Accession Countries 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. It is understood that the new public participation and access to information output (3.4) is closely correlated to other DRP objectives.
- Communication and public awareness raising remains central to Danube Regional Project's work. There is a great potential for effective communication, in partnership with ICPDR. The practical awareness and daily sensitivity of the general public on pollution problems and their transboundary impacts is still very low in most DRB countries. Therefore Phase 2 activities should prioritise public communication.
- In Phase 2 two tranches of NGO oriented Small Grants Programme projects for nutrient reduction are being launched. Those with the potential for successful continuation, expansion and or replication will be further assisted. An important task for the DRP, assisted by the REC and DEF will be to identify future funding sources for these projects.
- Finalizing and proper use of process, stress reduction and environmental status indicators for monitoring and evaluation of the project progress and results should demonstrate achieved outcomes and contribute to overall M&E of GEF IW Programme.

3.2 ENSURING SUSTAINABILITY OF THE PROJECT RESULTS

- UNDP/GEF should remain steadfast in winding up their Danube support effort at the conclusion of the DRP. However it is important to note that this constitutes a several million dollar a year loss of support towards achieving the goals and objectives of the DRPC. The ICPDR should already now be considering strategies for how it will proceed once the DRP concludes in 2007.
- In order to ensure the sustainability of the Project results after phasing out in 2007 the DRP will, together with the ICPDR, develop an "exit strategy" by September 2005. Some elements of the future strategy for example, decrease of support from DRP to participation at the ICPDR Expert Group meetings, fundraising for ICPDR public awareness raising activities additional funding of DEF, etc. have been already launched.
- The commitment of governments of all Danube countries – parties to DRBC and maturity of ICPDR as leading force in these efforts will be further enhanced by already started re-definition of tasks of the ICPDR structures in order to address the new policy challenges.
- Special projects should be considered to expand agro-environmental cooperation, with the aim to successfully boost local farm economies without contributing to degradation of water quality.
- The project will strengthen or build capacities of national and local governments, governmental institutions, Municipal Water and Wastewater Companies, agro-environmental services, farming communities, NGOs and other stakeholders to understand, develop and implement policies and measures aimed at reduction of water pollution.

3.3 CHALLENGES OF THE STRATEGIC PARTNERSHIP IN THE VIEW OF THE DRP

In 2000, the first Stocktaking Meeting was organized when the Strategic Partnership was first presented to the Danube – Black Sea Stakeholders. The Stocktaking Meeting (2004) is taking place in the middle of the execution of the Strategic Partnership when not all parts have reached their mid-point of its implementation. However, experience from the implementation so far, shows that there are some challenges in the process of the SP.

The SP elements should be seen not as independent parts, but as complementary and coordinated elements. So far the cooperation among the partners was not a strong feature of the SP and the exchange of information was weak as well. The first main challenge of the SP is therefore to improve cooperation, firstly among the three main elements of the SP and secondly among all partners. The second challenge is to improve communication to the public on the SP, its objectives and achievements.

In this context it is needed:

- To improve the communication and information flow among the SP partners
- To coordinate the activities, to avoid duplication and overlapping on one side and to have synergistic effect of intervention on other side
- To promote and disseminate information about the achievements of the SP to all stakeholders and public

The basic measures to be undertaken are:

- organizing biannual SP partners meetings (WB, UNDP, UNEP, Tacis, Danube RP, Black Sea RP, Dnipro Project, BSC, ICPDR)
- developing and maintaining a web site with cross links to all partnership sites (or upgrading the existing web page – www.worldbank.org/blacksea-danube)
- sharing of experiences/lessons, good practices (e.g. communication strategy, pilot projects)
- monitoring the progress of SP through indicators in SP brief as well as 'project specific' indicators
- carrying out communication and PR activities targeted at main stakeholders in the entire Black Sea Basin