

ANNEX III

Development and Implementation of a Strategic Action Plan for the Dnieper River Basin

STAP Review

Jan Lundqvist
Professor
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1. Relevance to GEF

The project addresses the issues of biodiversity and international waters. As far as can be read from the project brief, the application has been formulated after consultations with representatives of local communities and NGOs. It is driven by a joint effort of the three countries directly involved: Belarus, Russian Federation and Ukraine.

I am impressed by the comprehensive nature of the application in terms of the proposed strategy to approach the threats of environmental degradation in general, including loss of biodiversity and also threats on human health. The application provides a condensed, dramatic but most probably a valid picture of the environmental threats within the basin and for the Black Sea.

The application concentrates on institutional issues, particularly how to build regional capacity for cooperation, which is in line with GEF criteria for support. It would have been relevant to discuss concrete aspects of what would be required to improve, and sometimes replace, the activities that generate the environmental threat. Technological improvements and modernization of the industrial, agriculture, transport and energy sectors are most important in order to reduce the load of harmful substances which are let out into the environment. Reduction of the environmental threat at source is the appropriate long term strategy. End-of-pipe treatment must also be applied

As a whole, I find the project of great relevance.

2. Objectives

The application identifies one long-term objective and six specific project objectives. All are valid. Although the list of activities is quite long and demanding, I would recommend that two additional aspects are considered.

One refers to the handling of potential conflicts and the prevention of their development. Conflicts are likely to result from the implementation of the project. Introduction of economic incentives, abolishment or reduction of subsidies and introduction or the raise of fees and charges are likely to bring about tensions and conflicts between sectors and between

the authorities and enterprises. Mitigation of conflicts and preventive measures through consultancies, prior information, etc. would be useful.

The other one refers to objective 3. The Priority Investment Portfolio (PIP) is crucial. It is mentioned that it should be worked out during the latter stage of the SAP (Strategic Action Plan). It is logical that 'hot spots' and the most acute problems are identified in a first phase of the project and before more systematic investments are proposed and stimulated. It seems also relevant, at an early stage, to analyze what kind of barriers that exist for investments and what kind of institutions and other facilitating mechanisms that could be developed or strengthened to stimulate investments. Ministries of Finance (similar) need to be involved and, for instance, agencies regulating imports and exports. Work on PIP should be linked with effort to reduce or eliminate barriers for the introduction of new and environmentally-friendly technologies. A special activity could be to investigate the terms for developing, importing and applying appropriate technologies to replace the existing ones.

The comments above have included my views regarding focus of project.

Concerning the achievement of objectives, it is to be noted that they are quite ambitious. They may also be interpreted in various ways. Concerning objective 4, for instance, Developing an international monitoring and river basin management system to reduce transboundary pollutants, it is comparatively more easy to establish a monitoring and river basin management system, while it is more difficult to actually reduce transboundary pollution. To achieve that objective, the management system must be effective in terms of changing the economic structure, improve production and treatment technologies, and make sure that investments, many of which are quite costly, are carried out. The management system in itself will strengthen the capacity for regional coordination and cooperation, facilitate communication and hopefully improve the transparency of the political and economic forces. But a complementary program for investments and concrete actions must be formulated. At some stage, it would be helpful to specify what is a realistic and the most valuable reduction of transboundary pollution. It could refer to, for instance, (i) reduction in terms of new, additional emissions, (ii) reduction in terms of stabilizing harmful substances in sediments and deposits.

3. Approach

The approach is generally clear and logic. However, the necessary size and functioning of a Dnieper River Basin Programme Unit (Dnieper-PCU), as presented under objective 1, could have been better described. This is obviously a key institution that will have to deal with a number of day-to-day activities. It is also expected to deal with more strategic tasks. Staffing of the PCU is only briefly commented, so it is not possible to comment if it is adequate to carry out the various tasks. What financial and other resources will be under the command of the PCU? For a proper functioning and in order to be able to coordinate sectoral programmes and activities that are under administrative units, it is crucial that the mandate of the PCU is clearly spelled out and backed by appropriate funding and political support.

Re. Technical soundness. Since a major thrust of the application concerns the strengthening of regional capacity for cooperation, overall management of basin resources and the need for communication among stakeholders, the document does not provide details of technical

applications. In general, the approaches mentioned are sound, but the goals described in Annex 2 need to be linked with technically appropriate measures and feasible financial arrangements. Under point 1 and also point 2 (Annex 2), the stabilization of polluted bottom deposits is mentioned. The technical approach is still to be worked out. One possibility to stabilize sediments and im-mobilize radionuclides and other harmful substances would be to deposit clay material like illite, but such operations can only be done for small areas. More realistic is to reduce the risk of erosion and to make sure that decisive chemical parameters, like pH, will not change in a direction that mobilizes radionuclides and other harmful substances.

