REQUEST FOR CEO ENDORSEMENT/APPROVAL

PROJECT TYPE: MEDIUM SIZED PROJECT
THE GEF TRUST FUND

Submission Date: 11 January 2008
Re-submission Date: 30 January 2008

PART I: PROJECT INFORMATION

GEFSEC PROJECT ID: 2617
GEF AGENCY PROJECT ID: 3339
COUNTRY(IES): Hungary, Romania, Serbia, Slovakia, Ukraine
PROJECT TITLE: Integrating multiple benefits of wetlands and floodplains into improved transboundary management for the Tisza River Basin
GEF AGENCY(IES): UNDP
OTHER EXECUTING PARTNER(S): UNOPS
GEF FOCAL AREA(S): International Waters
GEF-4 STRATEGIC PROGRAM(S): **Strategic Program II** (Nutrient over enrichment) and **Strategic Program III** (Conflicting Water Uses)
NAME OF PARENT PROGRAM/UMBRELLA PROJECT: N/A

Expected Calendar	
Milestones	**Dates**
Work Program (for FSP)	n/a
GEF Agency Approval	March 2008
Implementation Start	March 2008
Mid-term Review (if planned)	September 2009
Implementation Completion	March 2011

A. PROJECT FRAMEWORK (Expand table as necessary)

Project Objective:

1. To **integrate** water quality, water quantity, land use, and biodiversity objectives within **integrated water resources/river basin management (IWRM/IRBM)** under the legal umbrella of the EU and ICPDR, and;
2. To begin implementation of IWRM principles through the testing of new approaches on wetland and floodplain management through community-based demonstration. The community-level pilot activities will link to the development and implementation of an agreed river basin management plan following the principles of IWRM and tested at the regional/local level under the governance arrangements established for management of the Tisza River Basin. The integration of water quality and quantity management is considered to be a significantly **innovative** approach in the basin and the results of this will be utilised elsewhere in the Danube River Basin through catalytic policies and actions of the ICPDR.

Project Components	Indicate whether Investment, TA, or STA**	Expected Outcomes	Expected Outputs	GEF Financing*		Co-financing*		Total ($)
				($)	%	($)	%	
1.Integrated water quality and quantity management	TA, STA	**Adoption of policies and legislation** (zoning, land use, etc.) within the countries of the Tisza River Basin that promote the optimal use of wetlands / floodplains and other habitat for flood mitigation, nutrient retention, biodiversity enhancement and social amenity value consistent with the EU WFD and IWRM.	1.Agreement on strategies to balance water resources and water use, with a specific focus on the utilisation and restoration of wetlands and floodplains; 2. Agreement on strategies to reduce nutrient and toxic substance pollution, with a focus on the reductions/retention that can be achieved through improved management of wetlands and floodplains; 3. Adoption and	250,000	32.6	517,000	67.4	767,000

			implementation of an IRBM Plan endorsed by all countries; 4. Agreement to introduce new policies with regards to wetlands / floodplains within the basin. 5. Testing of GEF sub-basin management approaches utilising existing institutional structures. 6. Dissemination, replication and M&E plan***					
2.Demonstration Projects	TA	**Demonstrations of effective floodplain management strategies** including the adaptation to increased flood events as a consequence of fluctuating flow regime for, nutrient retention, habitat restoration, and flood management implemented at local level.	1. Stakeholder workshops and reports 2. Agreed demonstration sites and projects 3. Completion and evaluation of demonstration projects 4. Results of demonstration projects having an influence on the development of river basin management plans; 5. Demonstration projects resulting in changes in policy at a local and national level with regards to the multiple uses of wetlands and floodplain. 6. Dissemination, replication and M&E plan***	660,000	67.0	325,000	33.0	985,000
3. Project management				90,000	50.6	88,000	49.4	178,000
Total Project Costs				1,000,000	51.8	930,000	48.2	1,930,000

* List the $ by project components. The percentage is the share of GEF and Co-financing respectively to the total amount for the component.

** TA = Technical Assistance; STA = Scientific & technical analysis.

*** The M&E plan financing is build into the budgets of components 1 and 2. The total budget for the M&E activities under both components is $125.000 ($50,000 from GEF and $75,000 from co-financing). Please see logframe for specific quantifiable output indicators and section on the M&E plan on pp 4.

B. FINANCING PLAN SUMMARY FOR THE PROJECT ($)

	*Project Preparation**	*Project*	*Agency Fee*	*Total at CEO Endorsement*	*For the record: Total at PIF*
GEF	n/a	1,000,00	100,000	1,100,000	
Co-financing	n/a	930,000		930,000	
Total		1,930,00	100,000	2,030,000	

***** Please include the previously approved PDFs and PPG, if any. Indicate the amount already approved as footnote here and if the GEF funding is from GEF-3. Provide the status of implementation and use of fund for the project preparation grant in Annex D.

C. SOURCES OF CONFIRMED CO-FINANCING, including co-financing for project preparation for both the PDFs and PPG.

(expand the table line items as necessary)

Name of co-financier (source)	*Classification*	*Type*	*Amount ($)*	*%**
UNDP	Impl. Agency	cash	200,000	22.00
Governments	Government	In kind	400,000	43.00
ICPDR	Intergovernmental Commission	In kind	100,000	11.00
EU	Multi-lateral	Cash	180,000	19.00
UNEP	UN Agency	In kind	50,000	5.00
Total Co-financing			930,000	100%

* Percentage of each co-financier's contribution at CEO endorsement to total co-financing.

D. GEF RESOURCES REQUESTED BY FOCAL AREA(S), AGENCY(IES) OR COUNTRY(IES)

GEF Agency	*Focal Area*	*Country Name/ Global*	*(in $)*			
			Project Preparation	*Project*	*Agency Fee*	*Total*
UNDP	International Waters	Regional: Hungary, Romania, Serbia, Slovakia, Ukraine	0	1,000,000	100,000	1,100,000
Total GEF Resources			0	1,000,000	100,000	1,100,000

***** No need to provide information for this table if it is a single focal area, single country and single GEF Agency project.

E. PROJECT MANAGEMENT BUDGET/COST

Cost Items	*Total Estimated person weeks*	*GEF ($)*	*Other sources ($)*	*Project total ($)*
Personnel (part-time)	59	90,000	28,000	**118,000**
Local consultants	40	-	30,000	**30,000**
Office facilities, equipment, vehicles and communications			30,000	**30,000**
Travel				
Miscellaneous				
Total project management cost		**90,000**	**88,000**	**178,000**

* Provide detailed information regarding the consultants in Annex C.

** Provide detailed information and justification for these line items.

F. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:

Component	*Estimated person weeks*	*GEF($)*	*Other sources ($)*	*Project total ($)*
Personnel (part time)	137	200,000	60,000	**260,000**
Local consultants	1110**	110,000	445,000	**555,000**
Int. consultants	40	50,000	69,000	**119,000**
Contract services*	-	450,000	141,000	**591,000**
Total	**1287**	**810,000**	**715,000**	**1,525,000**

* Contracts for implementing the demonstration projects through local/regional organisations
** Reflecting the significant contributions from national governments indicated in Annex 3
nb – this table does not reflect the costs of travel, printing etc.

G. DESCRIBE THE BUDGETED M & E PLAN:

The Project strategy and objectives, intended outcomes and outputs, implementation structure, work plans and emerging issues will be regularly reviewed and evaluated annually by the Project Steering Committee. Periodic Status Reports will be prepared at the request of the Steering Committee for presentation at key meetings associated with the Project, such as i.e. the Tisza Group Meetings.

The project will also be subject to:

- Regular quarterly Progress Reports by the CTA to the implementing and executing agencies;
- Internal Project Implementation Reviews to be conducted by the CTA and submitted to the implementing agency at the end of months 12, 24, and 36 of the project programme;
- Annual project report/ project implementation review (APR/PIR) and associated IW **Results Based Management** Framework will be prepared annually by the CTA and presented for discussion and approval to Tripartite meeting and shared with GEF Regional Coordination Unit.
- An independent interim mid-term project evaluation to be undertaken in month 18 to be presented to a tri-partite review to be held in accordance with UNDP procedures;
- An independent final project evaluation to be undertaken in the last month of implementation of the project.
- The project will be subject to the financial audit according to UNDP/GEF rules and regulations.

The project evaluations will be carried out in accordance with the GEF requirements and will cover all aspects of the project. They will include: an assessment of (a) the outcomes generated, (b) the processes used to generate them, (c) project impacts using indicators included in the logical framework matrix, and d) lessons learned.

The Project, through the demonstration activities and the development of an integrated management plan, is expected to lead to national reforms of policies (e.g. on land use, specifically wetlands, agricultural practices, etc.) and agreement at the trans-boundary level that will provide real indication of the impact of this MSP.

For indicators for project objectives, outcomes and means of measurement are included in the log frame in Annex 1.

PART II: PROJECT JUSTIFICATION

A. DESCRIBE THE PROJECT RATIONALE AND THE EXPECTED MEASURABLE GLOBAL ENVIRONMENTAL BENEFITS:

Project Summary

The Tisza River is the largest tributary of the Danube River Basin. The basin has been subjected to many anthropogenic influences over the last 150 years that has resulted in a significantly degraded system. These include engineering works on the river for navigation and flood protection leading to the loss of wetlands and floodplains, and accentuating problems of floods downstream, excessive use of agro-chemicals (leading to nutrient and toxic substance pollution) lack of waste water treatments and mining activities releasing toxic substance pollution. In addition, predictions indicate that future growth of agriculture, coupled with climatic changes that already produce record flooding, will increase pressures on the available water resources. These problems require a concerted action by all the Tisza River Basin countries to develop and implement a more ecosystem-based approach to integrated river basin management and to address, as a priority, wetlands and floodplain restoration and management.

The project will test the ability of a GEF-catalyzed transboundary basin institution to operate at a subsidiary transboundary basin level for the site-specific concerns that sub-group of countries face. The International Commission for the Protection of the Danube River (**ICPDR**), which has an overall coordination to water management in Danube River Basin has established the ***Tisza Group*** whose role, as the responsible institution for managing the transboundary issues of the Tisza River Basin, was reaffirmed by all five countries of the basin in a Ministerial Declaration in 2004 and a recent October 2007 restatement of commitments. The formation of the Tisza Group enables the countries of the basin to effectively implement the European Union's (EU) Water Framework Directive (WFD) and the ongoing activities of implementing the agreed Danube River Basin SAP at a different, smaller transboundary scale. If successful, the test would enable replication in other smaller basins of the Danube and capacity building for other basins in the GEF international waters portfolio.

The Tisza River Basin is an important European resource, boasting a high diversity of landscapes which provide habitats for unique species of animal and plant life, (e.g. *Palingenia longicauda* – Tisza mayfly) Wetlands and floodplains originally formed an integral part of river systems, providing a variety of different habitats for wildlife, reducing nutrients, trapping sediments, aiding flood protection and recharging groundwater. The multiple benefits of restoring and reconnecting the wetlands and floodplains have to be seriously taken into account by integrating the needed restoration and conserving of remaining wetlands into improved and integrated river basin management.

The **objectives** of this MSP are two fold:

1. To **integrate** water quality, water quantity, land use, and biodiversity objectives within **integrated water resources/river basin management (IWRM/IRBM)** under the legal umbrella of the EU and ICPDR and;
2. To begin implementation of IWRM principles through the testing of new approaches on wetland and floodplain management through community-based demonstration. The community-level pilot activities will link to the development and implementation of an agreed river basin management plan following the principles of IWRM and tested at the regional/local level under the governance arrangements established for management of the Tisza River Basin. The integration of water quality and quantity management is considered to be a significantly **innovative** approach in the basin and the results of this will be utilised elsewhere in the Danube River Basin through catalytic policies and actions of the ICPDR.

