

Transcarpathian Biodiversity Protection Grant

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Implementation Completion Report          NUMBER: 18326

Operations Evaluation Department

06/26/98

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i. In 1991, Ukraine, Poland, and the Slovak Republic agreed to develop a Tri-national Biosphere Reserve in the Eastern Carpathians. The Transcarpathian Biodiversity Protection Project, supported by the Global Environmental Facility (GEF), would provide funds required to implement this agreement which calls for consistent management approaches for the contiguous protected areas in the three countries. It was identified in mid-1993 and was designed to extend an earlier approved Slovak Republic GEF project into the adjoining forests in Ukraine.

ii. The project was the first GEF and Bank project in Ukraine, and was one of five Bank-managed GEF projects in the region that provided assistance in conserving forest biodiversity to countries making the transition from centrally planned to market economies. The other four projects were in Poland, Belarus, Slovakia, and the Czech Republic. All five projects were designed to improve the management and protection of transboundary forest

ecosystems through international collaboration. The projects in Ukraine, Slovakia, and Poland either focused on, or included as one component, a transborder region of the Carpathian Mountains.

#### Project Objectives and Components

iii. Objectives: The project objectives were to: (i) incorporate this small Ukrainian GEF project (\$500,000) as an add-on to the proposed Slovakia Biodiversity Protection project (GEF \$2.3 million); (ii) support Ukraine's efforts to protect habitat fragments, stop species loss, and improve habitat management in the Carpathian Mountains; and (iii) develop and implement the legal, institutional, and administrative interventions to achieve the long term protection of the area in Ukraine, in collaboration with parallel GEF projects in the Carpathian forests of Poland and the Slovak Republic. Three additional project objectives were for the project to be innovative, to yield results that can be replicated elsewhere, and to be sustainable.

iv. Components: To achieve these objectives, the project components provided: (i) technical studies of flora and fauna and options to promote their conservation, development of land use policies for buffer zones of the protected areas, and development of a plan for expanding the treatment of conservation biology in a forestry school curriculum; (ii) infrastructure (computers, GIS, several vehicles, and a radio network) to strengthen management of the Carpathians Biosphere Reserve; (iii) development of communications and language skills, GIS computer training, park planning, conservation biology, and management training; and (iv) operational expenses for project management.

#### Implementation Experience and Results

v. Achievement of Objectives: The project objectives were achieved in a highly satisfactory manner. The Ukraine and Slovak GEF projects established a US \$600,000 trust fund for the establishment and operation of the Foundation for Biodiversity Conservation in the Eastern

Carpathians. The fund's interest finances operational expenses of the Foundation as well as small projects identified in the strategic plan. The program of applied research and monitoring and protected area management yielded satisfactory results and is being further developed following the completion of the project. The Carpathians Biosphere Reserve (CBR) was expanded by 24,000 hectares and a plan to link the protected areas of the Ukraine Carpathians region was prepared. This work, along with inventory studies, provided specific recommendations for expanding the reserve by an additional 20,000-30,000 ha in the next five years. An inventory of the CBR's biodiversity was conducted and provided scientific justification for the further expansion of the reserve. The inventory resulted in the identification of a number of new species and detection of many species not previously known to exist in the Ukraine Carpathians. The results were published in a book that provides a baseline for biodiversity protection and management in the region for years to come. The project also financed preparation of a number of educational brochures, booklets, and popular and scientific articles, as well as improvements to the educational museum at the CBR headquarters.

vi. Major Factors Affecting the Project: The project was affected by four main administrative factors that contributed to slow disbursement and implementation: (i) the implementing agency, the MEPNS, was a new ministry with relatively low capacity, (ii) because the project was the first Bank operation in Ukraine, and among the first externally funded projects of its kind in the country, the Recipient was faced with learning the Bank's requirements; (iii) the PIU was relatively inexperienced in office and project management; and (iv) the PIU was faced with national regulations and bureaucracy regarding taxes, customs, and banking that hindered implementation. While each of the project activities were influenced by

these factors, the GIS component was affected the most: delays in the procurement of GIS equipment, from contracting to delivery to release of the shipment by customs officials, necessitated two extensions to the closing date. However, several positive factors affecting the project were the strong ownership of the project, the high skills of many of the technical staff, and strong ownership and results orientation by various stakeholders in Ukraine.