Re. Specific environmental opportunities or problems. One opportunity might be to investigate the opportunities and validity to designate special areas for location of industries. I do not have any information about the location of industries and other major activities that are of concern in this regard and to what extent it is realistic to move certain units and/or to use location policies for new industries. Another opportunity concerns the possibilities to coordinate water use between urban and rural areas. Provision of treated waste water from urban areas to agriculture or some other land-use is an important source of irrigation and, at the same time, represents an opportunity to save water.

In terms of research and monitoring, it is important that the program is coordinated with relevant programs in other countries and international organizations. This refers, for instance, to programs under IAEA. Interpretation of data from environmental measurement programs could benefit from international experiences, for instance, regarding location of fix points along the river for measurement, including sediment traps in the outlet to the Black Sea, and how to interpret the riverine metabolism of nutrients. Monitoring programs that combine measurements of emissions, i.e. inputs to the river, and riverine transport and metabolism are important for identification of the relative significance of various sources of pollution and for designing programs through which the threats could be approached.

The countries included are the appropriate ones.

4. Background information

Background information is relevant, but some pieces of information are missing.

There is no information about the contribution of the three countries and co-financing. (IDRC funding is mentioned.) National commitments in terms of investments and concrete actions and how the operation of the PCU will be guaranteed/handled in relation to national sovereignty, need to be discussed.

A critical and crucial point refers to the political context and the relations between the three countries. Obviously, it is difficult to predict what changes that may come in this respect. Recent events and observations made by researchers, journalists and others do not reveal any clear trend. Obviously, there are tensions between the countries and communication between political and other elites and the public at large could be better. But it is also well documented that environmental issues have been a matter of great concern among people and that this concern was a positive force in the political mobilization of the civil society in connection with the dissolution of the Soviet Union. I have not been able to get a clear

picture as to what extent the 'green movements' have managed to organize themselves and strengthen their capacities to become an active and functional force in the environmental management task in the current situation. But it is essential that they are involved.

Another important piece of information concerns the status of the economy of firms and of the public sector. It is well known that the Government of Russia has not been successful in collecting taxes. I have no information about the situation in the two other countries. According to information a few days ago, the amounts collected were about 52% of what was the calculated sum. This morning, the news on the Swedish radio informed us that the operation of the remaining reactor at Chernobyl might have to close before the date that has been agreed with the G7, since payments for the electricity supplied to industry had only partly been forthcoming. -- If these circumstances are correct and if a similar situation can be found in the three countries in general, the introduction of economic incentives, reduction of subsidies etc. must be designed accordingly.

5. Funding level

The funding from GEF is proposed to be US\$ 7 mill. As far as I know, it is a fairly large project in relation to average GEF projects. It is a very ambitious project and I do not think that costs can be reduced if it should have a chance to be properly implemented. One of my concerns is that the strength of the Dnieper-PCU is adequately guaranteed. This partly relates to funding and control over financial resources. Another concern is that matching investment funds, in technical and other concrete measures, are not much discussed in the application.

6. Innovation

The most innovative aspect refers to the comprehensive nature of the project and the clear ambition to coordinate and enhance activities on a trilateral basis.

7. Strengths/weaknesses

The high-level political support is a clear strength. One may doubt the continuous validity of commitments that have been made by the current heads of State. But colleagues dealing with the development in Eastern Europe, argue that environmental concern is a strong and unifying force across borders and among large segments of society.

Another strength of the project is its ambition to involve the public and various stakeholders in the process; to introduce relevant environmental issues in school education, to mobilize academic community, NGOs, etc. I am pleased to note that involvement of professional academic institutions is emphasized. Incorporation of various stakeholders in decision-making and the dissemination of information, etc. requires, however, resources, proper organization, etc.

A number of river basin commissions and organizations have been created in eastern Europe and elsewhere. It is a strength that the application stresses the intention to learn from The Danube River Basin Pollution Reduction Programme and similar programs.

As mentioned above, a weakness refers to lack of information about investments in technological improvements in industrial and agricultural production, transport, etc. and treatment plants and other mitigation measures.