The expected **outcomes** from this MSP include 1; the adoption of policies and legislation (zoning, land use, etc.) within the countries of the Tisza River Basin that promote the optimal use of wetlands / floodplains and other habitat for flood mitigation, nutrient retention, biodiversity enhancement and

social amenity value consistent with the EU WFD and IWRM; and 2; demonstrations of effective floodplain management strategies including the adaptation to increased flood events as a consequence of fluctuating flow regime for, nutrient retention, habitat restoration, and flood management implemented at local level. These outcomes and project outputs of actual hectares of wetlands reconnected/restored/conserved will encourage the replication of these GEF-funded pilots as new approaches on the use of wetlands with their multiple environmental benefits throughout the region and with potential for global dissemination.

The overall Project will consist of **two main components:**

- To **integrate** water quality, water quantity, land use, and biodiversity objectives within **integrated water resources/river basin management** under the legal umbrella of the EU and ICPDR; and,
- To begin implementation of IWRM principles through the testing of new approaches on wetland and floodplain management through community-based demonstration.

The Project is supported by a wide range of institutional and national funding sources. Financial and in-kind contributions from the EU, ICPDR, UNDP, UNEP and Tisza River Basin Governments (Ukraine, Slovakia, Hungary, Romania, and Serbia) will match the GEF funding for this Project.

The EU funding (**already secured** and available to the Tisza River countries) will be focused at the current actions in support of the EU Water Framework Directive, specifically to finalise the River Basin Management Plan by 2009.The **GEF funds will target the non EU countries** in particular and will address issues above the on-going baseline activities (the incremental reasoning for GEF involvement) – specifically the pilot floodplain restoration demonstration projects and will extend the current river basin management actions to include a fully Integrated River Basin Management plan (water quantity and quality) consistent with IWRM and designed to deliver multiple benefits in context of land and water protection and restoration.

The resulting integrated river basin management plan (including the lessons learnt from the pilot demonstrations on wetland and floodplain restoration and management) will be legally binding in three of the countries and have the highest political commitment in Ukraine and Serbia. All countries of the Tisza River Basin have committed themselves, at Ministerial level, to development and implementation of the plan. This commitment has been recently restated at the *Environment for Europe* Ministerial Meeting in Belgrade, 11th October 2007, where Ministers from all countries indicated their appreciation of the support already initiated by the EU and the expected support from the GEF through this initiative.

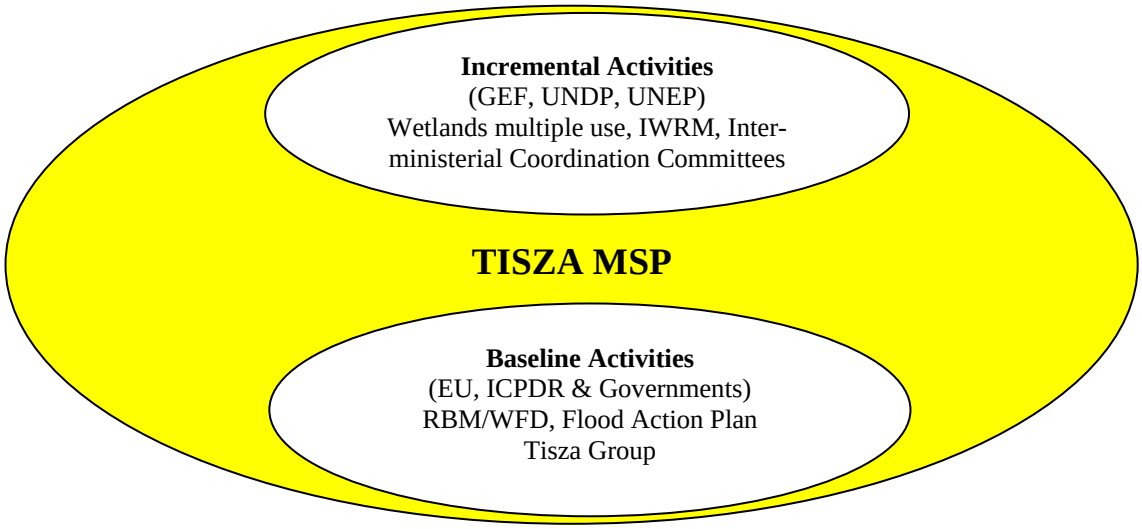
In the frame of the Belgrade Conference (October 2007), Ministers and high level representatives of the Tisza Countries gave their statements in connection to the importance of the ongoing process in the Tisza River Basin. All countries representatives expressed the importance to continue the strong cooperation in basin wide level `*otherwise it will not be possible to achieve any important objectives*` to prepare and implement an integrated river basin management plan in the Tisza River Basin. Representative of the European Commission highlighted that "*We can be very proud about the actions already taken and now is the time to intensify coop*eration".

These actions, supported by GEF, will assist the Tisza Group to further develop its new integrated mission at an operational level under the legal and institutional umbrella of the ICPDR, which according to its mandate will provide backstopping and guidance to the Tisza Group utilising its experience and expertise in integrating wetland restoration and management concepts into the traditional water resources management practices.

The **Baseline** activities of this MSP (funded by the Tisza River Governments[1], European Union[2] and ICPDR[3]) include:

- Implementing the EU Water Framework Directive;
- Developing flood and drought management strategies;
- The development of a river basin management plan

Relationship between the GEF incremental costs activities and baseline actions being undertaken by the other co-funders of the Tisza MSP



The GEF **Incremental** cost activities (including activities funded by UNEP[4] and UNDP[5]) include:

- The implementation of pilot projects on wetlands and floodplain restoration and protection to deliver multiple benefits across GEF focal areas (including flood mitigation, nutrient retention, biodiversity enhancement, etc.) supporting the mainstreaming of this approach into national policy promoting floodplains protection for a wide range of uses.
- Involvement of local communities in delivering multiple benefits towards integrated land and water management
- The **integration** of water quality, water quantity, land use, and biodiversity objectives within **integrated water resources/river basin management** under the legal umbrella of the EU and ICPDR to ensure sustainability;
- The development of a replication strategy for elsewhere in the region and globally.
- Promoting the benefits of involvement of a wide range of ministries/sectors in the protection and maintenance of the environment through active participation of inter-ministerial committees.
- Catalyzing development of the Tisza Group's new integrated mission at operational level under an effective functioning of a sustainable regional institution for management of the

[1] The in-kind contributions of the countries has been confirmed
[2] The cash contribution from the European Union has been delivered to initiate the proposed work
[3] The ICPDR is providing resources to further assist the work of the Tisza Group.
[4] The UNEP contribution is through the interim secretariat of the Carpathian Convention that shares much of the values of the ICPDR in environmental protection and much of the Tisza River Basin – this in-kind contribution is assured
[5] UNDP will promote pilot projects to complement those supported by the GEF in the region – these funds are assured.

Tisza River Basin under the authority of the ICPDR's process of implementing integrated management plans in sub-basins**.**

Project Rationale

The Tisza River, a tributary of the Danube River, is a major international river system flowing from the Carpathian Mountains with a catchment area of 157,200 km^2 and is home to about 14 million people. The Tisza River Basin forms part of Ukraine, Slovakia, Romania, Hungary and Serbia and is an important source of drinking water and a significant economic asset for agriculture and industry.

The transboundary water resources of the basin are seriously threatened by pollution from domestic, agricultural, mining waste and industrial discharges, and from unsustainable land-water management practices, resulting in flood and droughts that may be aggravated by fluctuating climatic conditions. The Tisza River Basin (together with the Danube River Basin) has been the subject of many analyses (TDA 1999, 2006, Danube Basin Analysis 2005 and Tisza River Basin Analysis 2007). It is now timely to utilise these assessments and to begin to address some of the key water-related environmental concerns in the Tisza River Basin through concrete actions.

In 2004 at a meeting of all riparian ministers, a Memorandum of Understanding (MoU) "*Towards a River Basin Management Plan for the Tisza River supporting sustainable development of the region*" was signed. The MoU initiated the formation of the **Tisza Group**[6] as the institution that is responsible for developing a management plan for the river basin and supervising the implementation of this plan.

This MSP maintains as its guiding principle the concept of Integrated Water Resource Management (IWRM) / Integrated River Basin Management (IRBM) and the development of a joint action plan for all the Tisza countries to address the priority problems in the basin. The IRBM plan will be implemented, at a transboundary level, under the direction the Tisza Group and the International Commission for the Protection of the Danube River (ICPDR). This MSP will utilise a series of demonstration projects to validate policies resulting in sustainable and environmentally beneficial solutions to the priority problems of the basin that will assist with validating the IRBM plan for all the stakeholders. Specifically the focus of this GEF supported MSP will be on actions and policies on wetlands and floodplain restoration.

The Tisza River Basin has lost an estimated 87% of the original floodplains and the region is prone to significant flooding, nutrient pollution and lowering of groundwaters that the reconnection or restoration of wetlands/floodplains could address. The UNDP/GEF Danube Regional Project (DRP) has developed guidance on nutrient reduction based on pilot programmes and initiated a number of successful demonstrations on land-use assessment and restoration in Romania and Slovakia and these approaches can be adapted for use on specific problems in the Tisza River Basin. Such an approach may offer a cost effective approach to addressing the problems and enhance the environment of the basin.

The implementation of this MSP will be undertaken under the management of the ICPDR and the Tisza Group. Through the implementation of the demonstration projects and the development of the joint IRBM plan the role of the Tisza Group will be strengthened to undertake the challenge of future execution of the IRBM plan. These strengthening activities will have additional benefits in the non-EU countries (Serbia and Ukraine) where additional support to implement IRBM actions is essential.

The GEF has been active in the Danube/Tisza River Basins since its creation in 1991. The GEF has been instrumental in forging partnerships with the countries of the region and other donors, most notable the European Union. Together the GEF and the EU developed and began implementation of

[6] The Tisza Group is the management institution within the structure of the International Commission for the Protection of the Danube River with responsibility for managing the Tisza River Basin.

the first SAP in the Danube (1994). Most recently the GEF through UNDP has completed the final basin-wide support initiative, the Danube Regional Project, within the Danube – Black Sea Strategic Partnership. The DRP had significant successes in developing and testing key activities to reduce pollution (nutrient and toxic substance), facilitating an improved understanding of wetlands and land-use, improving public awareness and participation, etc.

This MSP will utilise appropriate results from the UNDP/GEF DRP and implement these in targeted demonstration projects within the Tisza River Basin as a means to validate the replication potential. This 'scaling down' of a Danube Basin programmes to a sub-basin is an important step in bringing the results of the DRP to the community level and assisting with the development of an IRBM plan that will be developed from both a 'top-down' and a 'bottom-up' perspective.

A significant percentage of the GEF resources (via contractual services) will be directed towards the demonstration projects through on-the-ground actions to improve the value of wetlands and the use of floodplains.

This Project represents an important step in the GEF's exit strategy from the Danube – Black Sea region, that will provide concrete results of environmental beneficial actions, enhancing wetlands (including nutrient reduction, biodiversity improvements, flood mitigation and reducing drought impacts through improved groundwater recharge). This will be achieved through the development, endorsement and implementation of an improved integrated basin management system for a subsidiary basin using existing institutions (the ICPDR) to foster replicability and to sustain the original GEF intervention in the region thus enhancing the impact of the GEF initial support. The success stories and lessons learnt will be continuously reviewed and where appropriate, presented for global replication.

B. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH NATIONAL PRIORITIES/PLANS:

Country Ownership

Country Eligibility

All of the five Tisza basin countries are eligible for GEF funding. As Slovakia, Hungary and Romania are new members of the European Union; significant parts of their participation in the project will be financially supported by the European Union through their co-funding of the project and other financial instruments available for new Members of the EU. This MSP will focus attention on the non-EU countries (Serbia and Ukraine) to encourage them to be active partners in the management of the Tisza River Basin.