#### Project Sustainability and Future Operations

vii. Sustainability: The project results-improving the sustainability of the forest ecosystems within the Carpathians Biosphere Reserve by expanding the reserve and expanding human resources through professional development and training- are sustainable in the short to medium term. Despite low salaries, there has been good continuity of staff and consultants at the local and central (i.e., Kyiv) levels, which has contributed to maintaining the benefits of the project's investments in human resources. State budgets for the CBR remain small as a result of the on-going difficulties of the Ukraine economy whereas, in the long term, maintenance of the larger biosphere reserve will require an increase in staff resources and other baseline investments. The project investments will not be sustainable in the medium or long term without additional financing. The project strengthened capacity within the CBR staff, the MEPNS, and the PIU to continue with the project activities in different ways. The Reserve Director has also been working with regional authorities to establish an "Ecological - Economic District" that would provide special tax incentives for sustainable development of the region. This proposal is currently being considered by the Parliament.

viii. Future Operations: The project was the Bank's first project in Ukraine, and contributed to the development of a balanced portfolio of Bank-managed environment projects in Ukraine. None of these are related

directly to the Transcarpathian Biodiversity Protection project. Work in the project region is continuing on several fronts. The CBR staff are building on the inventory, applied research, and local consultations to define the strictly protected and economic use zones of the expanded reserve, in accordance with Ukrainian regulations. The applied research activities financed by the project identified a number of management actions that are now under implementation. Among these is the use of the GIS to assist in further landscape level planning to link the protected areas of the eastern Carpathian Mountains. The Recipient is currently developing a proposal for a follow-on GEF project that would further improve forest management and biodiversity protection in the transboundary forests of the Carpathian countries.

#### Bank and Borrower Performance

ix. Bank Performance: The Bank's performance was satisfactory throughout preparation and implementation. Most Bank missions included forestry and biodiversity specialists, and the Bank provided additional training in disbursement and procurement procedures and requirements. Several intensive professional development and training programs were organized by the Bank on technical themes and on nature-based tourism. Although task management responsibilities of the project changed within the first year of implementation, after this, the Recipient acknowledged the importance of the good continuity in the Bank team responsible for the project. The total Bank resources spent on the project, including identification, preparation, supervision, and completion, was approximately one-half of the grant amount. This ratio of Bank resources to the total grant amount is too high, even though this ratio is strongly influenced by the small size of the grant (\$500,000). Whereas modest Bank resources were used for

preparation of the project, the Recipient needed substantial assistance with its implementation. The supervision budget was also increased by the 18 month extension of the closing date, which was needed to complete the GIS activities.

x. Recipient Performance: The Recipient's performance was satisfactory. The project activities were implemented as planned and all legal requirements were met. This justified the Bank's continuous satisfactory rating of the project's development and implementation objectives during implementation. The project had a slow start as the Recipient learned Bank procurement requirements (this being Ukraine's first Bank and GEF project). Subsequent delays resulted from obstacles related to in-country conditions. Those responsible for implementation spent considerable time discovering innovative solutions to the in-country conditions that often made progress difficult. Early in the project, the Recipient established a PIU outside of the MEPNS in response to the Bank's concern over the slow pace of implementation. This PIU performed extremely well and, building on the experience developed under the project now assists the government and NGOs in implementing projects financed by the Government of Ukraine, the Bank, and other donors.

#### Key Lessons Learned

xi. The lessons learned were discussed during a regional meeting involving participants of GEF biodiversity projects from Belarus, Ukraine, Czech Republic, Slovakia, and the World Bank. Based on discussions held during the completion mission and at the regional workshop, the key lessons learned from the Recipient's perspective are:

a. Projects such as this should include a component on the role of public relations in reserve management. Although local communities approved the

expansion of the Carpathians Biosphere Reserve, these approvals occurred

at the local political level, and not necessarily based on good understanding of the issues by the local community. Public relations

activates under the project would have improved the flow of information

between local communities and the reserve management.

b. The applied research component should have been designed to have greater direct application to the management problems of the reserve,

including the social and economic conditions of the support zones.

c. Greater attention needs to be paid to integrating the project results

with policies related to forestry and taxation incentives for sustainable

forest management.

d. Although it is appropriate to target large groups for some professional

development and training activities, some of these activities would have a

greater impact if fewer people received more intensive, longer term training.

Two key lessons learned from the Bank's perspective are:

a. Biodiversity and natural resources management projects in countries in

transition should seek to improve the project's replicability by integrating the results into policy frameworks at local, regional,

and

national levels of government.

b. As in other GEF biodiversity projects in the region, a needs assessment

of the PMU early in implementation would have identified the need for

training in office management and business skills. Such training could

have reduced early delays in implementation and given greater time to the

substantive work to be done.