Country Drivenness

The environmental problems of the Tisza River Basin that drives the need for this project are presented in Section b (Project Design). The institutional and organisational issues that are linked to the trans-boundary management of the Tisza River Basin are summarised here. Together these issues have prompted the countries of the Tisza River Basin to seek GEF support, through the ICPDR, for this MSP concept.

The Tisza Group of the ICPDR was formed on the basis of the Memorandum of Understanding (MoU) signed by the Tisza basin countries in December 2004 to coordinate the implementation of the MoU. The Tisza Group provides a forum and a formal mechanism for exchange of information and coordination of other Tisza related activities in the region and will act as the management advisory panel for the Tisza GEF medium sized project. The members of the Tisza Group will be part of the Project Steering Committee, which will also includes representatives of the Carpathian Convention, and representatives from other organisations (including the GEF Implementing Agencies).

According to the findings and recommendations of the Danube TDA1999 and TDA2006, the ICPDR Danube River Basin Analysis (submitted under EU WFD legislation, 2005), ICPDR Flood Action Programme and a Tisza River Basin Analysis (submitted to the UNECE/EEA Environment for Europe Ministerial Conference in October 2007, Belgrade) the loss of wetlands / floodplains is considered to be an important issue where reconnections could have multiple environmental benefits. The Tisza IRBM plan development, with significant practical experience generated by the demonstration projects, will provide solutions for nutrient retention, biodiversity conservation, flood mitigation, etc., by the development of well-defined management actions in the frame of the Tisza IRBM plan. The MSP will also cooperate with ongoing GEF and World Bank project (especially with Tisza – biodiversity project (Hungary), HRMEP project – Component D (Romania) under the GEF Black Sea Strategic Partnership.

The Carpathian Convention addresses the need for coordinated sustainable development through out the Carpathian region, which includes significant portions of the Tisza Basin. The Convention's objectives are closely linked to this project, and Article 6 specifically contains provisions for "Sustainable and integrated water/river basin management". Hungary, Ukraine, Romania and the Slovak Republic have ratified the Convention while Serbia is in the ratification process. Also of significance to the region is the `Memorandum of Cooperation between the Convention on Wetlands (Ramsar Convention) and the UNEP Vienna – Interim Secretariat of the Carpathian Convention (UNEP Vienna ISCC)` - concluded in Kiev, December 2006.

The MSP will engage widely with stakeholders in the region at many stages of the project. The ICPDR strategy for public participation will be followed and further enhanced.

Regional Impetus

The priorities and efforts at the national level are also reflected by broader regional momentum that provides a solid base for the Tisza integrated land and water management approach. Under the GEF assistance to the Danube River Protection Convention through the Environmental Programme for the Danube River Basin (EPDRB) a SAP was produced in 1996, but the focus was specifically on the water sector and there were practical problems in achieving parallel inter-sectoral and international co-ordination in a programme involving thirteen states. In addition, the objectives of the Danube River Basin Convention are limited in scope. It focuses on water management issues and with less specific reference to the interaction between land and water, except in the case of prevention of damage to the Danube environment. The Convention emphasizes the need to maintain and improve the environmental and water quality conditions of the Danube and sustainable and equitable management of surface and groundwater resources.

The ICPDR as a body took the decision in November 2000 to make the implementation of the EU Water Framework Directive (EU WFD) as their highest priority. The activities of the ICPDR and the support provided by the GEF have been focused in the intervening years on two major issues; the implementation of the WFD and, through the GEF Strategic Partnership, the reduction of nutrient load to the Danube River and the downstream Black Sea. The majority of the ICPDR activities are through either the Ministries of Water or the Ministries of Environment and in several countries there is limited inter-sectoral coordination. The MSP will extend this support to include those agencies involved in, or impacted by integrated land and water management, while further bolstering the support provided by the GEF DRP, which is now completed.

In November 2002 the 5th Ordinary Session of the ICPDR elaborated an Action Programme for Sustainable Flood Prevention in the Danube River Basin. The Action Programme was adopted by the Ministerial meeting of the ICPDR in December 2004. The programme gives a clear strategy and guidance for the elaboration of the Flood Action Plans in the sub-basins through this inter-ministerial body.

The demand at a regional level is supported by the following results:

- All countries of the Tisza River Basin have committed themselves, at Ministerial level, to development and implementation of the river basin management plan. This commitment has been recently restated at the Environment for Europe Ministerial Meeting in Belgrade (11th October 2007), where Ministers from all countries indicated their appreciation of the support already initiated by the EU and the expected support from the GEF through this initiative. In the frame of the Belgrade Conference, Ministers and high level representatives of the Tisza Countries gave their statements in connection to the importance of the ongoing process in the Tisza River Basin. All countries representatives expressed the importance to continue the strong cooperation in basin wide level, otherwise it will not be possible to achieve any important objectives` to prepare and implement an integrated river basin management plan in the Tisza River Basin. Representative of the European Commission highlighted that "We can be very proud about the actions already taken and now is the time to intensify cooperation". The European Commission and the Tisza Countries are ready to continue to cooperate and hopes that UNDP/GEF also participates in the future process.

- In December 2004, the Ministers of Environment and Water of the five countries signed the Memorandum of Understanding in which they agreed: to commit to internationally integrated Tisza river basin cooperation development; to co-operate more closely in the framework of the ICPDR with the aim to produce a Tisza WFD River Basin Management Programme by 2009; to start immediately, as a first step, with the preparation of a Tisza Analysis Report including flood risk management with the aim to present it to the ICPDR Standing Working Group Meeting 2007; to welcome the intentions of the European Commission to facilitate this process; to welcome the intentions of UNDP GEF to actively support this initiate by launching a new Tisza project whose activities would be closely coordinated with the ICPDR.

- The Strategic Action Programme (SAP 1994) and SAP Implementation plan which were previously the ICPDR's main guidance policy documents were combined in 2000 into the 2001-2005 Joint Action Programme (JAP) which is directed towards:
  - Improvement of the ecological and chemical status of the water
  - Prevention of accidental pollution events
  - Minimization of the impacts of floods
  - The JAP also with wider sustainable development objectives calls for:
    - Improvement of the living standards of the Danube River basin population
    - Enhance economic development of the region
    - Restore the region's biodiversity

- The EU Communication and the Presidency summary of the Environment Council (Luxembourg 14 October 2004) on Flood Risk Management that called for the development of flood risk management plans to be developed, based on the interdisciplinary approach in which all relevant aspects of water management, spatial planning, land use, agriculture, transport and urban development and nature conservation are taken into account.

- The Framework Convention on the Protection and Sustainable Development of the Carpathians was signed by all seven Carpathian countries, including the five Tisza basin countries, in Kiev in May 2003. The Convention seeks to promote an integrated approach to land resource management through spatial planning, river basin management planning, sustainable agriculture and forestry, and sustainable tourism, amongst other approaches.

C. DESCRIBE THE CONSISTENCY OF THE PROJECT WITH GEF STRATEGIES AND STRATEGIC PROGRAMS:

Program Designation and Conformity

The programming context and the design of the present project is directed by the GEF Strategic Objectives (SO-1 and SO-2) for IW programmes and is consistent with the expectations of the revised

IW Focal Area Strategy for GEF-4. The MSP is clearly targeted at IW Strategic Program III: **Balancing overuse and conflicting use of water resources in surface and groundwater basins that are transboundary in nature**, and Strategic Program II: Reducing n**utrient over-enrichment and oxygen depletion from land-based pollution of coastal waters**. (The latter through the inputs from the Tisza River Basin to the Danube Basin and the subsequent impact on the North West Shelf of the Black Sea)

The present project proposal meets these requirements and will assist the countries of the Tisza River basin in meeting their obligations under various global conventions relating to biological diversity and climate change.

The Tisza River Basin is subject to many competing demands for water resources (both surface and groundwaters) and current predictions for the future include scenarios where water demand exceeds the available resources. Transboundary co-operative action is therefore essential to avoid damaging environmental impacts and reduce possible political tensions between the five countries. The project will also respond to concerns on fluctuating climatic conditions by implementing an integrated river basin management plan that is built on an agreed transboundary diagnostic analysis (Tisza River Basin Analysis 2007) of the basin. The implementation of the Tisza IRBM plan (essentially SAP implementation) will also focus on actions (national policy, legal, institutional reforms etc.) to reduce land-based sources of nitrogen, phosphorus and oxygen depleting substances.

The project is regional and transboundary in nature and will enable the states of the basin to build new, and to improve on existing regional cooperative frameworks, ensure adherence to international conventions, as well as strengthen national laws, regulations, and management regimes to improve the likelihood of sustainability of resource use and reduce existing and potential degradation. The implementation of this project, and ultimately the IRBM plan, will result in regional, and by extension global, environmental benefits through protection of international waters, their resources, and sustainable use of resources in conformity with the Strategic Objectives of GEF (SO-1 To foster international, multi-state co-operation on priority transboundary water concerns through more comprehensive ecosystem-based approaches to management' and SO-2 'To play a catalytic role in addressing transboundary water concerns by assisting to utilise the full range of technical assistance, economic, financial, regulatory and institutional reforms that are needed'.

The project proposed will address all of the above points. The main stakeholders of the proposed project are the users of the natural resources, and those whose livelihoods depends on the natural resources of the Tisza basin. Ministries of environment, ministries with control of land and water resources, as well as new institutions created by the project will play a key role in the implementation of project activities, thus enhancing capacity within the institutions as well as complementing and strengthening existing national efforts to address environmental issues. Implementation of the final IRBM plan will thus assist in the conservation of natural resources and assist the countries in complying with their national and regional obligations under various international conventions. At a global level, the project and its IRBM plan put together regional and national activities into a coherent component of the global environmental protection effort.

Cross-cutting priorities. Through the MDGs and WSSD processes, international consensus has been reached around the two basic approaches that should organise the global effort towards environmentally sustainable development: (i) *integrated management of natural resources, including energy;* (ii) *enhancement of cooperation and synergies, with emphasis on the regional level.* Further, the WSSD POI recognizes that "*managing natural resources in an integrated manner is essential for sustainable development"*, and adopts a target on "Integrated Water Resources Management". In pursuing the strategic objectives described above, the focal area will adopt these approaches, and will seek and promote opportunities for: (i) **Integration**, intended as the joining of forces across focal areas towards a common objective (INRM), (ii) **Climate Change Adaptation**, which more than any other

area of GEF interest, can best be addressed through integration among and across focal areas, and (iii) development and implementation of **IWRM and Water Use Efficiency Plans** in SIDS and LDCs.

The Tisza basin countries will work together to establish region wide priorities and collaborate towards addressing these priorities within the IRBM plan formulation process. The integration of GEF focal area activities will be pursued, including attention to biodiversity, POPs, land degradation and adaptive measures to reduce the anticipated impacts of climate change. The project will cooperate with ongoing GEF and World Bank projects (especially with Tisza – biodiversity project (HU), HRMEP project - Component D [7](RO), Reduction of nutrient discharges (HU) – part of GEF supported Danube - Black Sea Strategic Partnership.

The project will play a catalytic role in bringing together five Tisza river basin countries for the purpose of transboundary integrated river basin management. Previous water resource projects in the region funded by UNDP, the World Bank, EU, and other sources have focused more on water resource and environmental issues, without full attention to the integrated land and water use component. The demonstration projects will have potential for global replication and will clearly support the IRBM plan development and validation.

D. OUTLINE THE COORDINATION WITH OTHER RELATED INITIATIVES:

Core Commitments and Linkages

The Tisza countries are all signatories to the Danube River Protection Convention (DRPC), which is a legally binding document and provides a framework for cooperation between the parties. The Danube countries under the obligations of the DRPC have established the International Commission for the Protection of the Danube River (ICPDR) creating an institutional framework not only for pollution control and protection of water bodies in the Danube basin, but also the integrated management and sustainable use of basin's natural resources. In November 2000 the ICPDR adopted its first Joint Action Programme (JAP) for the Danube which addresses pollution from point and non-point sources, wetland and floodplain restoration, priority substances, water quality standards, prevention of accidental pollution, flooding and river basin management. The Tisza MoU, and the formation of the Tisza Group as the responsible institution, provides a strong legal basis for the implementation of the Integrated River Basin Management Plan in the longer-term. It should also meet the commitments of the countries under the Carpathian Convention (under ratification). Ensuring that this is achieved will require close communication between main institutions and a mutual understanding of their objectives and policies.

Consultation, Coordination and Collaboration between IAs, and IAs and ExAs.

The project will be implemented by the UNDP through its Bratislava Regional Centre (BRC) and executed by the United Nations Office for Project Services (UNOPS) based in Copenhagen and International Commission for the Protection of the Danube River (ICPDR) Secretariat, based in Vienna.

Project Implementation Arrangement

The project will be organised under the umbrella of the ICPDR as this organisation is responsible for the management of the whole Danube River Basin and has established the Tisza Group to manage the Tisza River Basin. This Group will also have responsibility to act as a Steering Group for this Tisza MSP. In addition the ICPDR is a co-financer of this project and is providing office and administrative support for the project. These activities will ensure good coordination of the Tisza MSP with other on-going activities elsewhere in the Tisza River and Danube River Basins.

[7] Hazard Risk Mitigation and Emergency Preparedness Project – Component D: Risk Reduction of Mining Accidents in Tisza Basin

The part-time Chief Technical Advisor-Project Manager for the project will be responsible for overall implementation of this MSP together with ICPDR Executive Secretary. Additional co-ordination support will also be provided by ICPDR as part of in-kind contribution to the project. The co-location of the proposed MSP and the ICPDR secretariat will ensure the institutional continuity of the GEF interventions in the region, since all the UNDP/GEF Danube Regional Project outputs, including data bases, publications, technical studies, GIS, etc will be sustained by ICPDR. The MSP will strongly benefit from the ICPDR secretariat knowledge and technical expertise as well as considerable co-financing. All the countries of the project have strongly endorsed the proposed location of the PIU within ICPDR.

Sustainable development requires an interdisciplinary approach in which all relevant aspects and sectors (environment, water management, spatial planning, transport, urban planning, tourism, etc.) are taken into account. The Project Steering Committee would therefore include the five basin countries (including ministers from the key affiliated ministries), the ICPDR, EU, the three GEF implementing agencies, and stakeholders. Additionally, representation from members of the Tisza Group, the Carpathian Convention Secretariat, and other relevant international organizations will provide support to the Steering Committee.

It is further proposed that the demanding role of project steering and coordination be undertaken in close cooperation with the ICPDR Tisza Group. The project will support activities of the ICPDR Tisza Group and it is recommended that this group be enlarged to include representatives from the national inter-ministerial committees established under the project.

E. DESCRIBE THE INCREMENTAL REASONING OF THE PROJECT:

The Tisza river basin faces inter-related concerns that span sectors and have impacts that are largely transboundary in nature. These concerns include: nutrient and toxic substance pollution, biodiversity loss, and flooding and drought management. These are summarised in more detail in section F.

Impetus for GEF Involvement and incremental reasoning

The GEF has been a continuous supporter of activities within the Danube –Black Sea Basins since its inception in 1991. Together with the EU and other donors significant partnerships and successes have been achieved. This MSP offers an opportunity for the GEF, as part of an exit strategy from the region, to implement a series of demonstration projects that will have significant global replication potential building on earlier successes. In addition the development of an IRBM plan involving water quality, flood and drought issues together with management of land and water will also lead to lessons that will have benefit globally for IWRM/IRBM. Finally, the strengthening of the formal roles and responsibilities of the Tisza Group through the activities of this MSP will provide guidance that can be used elsewhere to develop appropriate mechanisms to assist transboundary water-management institutions.

GEF support is clearly necessary for the non-EU countries and will target activities above the baseline already committed to within the basin. Specifically, the GEF funding will address issues of integration of water quality and quantity together with land and water management. The GEF funding will also support the pilot projects necessary at demonstrating the important multiple benefits that can be accrued from wetlands and floodplain restoration which do not currently supported by in-country activities.

The GEF has four biodiversity projects in the region that can assist with the identification of demonstration projects with an IW focus, integrating land and water management.

- The Hungarian project focuses on conservation and restoration of the globally significant biodiversity of the Tisza river floodplain through integrated floodplain management.

- The Romanian project focuses on strengthening Romania's protected area system by demonstrating public-private partnership in Romania's Maramures Nature Park.
- The Slovakian project focuses on integration of ecosystems management principles and practices into land and water management of Slovakia's Eastern lowlands.
- The Ukrainian project conserving globally significant biodiversity and mitigating/reducing environmental risk by integrating biodiversity conservation principles and practices into forestry and watershed management in Ukraine's Trans Carpathian region.

This project will give an opportunity to meld the outputs of these existing GEF and other Tisza basin projects to a single integrated land and water management use project platform. There will be significant crossover between the GEF Biodiversity and the International Waters portfolios with the potential for significant synergies and perhaps ideas for new, more effective project design. The linkage to the UNDP Carpathian-region Umbrella programme demonstrates the programmatic approach that is keenly advocated by the GEF Council.

Whilst there are now three countries in the Tisza River Basin that are members of the EU (Slovakia, Hungary and since January 2007, Romania) and are obliged to implement directives. Ukraine and Serbia are not under these obligations and their full engagement in the IRBM plan is essential for the overall success of the plan. In addition the integrated nature of the IRBM plan and the involvement of management of land and water together go beyond the expectations of the current EU directives. The GEF support is clearly *incremental* to the Tisza River Basin countries obligations, especially with the testing of the more innovative approaches to land and water management associated with wetlands and floodplains. The project also requires incremental costs due to the potential replication of this work beyond the regional boundaries to a global audience.

Project Outcomes, Components, Activities and Outputs

The vision for this MSP, as part of GEF's exit from the Danube – Black Sea Basin, is to further build on the over 15 years of support in the basin for environmental improvement, institutional strengthening, trans-boundary co-operation and public engagement interventions. In particular, building on the successes of the UNDP/GEF DRP by 'scaling down' activities to develop even more community based actions that will assist with the development and execution of an Integrated River Basin Management Plan.

The project will result in the following **Outcomes**:

Outcome 1 **Adoption of policies and legislation** (zoning, land use, etc.) within the countries of the Tisza River Basin that promote the optimal use of wetlands / floodplains and other habitat for flood mitigation, nutrient retention, biodiversity enhancement and social amenity value consistent with the EU WFD and IWRM

Process Indicators – Outcome 1

- Regional and National integrated management plans endorsed;
- National budget allocation for integrated management plan;
- Pollution reduction and flood/drought strategies adopted;
- Management reports from the ICPDR and the Tisza Group;
- Establishment or strengthened inter-ministerial committees in Tisza River Basin countries.

Stress Reduction Indicators – Outcome 1

- Reduction of nutrient, organic and toxic substance pollution through new policies utilising wetlands.
- Reduced flooding and drought through improved management policies on the use of wetlands and floodplains.

Outcome 2 **Demonstrations of effective floodplain management strategies** including the adaptation to increased flood events as a consequence of fluctuating flow regime for, nutrient retention, habitat restoration, and flood management implemented at local level.

Process Indicators – Outcome 2

- Adoption of revised policies for land-water management following the successful completion of demonstration projects;

Stress Reduction Indicators – Outcome 2

- Specific results from demonstration projects;
- Hectares of wetland nationally approved for restoration;
- Kilometres of floodplain nationally approved for connection;
- Hectares of habitat nationally approved for restoration;
- Reduced nitrogen and phosphorus emissions in the Tisza River Basin.

Environmental Status Indicator – Outcome 2

- Reduced concentrations of nutrients as a result of retention by wetlands

To achieve the desired **Objectives** and the **Outcomes** indicated above, the project will be undertaken with through two **Components**. A detailed breakdown of component activities, indicators of success and sources of verification is provided in Annex 1 (logframe).

The two components of the Tisza MSP are closely linked. The management strategies developed in Component 1 will be tested through the demonstration projects of Component 2, and the results from these demonstration projects will feedback to Component 1 and allow adaptive management changes to be made to the overall management approach.

Whilst the overall objective of the ICPDR and the Tisza Group is the integrated management of the basin, this MSP will have a specific focus on the benefits to river basin management that can be achieved through wetlands and floodplain restoration and management. The results of the MSP will serve as an example of what can be achieved by this approach that will have application throughout the Danube River Basin and more widely.

Throughout the work of this MSP the Chief Technical Advisor / Project Manager (CTA/PM) will work to identify activities for wider dissemination within the GEF community using existing mechanisms, e.g. IW: LEARN, Water Wiki, etc.

A simple timeline showing the key activities is shown in Figure 1.

Component 1
Integration of water quality, water quantity, land use, and biodiversity objectives within integrated water resources/river basin management under the legal umbrella of the EU and ICPDR

BUDGET: TOTAL 767 k US
(Governments 270 k USD, GEF 250 k USD, EU 162 k USD, UNEP 25 k USD, ICPDR 60 k USD).

The objective and expected outcome of component 1 is the development and endorsement, leading to implementation, of an **integrated** management plan for the Tisza River Basin that addresses water quality and water quantity. The subsequent implementation of the plan will result in improved approaches to the management of wetlands and floodplains through changes in national policies and legislation leading to a wide range of environmental and socio-economic benefits including: flood and

drought mitigation, improved biodiversity, nutrient retention, improved amenity benefits, etc. The development of the plan will act as an important test of the approaches of IWRM with lessons learnt that will have global benefits.

Background to Component 1

Many of the environmental problems of the Tisza River Basin can be mitigated by the implementation of an internationally agreed management plan that addresses problems of water quality and flood/drought events. Specifically, the concerns of nutrient pollution and flooding can be improved by utilising the former floodplains and reconnection of wetlands to assist with the reduction of nutrients and the buffering of flood events. Improvements in the recharge of groundwaters and enhancing the biodiversity in the region will also be achieved with these actions. Tackling the land and water management together will help alleviate these problems and by engaging the local community assist with the longer-term sustainability of the environmental protection of the Tisza Rive Basin.

The Tisza Group, in accordance with the ICPDR, requires that an Integrated River Basin Management Plan for the Tisza River Basin is prepared. As an ***integrated*** plan this will incorporate the water quality and ecological plans currently in development under the EU WFD[8], with flood / drought management. This integration will ensure that the overall management of the Tisza River Basin will address both land and water management for the improved environmental protection of the basin.

The Tisza Group has prepared a Tisza Basin Analysis (equivalent to Transboundary Diagnostic Analysis) that assesses priority concerns within the basin. This analysis (TDA) was presented to Ministers from the Tisza River Basin countries at the UNECE/EEA Environment for Europe conference in Belgrade, October 2007. The analysis confirms the need for action within the Tisza River Basin and will direct the Tisza Group in the development of an IRBM plan.

The process of developing and agreeing the IRBM plan will greatly strengthen the Tisza Group and help ensure that this institution is well equipped to undertake the implementation of the transboundary plan together with the national government authorities. In addition, the support of this whole project will be of significant benefit to the non-EU countries (Serbia and Ukraine) that will be fully engaged in the process of environmental protection of the Tisza River Basin. This will assist to strengthen their water management institutions, assist establishing appropriate inter-ministerial dialogue and to harmonise policies across the region.

The MSP will see the development and agreement of an integrated plan and will initiate the implementation of the basin-wide plan based on the results of the demonstration projects (Component 2).

The project will organise regional workshops to discuss the legal and institutional frameworks for management of the land and water resources in the Tisza basin. These workshops will bring together representatives from ICPDR, Carpathian Convention, the Stakeholder Advisory Group, the inter-ministerial co-ordination committees, etc. to establish the necessary steps to be taken towards a regionally co-ordinated and nationally-managed river basin.

This component will be achieved via the following activities:

Activity 1(i) – Development of strategies for reducing pollution in the Tisza River Basin

The Tisza River Basin Analysis has identified the main sources of pollutions and strategies will be developed under this MSP to address these concerns. The focus for GEF support will be towards the use of wetlands to mitigate nutrient pollution in particular by improving management to enhance

[8] All countries of the Danube River Basin (EU and non-EU) are implementing the WFD as agreed by Ministers in 2000.

nutrient retention by wetlands. This will build on the significant activities undertaken by the GEF funded Danube Regional Project which developed a detailed guidance manual on optimising wetland management for nutrient retention. The EU funding will address the development of strategies for the other priority pollution sources (e.g. municipal, mining, agriculture, etc.). Together this work will result in a holistic strategy aimed at reducing pollution in the Tisza River Basin.

Strategies developed on the use of wetlands for nutrient retention will be assessed though the demonstration projects (Component 2) and the lessons learnt will be utilised in refining the strategies prior to their incorporation into the Integrated River Basin Management Plan.

Activity 1(ii) Development of a flood and drought mitigation strategy

The Tisza River Basin Analysis highlighted the significance and impacts of floods and drought in the basin and emphasised the uncertain changes to these as a consequence of fluctuating climate.

Strategies will be developed to examine possible measures that can be taken to mitigate both the impacts of floods and droughts. Of great interest here is the restoration or reconnection of wetlands and floodplains in the basin. Over 85% of the original floodplains and wetlands are estimated as lost due to river engineering. Reassessing the previous policies for managing rivers and examining the benefits of using natural methods to attenuate flooding will be a key issue in this activity. In addition a better understanding of the importance of groundwater recharge through wetlands/floodplains will be obtained.

The development of flood and drought strategies will link very closely to the demonstration projects undertaken in Component 2 and these demonstrations projects are seen as an important 'proof of principle' that will encourage governments to adopt a revised approach to flooding and drought management through the sustainable use of wetlands / floodplains.

The development of flood prevention and risk management strategy, and a drought strategy for the Tisza River Basin will serve as a pilot area for the implementation of these strategies at a Danube River Basin level.

Activity 1(iii) Combination of Tisza River Basin Strategies into an Integrated River Basin Management Plan

The basin wide strategies developed for the main concerns in the Tisza River Basin will be complemented by national management plans. The IRBM plan will address issues at the transboundary level and will be a vehicle to guide the national plans via feedback from the national representatives of the Tisza Group. The IRBM plan will provide a clear statement of the required timescales, responsibilities and outline budgets for addressing the concerns identified in the Tisza River Basin Analysis. The draft plan will be agreed by the Tisza Group and then presented to Ministers from all the Tisza River Basin Countries for endorsement of the necessary management actions and investments. The plan will also be presented for public comment and discussed at the final stakeholder workshop planned under this MSP. The involvement of the public will be in accord with the plan developed by the ICPDR for the Danube River Basin.

Activity 1(iv) Dissemination and replication strategy for Component 1

Throughout the work on this component, the PM/CTA will work closely with IW: LEARN and other knowledge management resources to identify appropriate issues for bringing to the attention of a wider audience.

The projects will prepare a replication strategy for transboundary demonstration projects to be implemented as part of the integrated basin management elsewhere in the Tisza / Danube River Basins

(and with application more widely). With guidance from the project, the countries in the region will be responsible for drafting project documents (including objectives, activities and interventions, budget, timetable and terms of reference) for successful replication of the demonstration projects, and to start mobilising the required funding (both national and external donors).

The project is also significant in testing GEF's support to sub-basins utilizing existing institutional structures (ICPDR and the Tisza Group) and the lessons from this will be utilised elsewhere.

Representatives from the Tisza River Basin will participate at the 5th IW Conference in 2009.

Outputs expected from Component 1

- Agreement on strategies to balance water resources and water use, with a specific focus on the utilisation and restoration of wetlands and floodplains;
- Agreement on strategies to reduce nutrient and toxic substance pollution, with a focus on the reductions/retention that can be achieved through improved management of wetlands and floodplains;
- Adoption and implementation of an integrated plan endorsed by all countries;
- Agreement to introduce new policies with regards to wetlands / floodplains within the basin.
- Testing of GEF sub-basin management approaches utilising existing institutional structures.
- Dissemination and replication plan

Component 2
Implementation of IWRM principles through the testing of new approaches on wetland and floodplain management through community-based demonstration

Budget: TOTAL 985 k USD
(Government 100 k USD, GEF 660 k USD, UNDP 200 k USD, UNEP 25 k USD)

The demonstration projects are a 'proof of principle' for innovative approaches to the management of wetlands and floodplains that will address key concerns in the Tisza River Basin.

Background to Component 2

Implementation of demonstration projects will showcase concrete advantages of an integrated land and water resource management at the community-level in the wider context of river basin management that will also lead to improved livelihoods of local communities. The projects will act as a test case for the development of management actions addressing priority concerns in the Tisza River Basin by wetlands and floodplain restoration actions. These demonstration projects will help to answer questions regarding effective implementation, challenges faced, scaling problems, setting of environmental protection limits and monitoring and evaluation methodologies to be employed, etc. for the implementation of the basin-wide plan. The results of the demonstration project will be disseminated widely and lesson learnt incorporated into the integrated management plan for the basin.

The outcome of the demonstration projects will be enhanced knowledge of techniques and mechanisms for improved environmental self-governance at the local and community level that can be applied throughout the basin, providing both economic gains and environmental improvements through integrated land and water resource management. The results will also be an important step in delivering changes to current policies on wetlands and floodplains in the Tisza River Basin.

The identification and management of the demonstration projects will draw from the successful experiences from the DRP small-grant programme and the pilot projects on wetlands undertaking demonstration projects in the region.

The Tisza River Basin Analysis identified a number of key concerns impacting the environment of the basin, including: nutrient, organic and toxic substance pollution, and flood/drought management. The focus of the GEF support will be to initiate local projects on land use management and reform (including wetlands, floodplain restoration and flood management, forest management, conversion of pastures, etc.). The practical work will be contracted through local organisations that will undertake the work (hence the high level of contractual services in the budget).

The selected demonstration projects will focus at community level actions that can be undertaken in a relatively short period (less than 2 years) each with a budget average of 120 - 150 k USD.

This Component will be composed of the following activities:

Activity 2(i) Identification of potential demonstration projects

The Danube River Basin has been the subject to extensive assessment programmes over the past 15 years. Many of these previous projects have identified follow-up activities that will address the priority concerns in the Tisza River Basin. Criteria will be developed to assist with the short-listing of appropriate projects. Key potential projects to be considered will include those developed under the UNDP/GEF DRP, WWF, French GEF, EU, etc. Topics for projects will also be sought from stakeholders in the region. About 10 potential projects will be identified for presentation at the stakeholder workshop for final selection of 3/4 agreed demonstration projects.

The preliminary criteria for identifying potential demonstration projects could include.

- Relevance to priority concerns in the Tisza River Basin
- Likelihood of completion and results being generated in < 2 years
- Transboundary aspects to the project
- Budget feasibility
- Local community involvement
- Sustainability
- Replicability
- Support of national ministries/local authorities
- Additional resources (cash or in-kind)

Activity 2(ii) Agreement via stakeholder workshop on priority projects to be implemented

A stakeholder workshop will be organised with key representatives form the region to present the long list of potential projects (identified under Activity 2(i)) and to collectively agree the final demonstration projects to be implemented.

The Tisza Group will be actively involved in the selection of the demonstration projects.

Activity 2(iii) Implementation of demonstration projects

This MSP is expecting to fund between 3/4 demonstration projects (funded by GEF and UNDP) addressing the key concerns of the Tisza River Basin. Local organisations will be engaged to implement the practical work. The demonstration projects will be executed by local organisations and will involve a small steering committee of local stakeholders (including the communities they operate in), the Tisza Group and the MSP's CTA/PM.

Following the agreement of the demonstration projects, the team leaders will be assembled for a short workshop to provide them with some basic project management tools and guidance, and to develop measurable indicators for each of the demonstration projects.

The demonstration projects will be required to prepare quarterly progress reports and will be assessed by an independent expert on completion. The demonstration projects will be conducted over about 24 months.

Activity 2(iv) Feedback and presentation of results – final stakeholder workshop

Towards the end of the MSP, a final stakeholder workshop will be organised and the results, lessons learnt, together with an understanding of how the local communities will continue the activities, will be discussed. This final workshop will also involve key ministerial stakeholders, together with the Tisza Group, to assist with the long-term sustainability of the completed projects and to promote the benefits of these approaches to decision makers and managers of the Tisza River Basin. The results of this workshop will form an important input towards replicating the demonstration projects more widely.

Activity 2(v) Development of a replication strategy for Component 2

Throughout the work on this component, the PM/CTA will work closely with IW: LEARN and other knowledge management resources to identify appropriate issues for bringing to the attention of a wider audience.

Representatives from the Tisza River Basin will participate at the 5th IW Conference in 2009.

Outputs Expected from Component 2

- Stakeholder workshops and reports
- Agreed demonstration sites and projects
- Completion and evaluation of demonstration projects
- Results of demonstration projects having an influence on the development of river basin management plans;
- Demonstration projects resulting in changes in policy at a local and national level with regards to the multiple uses of wetlands and floodplain.
- Dissemination and replication plan

Figure 1: Tisza River Basin MSP – Work plan outline

Activity	Quarter											
	1	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**
Component 1: Integration of water quality, water quantity, land use, and biodiversity objectives within integrated water resources/river basin management under the legal umbrella of the EU and ICPDR **Activities:**												
i) Pollution reduction strategies												
ii) Flood and drought mitigation strategy												
iii) IRBM plan synthesis												
iv) Dissemination and replication												
Component 2: Implementation of IWRM principles through the testing of new approaches on wetland and floodplain management through community-based demonstration **Activities**												
i) Identification of potential demonstration projects;												
ii) Agreement on priority projects												
ii) Implementation of demonstration projects												
iv) Feedback and presentation of results												
v) Development of a replication strategy												

Project Management and Co-ordination at the Regional and National Level

This MSP will be managed within the framework of the ICPDR structures that offers significant cost benefits to the overall project, specifically in the management / co-ordination. A part-time Chief Technical Advisor/Project Manager will be recruited to serve within a Project Implementation Unit based in ICPDR Secretariat in Vienna. The CTA/PM will work closely with the Executive Secretary of the ICPDR in directing the work of the MSP. A small PIU team (working in parallel with the ICPDR Permanent Secretariat) will be required to undertake the project management and the technical activities that are not subject to consultants or contractual work.

The PIU will consist of:

- Part-time CTA/PM and technical expert in River Basin Management (30% full-time equivalent)
- Full-time Project Assistant technical Expert and Project Co-ordinator (100% full-time equivalent)
- Part-time Project Administrator / Financial Management (20% full-time equivalent)

The embedding of the PIU within the ICPDR ensures synergies between these organisations and enables considerable in-kind contributions from the ICPDR to reduce the operational costs of Project / Technical Management of the MSP. The personnel of the PIU will play a significant technical role in the overall design and implementation of the MSP, and will ensure the co-ordination between the development of the plan, the demonstration projects and activities outside the MSP.

A Project Steering Committee will be confirmed, the Terms of Reference agreed, and the project National Focal Points (NFPs) and/or Delegates in coordination with existing mechanisms under the ICPDR appointed. The ICPDR will provide the office space for the PIU and will co-finance the administrative support of for the MSP. The ICPDR and the Secretariat of the ICPDR will provide national co-ordination of activities through existing mechanisms.

The MSP will have a dedicated publicly available website under the ICPDR linked to the IW: LEARN website.

Sustainability (including financial sustainability)

The sustainability of the GEF supported activities are given more strength as this work is within the overall responsibilities of the ICPDR and delegated to the Tisza Group. The ICPDR is already a financial sustainable institution with funding derived from all the Contracting Parties to the Danube Convention. The MSP will provide tangible institutional benefits to the Tisza Group and national authorities to ensure that these organisations are even better equipped to deal with the added responsibilities of implementing an integrated management plan.

The sustainability of the project will be ensured with the *adoption of the integrated management plan* and National Integrated River Management Plans at regional and national levels and the government commitment to implement them. The establishment or extension, and the continuation of the inter-ministerial committees and allocation of government funds to these plans will be clear signs of sustainability. The demonstration projects will assist in obtaining community level support for environmental reforms. The plan will only succeed if it is able to garner support of the local communities and governments and national governments; support from international donors (multi-lateral and bi-lateral) would not be sufficient. The plan must be integrated into the national policy and planning frameworks and must receive multi-sectoral support.

The *project will benefit* from the GEF Danube Regional Project's experience and the wider basin activities under both the DRP itself and the associated Danube - Black Sea Partnership. The *project will cooperate* with ongoing GEF and World Bank projects (especially with Tisza – biodiversity project (HU) as well as HRMEP project - Component D (RO).

There will be *direct linkages* between the project and Carpathian Convention (the interim Secretariat is also based in Vienna) with joint implementation of a land and water resources demonstration project in the Carpathians and the development of a Flood Prevention Strategy and Action Plan respectively. Coordination will also be required with the ICPDR on the development of the Flood Prevention and Risk Management Strategy and Action Plans. The project will demonstrate flexibility and pragmatism in bringing the partners together.

Replicability

The project will develop and support a replication strategy to ensure the broader dissemination of the lessons learnt and results achieved during the implementation of the MSP. Both the demonstration projects and the development of the IRBM plan will provide valuable lessons that will have applicability elsewhere in the Tisza / Danube Basins and more generally, worldwide. To ensure that this important activity is given a high priority a dedicated component has been devoted to dissemination and developing replication actions.

Successful replication will depend on whether mechanisms can be found to improve resource management at the same time as increasing environmental protection. Therefore the scaling of mechanisms, approaches and institutions are critical to consider throughout the development, implementation and evaluation phases. Replication through transfer of the lessons learnt to larger scale community programmes focused on integrated land and water resource management should be investigated. In addition, if successful, similar projects could be implemented in other sub-basins of the wider Danube River and Black Sea basin.

Linkages will also be made to the GEF IW-LEARN programme and WaterWiki the project will endeavour to make maximum use of their products and services, and to support the sustainability of the IW-LEARN website.

The replication Strategy will be fully developed during the project implementation and will consist of two major elements:

1. The MSP will *promote replication of its activities*. This will be achieved largely through an *intensive monitoring, learning, outreach and evaluation process*. In parallel, the project will promote replication of its successes, and particularly its more innovative initiatives, during its own lifetime. A key element of its replication strategy that will serve both these objectives will be an awareness and results dissemination program. This will employ multiple mechanisms and involve numerous partners. Through these multiple mechanisms and partnerships, information on successful investment and policy reform promotion strategies, innovative financing modalities and new partnerships will be widely disseminated. This will promote replication of this MSP in other Danube sub-basins, and other basins in the region (e.g. Kura) and globally. The project is important in testing GEF's support of sub-basin management initiatives using existing basin-wide management structures.

2. *Replication of Demonstration Projects throughout the Tisza and wider Danube basin*. The demonstration projects implemented during this MSP will each have its own replication strategy built in the project design. The replication strategy will define the replication context for each demonstration, i.e.: the number, location, areas/sites in the region where the specific technology/practice could apply; assess the value of demo projects replication, and evaluate the overall expected impact of the full replication.

Stakeholder Involvement

The Tisza MSP will follow the strategy developed by the ICPDR for public participation throughout the Danube River Basin in the project. Previous stakeholder analyses will determine more precisely the roles and potential or degree of involvement of concerned public and private sector agencies in each country, and where necessary these analyses will be expanded.

A strong emphasis is to be placed on the input of stakeholder groups in the development and implementation of the IRBM plan. This input is to be a central component of the project, as stakeholders from all levels are encouraged to collaborate among and with each other throughout the project. Regional, national and in some cases, local stakeholder advisory groups will be charged with providing critical input into the project direction based on their insights, experiences and interests. Stakeholders will be actively engaged in both the main Components of the project (the demonstration projects and the development of an integrated management plan).

F. INDICATE RISKS, INCLUDING CLIMATE CHANGE RISKS, THAT MIGHT PREVENT THE PROJECT OBJECTIVE(S) FROM BEING ACHIEVED AND OUTLINE RISK MANAGEMENT MEASURES:

A detailed breakdown of the indicators, assumptions and risks associated with the project are included in the project results framework (Annex A). A summary the main risks and assumptions is presented below.

Assumptions:

- Demonstration project ownership is clearly defined at the national and regional level.
- Appropriate demonstration sites found
- Land-ownership issues resolved
- Willingness of governments to continue work
- Demonstration project have potential and interest for replication
- Ability to obtain formal approval for IRBM plan
- National Plans standardised sufficiently to support IRBM plan
- Willingness to continue the implementation of the IRBM plan at the regional level
- The five basin countries welcome the value of the coordination of environmental governance measures as a means to improve regional sustainable development and cooperative use of shared resources.
- The basin countries see the value of establishing management mechanisms for integrated management of land and water in the Tisza River Basin over and above the minimal national requirements set out in the EU WFD and complementing the ICPDR.
- The various basin wide initiatives can be brought together under a single umbrella (IRBM plan, UNDP Sustainable Development Strategy, EU WFD, Carpathian Convention, etc.).

Risks:

- Reluctance by national authorities to form inter-ministerial co-ordination committees
- Countries unwilling to endorse IRBM plan
- Project fails to address transboundary issue intended
- Lack of financial resources to implement IRBM plan

Risks related to water quality

There are four main causes of water pollution in the Tisza: pollution from (1) organic substances from municipalities and settlements, (2) nutrients from wastewater and farming and (3) hazardous substances from industry and mining. The river is highly at risk due to (4) extensive river engineering works in the basin for navigation, flood protection and hydropower needs. These alterations impact the natural ecology of rivers by changing flow characteristics, restricting fish migration and isolating rivers from wetlands and floodplains.

Crucial problem in the Tisza region is the continued use of outdated industrial technology that allows effluents to be discharged into the river waters. Municipal wastes are sometimes not properly treated in many parts of the Tisza basin. Rural areas and smaller communities in some countries lack the infrastructure and revenues to install primary treatment facilities. Also agricultural facilities discharge wastes and nutrients into the river waters. Mining activities in the upper Tisza combined with deforestation in the Carpathian Mountains has further jeopardised the Tisza waters especially during heavy seasonal rains as evidenced by the January 2000 Baia Mare cyanide spill.

Wetlands and floodplains form an integral part of river systems, providing a variety of different habitats for wildlife, reducing nutrients, trapping sediments, aiding flood protection and recharging groundwater. Many of the wetlands and floodplains in the Tisza Basin were lost during the last centuries in order to create farmland, generate electricity and improve water transport. The results left a natural river modified, and in some cases the canalisation of former natural rivers has accentuated floods in downstream communities.

The socio-economic impacts are also serious, affecting human health, the availability of resources, access to healthy fisheries, safety to human settlements, and development of the tourism industry capable of competing with less environmentally challenged regions. Lack of investment regionally hampers the use of cleaner, and more environmentally sound industrial production techniques.

Risks related to water quantity – floods, drought, increasing water demand

During the 19th century extensive river training and flood control measures shortened the length of the river by 30% to the 966 km it is today.

Floods are natural phenomena, but they can turn into disasters causing widespread damage, health problems and even deaths. This is especially the case where rivers have been cut off from their natural floodplains or are confined to man-made channels where houses and industrial sites have been constructed in areas that are naturally prone to flooding. Recent years have seen an increase in extreme events in the Tisza River Basin with devastating results.

Floods in the Tisza River Basin can form in any season as a result of rainstorms and/or snowmelt. The lowland area of the Tisza River Basin can be extensively inundated due to sudden snowmelt, heavy precipitation or as a result of groundwater-flooding. This excess water can cause significant damage to agriculture or infrastructure and settlements. In addition, flood waters can also wash pollutants directly into the river, further endangering the ecosystem. Flooding in the cultivated floodplains washes pesticides, herbicides and fertilisers into the river and contributes to the eutrophication of the Danube and Black Sea, and their long-term health.

A drought is an extended period of time when a region experiences a shortage of water. Even a short intense drought can cause significant damage to the ecosystem and agriculture and harm the local economy. Water shortages in Serbia and Hungary have caused substantial damage to agriculture in recent years.

From data on planned water uses, the total annual water demand for the Tisza River Basin in 2015 is estimated to be approximately 1.5 billion m^3 – or 5.5% to 6% of the total annual runoff. Water use for irrigation will increase significantly as all Tisza Basin countries plan to upgrade existing irrigation systems and to build new ones. The increases in water use in the Tisza River Basin will be an additional pressure on already endangered aquatic ecosystems, particularly in the summer low-water period when planned irrigation can go beyond available water quantities.

The effects of climate change cannot be ignored. Recent models of global and regional changes have indicated that significant impacts on the waters of the Tisza River Basin may be expected in the future, in particular:

- Reduced average water flow
- Increase in extreme events such as floods and droughts
- Significant regional and local variations

Climate fluctuations will likely have an impact on the water quality and ecology of the river basin and learning to adapt to extreme events from further changes

The Tisza River Basin is an important European resource, boasting a high diversity of landscapes which provide habitats for unique species of animal and plant life, (e.g. *Palingenia longicauda* – Tisza mayfly) Wetlands and floodplains form an integral part of river systems, providing a variety of different habitats for wildlife, reducing nutrients, trapping sediments, aiding flood protection and recharging groundwater. The multiple benefits of the wetlands and floodplains have to be seriously taken into account by integrating these benefits into the river basin management plan.

G. EXPLAIN HOW COST-EFFECTIVENESS IS REFLECTED IN THE PROJECT DESIGN:

In addition to the significant cash and in-kind contributions from the other partners in this MSP, the project's real legacy and indicator of cost-effectiveness will be the commitment of the national governments to continue the work of IWRM after the completion of the MSP. This commitment is assisted by the existing arrangements to implement the EU WFD (even in the non-EU countries). The MSP will also deliver a replication strategy with a willing audience elsewhere in the Danube River Basin with support from the International Commission for the Protection of the Danube River to encourage this replication and, if necessary, provide assistance in seeking additional funding to implement the lessons learnt in the pilot demonstration projects. The ICPDR is also committed to assisting the GEF with publicising the success stories of this MSP by hosting visits from other river basin authorities to enable the lessons to be even more widely broadcast.

PART III: INSTITUTIONAL COORDINATION AND SUPPORT

A. PROJECT IMPLEMENTATION ARRANGEMENT:

The project will be organised under the umbrella of the ICPDR as this organisation is responsible for the management of the whole Danube River Basin and has established the Tisza Group to manage the Tisza River Basin. This Group will also have responsibility to act as a Steering Group for this Tisza MSP. In addition the ICPDR is a co-financer of this project and is providing office and administrative support for the project. These activities will ensure good coordination of the Tisza MSP with other on-going activities elsewhere in the Tisza River and Danube River Basins.

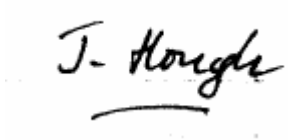
The part-time Chief Technical Advisor-Project Manager for the project will be responsible for overall implementation of this MSP together with ICPDR Executive Secretary. Additional co-ordination support will also be provided by ICPDR as part of in-kind contribution to the project. The co-location of the proposed MSP and the ICPDR secretariat will ensure the institutional continuity of the GEF interventions in the region, since all the UNDP/GEF Danube Regional Project outputs, including data bases, publications, technical studies, GIS, etc will be sustained by ICPDR. The MSP will strongly benefit from the ICPDR secretariat knowledge and technical expertise as well as considerable co-financing. All the countries of the project have strongly endorsed the proposed location of the PIU within ICPDR.

Sustainable development requires an interdisciplinary approach in which all relevant aspects and sectors (environment, water management, spatial planning, transport, urban planning, tourism, etc.) are taken into account. The Project Steering Committee would therefore include the five basin countries (including ministers from the key affiliated ministries), the ICPDR, EU, the three GEF implementing agencies, and stakeholders. Additionally, representation from members of the Tisza Group, the Carpathian Convention Secretariat, and other relevant international organizations will provide support to the Steering Committee.

It is further proposed that the demanding role of project steering and coordination be undertaken in close cooperation with the ICPDR Tisza Group. The project will support activities of the ICPDR Tisza Group and it is recommended that this group be enlarged to include representatives from the national inter-ministerial committees established under the project.

PART IV: EXPLAIN THE ALIGNMENT OF PROJECT DESIGN WITH THE ORIGINAL PIF: n/a

PART V: AGENCY(IES) CERTIFICATION

This request has been prepared in accordance with GEF policies and procedures and meets the GEF criteria for CEO Endorsement.	
 John Hough UNDP-GEF Deputy Executive Coordinator, a.i.	Vladimir Mamaev Project Contact Person
Date: 30 January 2008	Tel. and email: Tel: (+421 2) 59 337 267 vladimir.mamaev@undp.org

ANNEX A: PROJECT RESULTS FRAMEWORK

Project Strategy	Verifiable Indicator	Source of Verification	Assumption and Risks
Strategic Objectives: • **Objective 1:** To **integrate** water quality, water quantity, land use, and biodiversity objectives into an integrated water resources/river basin management plan under the legal umbrella of the EU and ICPDR, that will improve the Tisza River Basin environment including the reduction of pollution and mitigation of floods and droughts. • **Objective 2:** To begin implementation of IWRM principles through the testing of new approaches on wetland and floodplain management through community-based demonstration			
Outcome 1: **Adoption of policies and legislation** that promote optimal use of wetlands / floodplains for nutrient retention, flood mitigation, biodiversity enhancement, etc. consistent with the EU WFD and IWRM			
Overall: To develop an integrated management plan addressing priority concerns in the Tisza River Basin with a focus on wetland and floodplain integration within the river basin planning process	• Regional and National IRBM Plans endorsed (P) • National budget allocation for IRBM plan (P) • Nutrient pollution and flood/drought strategies adopted (P) • Operation of the Tisza Group confirmed (P) • Inter-ministerial processes established or strengthened (P) • Management reports from the ICPDR and the Tisza Group (P) • Sufficient funds available to continue support for Tisza Group (P) • Reduction of nutrient pollution by utilising wetlands, etc. (SR) • Reduced flooding through improved use of wetlands (SR) • Reduced drought through improved recharge of groundwaters (SR)	• Approval of IRBM plan by governments (by letters of approval) • Proof of formal approval through lead ministry (by letter) • Support of flood protection and Risk Management Plan – minutes from meetings • National reports of inter-ministerial co-ordination committees (IMCCs) • Reports from PSC, Tisza Group and ICPDR meetings	• Ability to obtain formal approval for IRBM plan • National Plans standardised sufficiently to support IRBM plan • Willingness to continue the implementation of the IRBM plan at the regional level • Reluctance by national authorities to form IMCCs • The basin countries see the value of establishing management mechanisms for integrated management of land and water in the Tisza River Basin over and above the minimal national requirements set out in the EU WFD and complementing the ICPDR. • All management mechanisms are supported politically and financially by the basin countries.
Component 1: Integration of water quality, water quantity, land use, and biodiversity objectives within integrated water resources/river basin management under the legal umbrella of the EU and ICPDR			

Project Strategy	Verifiable Indicator	Source of Verification	Assumption and Risks
Activity 1(i) Development of a strategy for nutrient pollution reduction	• Draft Nutrient Strategy developed • Feedback from demonstration projects on strategy	• Strategies published • Reports from demonstration projects	• Failure to prepare national strategies • Lack of willingness to co-operate
Activity 1(ii) Development of a flood and drought mitigation strategy	• Draft Flood and drought management strategy developed • Feedback from demonstration projects on strategy	• Strategies published • Reports from demonstration projects	• Failure to prepare national strategies • Lack of willingness to co-operate
Activity 1(iii) Combination of Tisza River Basin Strategies into a Integrated River Basin Management Plan	• IRBM Plan issued • Lessons learnt and replication strategy (linked with Component 1)	• Feedback from Stakeholders workshop • Reports from Demonstration projects • Formal approval of IRBM plan as noted in minutes of Tisza Group and ICPDR Ordinary Meeting	• Lack of willingness to co-operate • Failure to agree IRBM plan between all five countries.
Activity 1(iv) Dissemination and Replication	• Agreement on topics to disseminate • Agreement on replication	• Steering Committee minutes	• Willingness of other basins to receive information

Project Strategy	Verifiable Indicator	Source of Verification	Assumption and Risks
Outcome 2: **Demonstrating effective wetland and floodplain management with multiple environmental benefits,** leading to stress reduction (e.g. nutrient reduction, flood mitigation, biodiversity enhancements, etc.) resulting in the motivation of local communities and other stakeholders to continue the implementation of the successful conclusions of the demonstration projects.			
Overall: To implement demonstration projects to address wetlands, and floodplain management. The successful implantation of these projects will result in **Outcome 2.**	• Adoption of revised policies for land-water management following the successful completion of demonstration projects (P); • Meetings of the ICPDR and Tisza Group (P) • Hectares of wetland planned for restoration and initiated (SR) • Kilometres of floodplain planned for connection (SR) • Hectares of habitat planned for restoration (SR) • Reduced Nitrogen and Phosphorus loads; (SR)	• EEA/UNECE Reports on the State of the Environment in Europe • Report on implementation of demonstration project and dissemination of results • Replication strategy for the project prepared and disseminated • Report on lesson learned during the implementation of the project widely disseminated • Minutes of meetings of ICPDR/Tisza Group	• Demonstration project ownership is clearly defined at the national and regional level • Appropriate demonstration sites found • Land-ownership issues resolved • Willingness of governments to continue work • Demonstration project have potential and interest for replication • Project addresses transboundary issue intended
Component 2: Implementation of IWRM principles through the testing of new approaches on wetland and floodplain management through community-based demonstration			
Activity 2(i) Identification of potential demonstration projects	• List of provisional demonstration projects (long list) • Project selection criteria	• PIU Reports • Reports for PSC • Background material for stakeholder workshop •	• Unable to identify suitable demonstration sites/projects
Activity 2(ii) Agreement on priority projects to be implemented	• Completion of first stakeholder workshop • Agreed demonstration sites and projects	• PIU Reports • Reports for PSC • Report on workshop •	• Unable to agree demonstration projects between stakeholders • Failure to identify stakeholders • Lack of community support for concepts • Lack of ministerial support
Activity 2(iii) Implementation of demonstration projects	• Completion of demonstration projects • Inclusion of strategies (Component 1) in selected demonstration projects • Evaluation completed on demonstration projects	• PIU Reports • Reports for PSC • Periodic reports from demonstration projects • Evaluation Report	• Failure of local organisations to complete project

Project Strategy	Verifiable Indicator	Source of Verification	Assumption and Risks
Activity 2(iv) Feedback and presentation of results – final stakeholder workshop	• Completion of second stakeholder workshop • Conclusions from demonstration projects	• PIU Reports • Reports for PSC • Report on workshop • Demonstration project success reports	• Failure to attract stakeholders to workshop
Activity 2(v) Development of a replication strategy for demonstration projects	• Dissemination/ replication strategy	• Publication of strategy • Approval of strategy by PSC	• Lack of interest in results (local and globally)

P – Process Indicator
SR – Stress Reduction Indicator
ES – Environmental Status Indicator

ANNEX B: RESPONSES TO PROJECT REVIEWS (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF)

The GEF Sec Review sheet from 4-4-2007 indicates that "The proposal addresses all comments made during upstream reviews and exchanges. The program manager would recommend CEO approval upon submission of a revised proposal addressing the following:

(i) Ensure that project will have a website according to IW LEARN standards, and will participate to IW LEARN activities, including biannual conferences."

- This was added to the revised proposal on page 19 and 24

ANNEX C: CONSULTANTS TO BE HIRED FOR THE PROJECT

Position Titles	$/ person week	Estimated person weeks	Tasks to be performed
Project Management			
Local			
Coordinator (1 per country)	Av 750	40	Government officials to act as national coordinators for the technical work undertaken and to facilitate national implementation of pilot projects.
Technical Expert (PIU)	1500	26	An expert to undertake technical work and to coordinate the input of the donor activities.
Project Administration	1000	10	Administrating all financial and contractual aspects of the MSP
International			
CTA/PM	3000	23	Responsible for overall implementation of the MSP and providing technical leadership and guidance throughout the project. Supervising the implementation of the pilot demonstration projects. Reporting progress to the PSC and other stakeholders.
Technical Assistance			
Local			
National Experts*	Av. 500	1110	National experts will support the work undertaken by the pilot demonstration projects and provide all the necessary data collection, analysis and reporting to prepare the Integrated Water Resources Management Plan consistent with the EC WFD river basin management plan requirements.
Technical Expert (PIU)	1500	102	An expert to undertake technical work and to coordinate the input of the donor activities. Responsible for day-to-day technical management and supervision of all activities. Responsible for managing activities of the local consultants. Preparing progress reports.
International			
CTA/PM	3000	35	Providing technical leadership on all aspects of the project. Responsible for managing the activities of the international consultants. Ensuring the results of the MSP are clearly

			reported and lessons learnt captured for replication.
International Consultants**	3000	40	Responsible for delivering harmonized approaches to key elements of the project across all countries and ensuring the compatibility of the approaches adopted with best practices elsewhere.

* - National Experts to provide a range of functions including experts on water quality, water quantity, land use including agriculture and wetlands, etc.
** - International experts to support the MSP will cover a wide range of skills including: on water quality, water quantity, land use including agriculture and wetlands, etc.

ANNEX D: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS

A. EXPLAIN IF THE PPG OBJECTIVE HAS BEEN ACHIEVED THROUGH THE PPG ACTIVITIES UNDERTAKEN. N/A

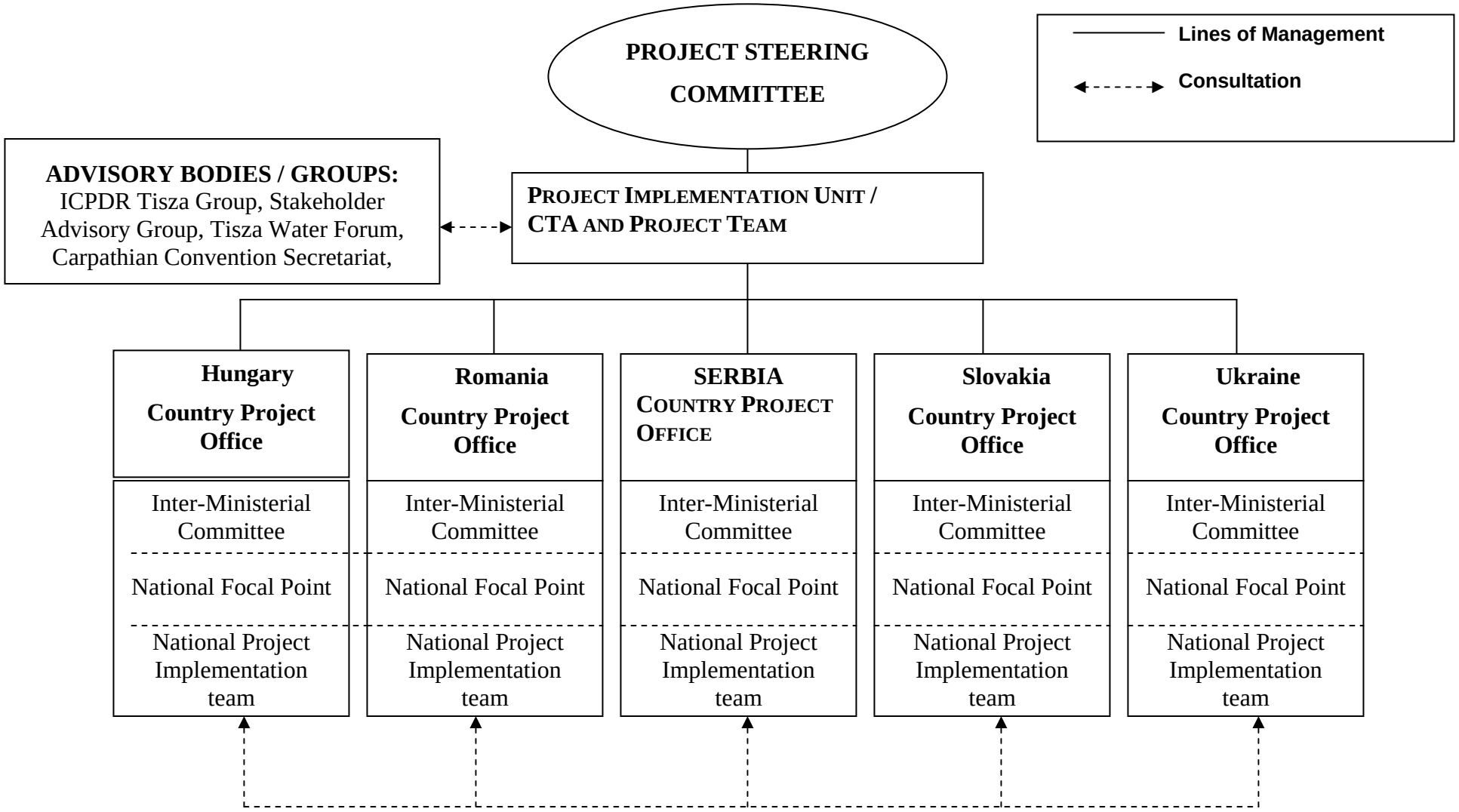
B. DESCRIBE IF ANY FINDINGS THAT MIGHT AFFECT THE PROJECT DESIGN OR ANY CONCERNS ON PROJECT IMPLEMENTATION.

C. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES AND THEIR IMPLEMENTATION STATUS IN THE TABLE BELOW:

Project Preparation Activities Approved	*Implementation Status*	*GEF Amount ($)*				*Co-financing ($)*
		Amount Approved	*Amount Spent To-date*	*Amount Committed*	*Uncommitted Amount**	
	(Select)					
	(Select)					
	(Select)					
	(Select)					
	(Select)					
	(Select)					
	(Select)					
	(Select)					
Total						

* Uncommitted amount should be returned to the GEF Trust Fund. Please indicate expected date of refund transaction to Trustee.

ANNEX E: Organisational Structure of the Tisza River Basin Project



ANNEX F: In-kind contributions from Tisza River Basin Countries

	man-weeks /country	SK	HU	RS	RO	UA	Total
Senior Officials	16	14,400	16,000	9,600	11,200	8,800	60,000
National Liaison administrators	16	6,400	8,000	4,000	5,600	4,000	28,000
Government Experts	130	32,500	39,000	13,000	19,500	13,000	117,000
Hydrological information		4,000	4,500	3,000	4,500	2,000	18,000
Contribution to ICPDR Flood Protection		2,600	2,600	2,600	2,600	2,600	13,000
Contribution to ICPDR River Basin Management		10,000	10,000	9,000	10,000	9,000	48,000
Additional support to Tisza Group for MSP		8,000	8,000	8,000	8,000	8,000	40,000
Water Quality information		10,000	15,000	6,000	10,000	5,000	46,000
Project Management							
Local Management	8	7,200	8,000	4,800	5,600	4,400	30,000
TOTALS	**170 ***	**95,100**	**111,100**	**60,000**	**77,000**	**56,800**	**400,000**

* Equates to total 850 man-weeks of input for Tisza River Basin countries

ANNEX G: Total budget and work plan

Award ID:	00047066
Award Title:	PIMS 3339 IW MSP: Integrating multiple benefits of wetlands and floodplains in to a trans-boundary management plan for the Tisza River Basin
Business Unit:	SVK10
Project Title:	PIMS 3339 IW MSP: Integrating multiple benefits of wetlands and floodplains in to a trans-boundary management plan for the Tisza River Basin
Implementing Partner (Executing Agency)	UNOPS

GEF Outcome/Atlas Activity	Responsible Party/ Implementing Agent	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Total (USD)	See Budget Note:
COMPONENT 1 Integration of Water quality and quantity management	UNOPS	62000	GEF	71400	Contractual Services - Individuals	40000	30000	30000	100000	1.
				71200	International Consultant	15000	10000	5000	30000	2.
				71300	Local Consultant	30000	20000	20000	70000	3.
				71600	Travel	10000	10000	10000	30000	4.
				74200	Printing costs	5000	5000	10000	20000	5.
					Sub-total GEF	**100000**	**75000**	**75000**	**250000**	
COMPONENT 2 Demonstration Projects within and IRBM Context	UNOPS	62000	GEF	71400	Contractual Services - Individuals	40000	30000	30000	100000	6.
				71200	International Consultant	10000	5000	5000	20000	7.
				71300	Local Consultant	15000	15000	10000	40000	8.
				71600	Travel	10000	10000	10000	30000	9.
				72100	Contractual Services	150000	150000	150000	450000	10.
				74200	Printing costs	5000	5000	10000	20000	11.
					Sub-total GEF	**230000**	**215000**	**215000**	**660000**	
		00012	UNDP	71200	International Consultant	9,000	18,000	0	27,000	12.
				71300	Local Consultant	2,000	6,000	8,000	16,000	13.

GEF Outcome/Atlas Activity	Responsible Party/ Implementing Agent	Fund ID	Donor Name	Atlas Budgetary Account Code	ATLAS Budget Description	Amount Year 1 (USD)	Amount Year 2 (USD)	Amount Year 3 (USD)	Total (USD)	See Budget Note:
				71600	Travel	1,000	2,000	1,000	4,000	14.
				72100	Contractual Services	7,000	116,000	18,000	141,000	15.
				74200	Printing Costs	0		12,000	12,000	16.
					Sub total UNDP	**19,000**	**142,000**	**39,000**	**200,000**	
Project Management	UNOPS	62000	GEF	71400	Contractual Services - Individual	40000	25000	25000	90000	17.
					Subtotal GEF	**40000**	**25000**	**25000**	**90000**	
					TOTAL GEF	**370000**	**315000**	**315000**	**1,000,000**	

Summary of Funds:

	Classification	Year 1	Year 2	Year 3	Total
GEF -cash		370,000	315,000	315,000	1,000,000
UNDP -cash	IA	19,000	142,000	39,000	200,000
Government in-kind	Government	150,000	150,000	100,000	400,000
ICPDR - in-kind	Intergovernmental Commission	40,000	40,000	20,000	100,000
EU- cash	Multi-lateral	90,000	50,000	40,000	180,000
UNEP in-kind	UN Agency	20,000	20,000	10,000	50,000
TOTAL		**689,000**	**717,000**	**524,000**	**1,930,000**

Notes to Budget

Budget Note	Description of Services / Expenditure
1	The part-time technical staff of the PIU will again take leading roles in co-ordinating and undertaking activities required in developing the strategies for the Tisza River Basin (nutrient pollution and, flood and drought management), and in integrating these strategies to prepare a IRBM Plan. The use of project staff to lead this activity will also help to ensure that best practices from other GEF projects can be integrated into the strategies for land and water management.
2	Limited support from international consultants is planned to complement the activities of the PIU and national government experts by bringing a broader concept to IRBM planning. It is likely that support from academics in particular on climate change implications for the Tisza River Basin will be required.
3	Experts are essential to the success of the development and subsequent implementation of the IRBM plan and therefore an integral part of the sustainability planning for the plan. It is expected that experts from the private sector and academia will be needed to supplement government experts particularly in the field of flood risk assessment and the impacts of climate fluctuation on the Tisza River Basin and the development of scenarios to reflect these changes.
4	Extensive local travel in the Tisza (and Danube) River Basin is expected. In addition provision is made for experts to assist with dissemination / replication activities based on lessons learnt in the development of an IRBM plan and this will require travel outside the region.
5	The publicity material of the successes will be a key component for the Tisza River Basin MSP. Whilst the majority of the costs associated with publications will be covered by co-funders the GEF resources will be specifically directed towards the needs of dissemination and replication of the activities on a global scale.
6	The part-time technical PIU staff (senior expert and assistant expert) will actively undertake the work in assisting with the design, selection and implementation of the demonstration projects. They will be able to provide strong linkages between the different demonstration projects and links with other on-going activities within the Danube / Tisza River Basins. Most importantly these part-time PIU staff will also be leading the work on the development of the IRBM plan and will provide first-hand feedback from Component 2 to the demonstration projects. The technical project staff will have experience of river basin management and a good understanding of the Tisza / Danube activities. They will be leading the activities in packaging the results and success stories from these demonstration projects for replication elsewhere.
7	Limited international consultant support is anticipated for this activity, however it is expected to be required to ensure that the most appropriate experiences from elsewhere are captured and utilised in the demonstration projects, specifically with wetlands and other land use issues.
8	National consultants from the private sector and academia are expected to assist with the design and assessment of the demonstration projects.
9	Travel costs are included for the development of the demonstration projects and for two stakeholder workshops within the region (co-funded by EU). Provision is also included for the final dissemination and replication of the successful projects to the 5th GEF Biennial International Waters Conference. Most travel will be in the region and of a limited duration. All travel and DSA allocation will be need prior approval from the PM/CTA.

10	This budget line is to the implementation of about 3 or 4 demonstration projects (including one demonstration project directly funded by UNDP). Contracts will be developed with local organisations to undertake the direct work agreed.
11	Publication of the success stories and generally publicising the work of the demonstration projects is an essential element in this MSP and will assist with the replication of the activities within the Tisza and Danube River Basins and globally.
12 (UNDP)	International consultants will be used to develop the set of criteria for the selection of a suitable project site, and to develop the suitable methodological approach, the learning plan and M&E mechanisms for the demonstration projects. The UNDP Demonstration Project Manager will be responsible for the ToRs and recruitment of International Consultants.
13 (UNDP)	The Local Consultants budget is planned for the Project Manager of the UNDP Demonstration project to manage and lead the project, and to ensure the coordination and close cooperation with ICPDR and its Ad-hoc Tisza River Basin Expert Working Group and Carpathian Convention Secretariat (UNEP, Vienna) ToR for Project manager is attached to the UNDP Project Document.
14 (UNDP)	Travel will be for the Project Manager of the UNDP Demo project to participate in co-ordination meetings with the ICPDR in the Danube River Basin.
15 (UNDP)	Contracts will be required for local NGO with close ties or cooperation potential to/with the communities and local governments of the demonstration project site, which will provide local support for and monitor the implementation of demonstration project activities. ToRs for Consulting Services and the tendering process will be the responsibility of the UNDP Demonstration Project Manager and will be prepared jointly with the MSP Project Manager / CTA.
16 (UNDP)	Printing costs will be incurred for the dissemination of lessons learnt and the material to be distributed for public information activities.
17	The project management team of the PIU will be comprised of three part-time project staff. • CTA/Project Manager (overall 15% of time allocated to PM activities over 3 years) • Technical Assistant / Project Co-ordinator (15% of time allocated to PM activities) • Administrative Assistant (20% of time allocated to PM activities) The CTA and Technical Assistant will also work part time on project Components 1 and 2 in a technical capacity. Part-time operations of the PIU PM unit is possible due to the significant benefits from the synergy of locating the PIU within the ICPDR.