



Romania Integrated Nutrient Pollution Control Project (P093775)

EUROPE AND CENTRAL ASIA | Romania | Environment & Natural Resources Global Practice |
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Implementing Agencies: Ministry of Public Finance, Integrated Nutrient Pollution Control Project Management Unit

Key Dates

Key Project Dates

Bank Approval Date:30-Oct-2007

Effectiveness Date:08-Dec-2008

Planned Mid Term Review Date:29-Mar-2011

Actual Mid-Term Review Date:31-Mar-2011

Original Closing Date:31-Dec-2013

Revised Closing Date:31-Mar-2022

Project Development Objectives

Project Development Objective (from Project Appraisal Document)

To support the Government of Romania to meet the EU Nitrates Directive requirements by (a) reducing nutrient discharges to water bodies, (b) promoting behavioral change at the commune level, and (c) strengthening institutional and regulatory capacity.

Has the Project Development Objective been changed since Board Approval of the Project Objective?

Yes

Board Approved Revised Project Development Objective (If project is formally restructured)

The development objective of the project is to support the Government of Romania towards meeting EU Nitrate Directive requirements at a national scale.

Global Environmental Objective (from Project Appraisal Document)

To reeduce over the long term, the discharge of nutrients (nitrogen and phosphorous) into water bodies leading to the Danube and Black Sea through integrated land and water management.

Has the Global Environmental Objective been changed since Board Approval of the Project Objective?

No

Components

Name

Investments in Local Communities for Reducing Nutrient Pollution:(Cost \$93.90 M)

Institutional Strengthening and Capacity Building:(Cost \$14.00 M)



Public Awareness and Information Support:(Cost \$7.52 M)

Project management:(Cost \$10.57 M)

Overall Ratings

Name	Previous Rating	Current Rating
Progress towards achievement of PDO	● Satisfactory	● Moderately Satisfactory
Overall Implementation Progress (IP)	● Moderately Satisfactory	● Moderately Unsatisfactory
Overall Risk Rating	● Moderate	● Moderate

Implementation Status and Key Decisions

The Integrated Nutrient Pollution Control Project (INPCP) additional financing (€ 48 million) was approved by the Board of Executive Directors on March 28, 2016 and became effective one year after, on April 13, 2017.

INPCP is still the only project in Romania that finances direct investments in rural communities to support Romania in implementing the requirements of EU Nitrates Directive, bringing at the same time important environmental and social-economic benefits.

The INPCP original loan (4873-RO) closed after the grace period (September 30, 2017) with a final balance € 1.92 million (out of total € 50 mil.) that had not been used at the closing date, primarily due to cost savings, and the GEF Grant (TF058040-RO) closed with almost 100% execution of grant amount. This first phase of INPCP can be generally considered efficient and successful in meeting most targets with some of them even exceeded. The achievement of the PDO and GEO compared with the original targets was substantial, with some targets even surpassed.

The Additional Financing (AF) for INPCP represents a scaling up of the initial project, based on complementarity (to investments and planned activities by the GoR, EC funds availability, other donor's involvement) and demand-driven principles (communes will be selected based on competitive application process), incorporating lessons learned thus far. It will expand the coverage to the entire country and will take into consideration the location specific requirements of its different farming systems and agro-ecological regions.

Unfortunately, most of the actions agreed upon during the last mission have been delayed. So far, no disbursements have been possible since the new loan effectiveness because of such delays in project preparation faced by the PMU - several critical activities and contracts have not been launched in due time, which will generate additional delays in project implementation.

The 2017 budget allocation highlights reduced funds for INPCP AF (only € 1.97 million / 8.8 million lei), but this meets the PMU's estimates. In the same time, it poses serious concern on the good disbursement rate of additional financing in the first year of effectiveness.

The competitive investment program under Component 1 – the most attractive INPCP intervention for the local communities due to its significant allocation of AF loan financing (~ 70%) – suffered delays and the effective start of implementation (works execution) for the selected investments at the local levels will be postponed for 2019. A high interest all over the country was noticed from the local communities for this second phase of INPCP, with a registered number of 173 project proposals after the first Call of Proposals. These 173 requests for different types of investments have an estimated amount of around € 80 million, which is by far beyond the budget allocated (€ 33 million) under INPCP – Component 1.

The preparation of selected communities' investments will be postponed with several months, and their effective implementation will start with early 2019 only. This is because the timing necessary for the selected local beneficiaries to prepare the full applications on their own resources (feasibility studies, detailed design, obtaining all necessary approvals, including the MWF approval and the construction permit) is estimated at minimum 6 months after receiving from the PMU the confirmation that the respective project was approved for financing. Based on the current situation, the short-list with the selected local beneficiaries' projects that will potentially receive financing from INPCP will most probably be announced in early January next year.

Sub-component 2.1 "Development of national Knowledge Transfer Networks" (KTN) that will deliver effective, practical support to the farmers (especially the small ones in poor areas) in getting information and knowledge on eco-friendly agricultural practices, and in particular, on nutrient reduction practices, on-farm demonstrations and for improving compliance, adoption and control of code of good agricultural practices, continues to face delays in preparation, and has not yet being launched. These delays are still recoverable, especially after the recent PMU's team consolidation through the hiring of a full-time expert for agriculture and forestry. In the next period, this expert will coordinate the finalization of the TOR preparation and the launching of the procurement process for contracting three TA services for three regional KTN, with the aim to have such services in place in the second half of 2018.

The financial sustainability of the project's main investments – manure management platforms, biogas plant and sanitation systems – remains an



issue of concern. The financial sustainability assumed that the operational and maintenance costs of these facilities are to be covered by the communes. The efficiency and sustainability of the first investments carried out in the first phase of the INPCP was analyzed, and in numerous cases difficulties in operating such facilities were noticed: e.g. the balance between costs and revenues proved disadvantageous, the mode of operation is flawed in some cases, difficulties in ensuring the operational capacity of the investments, etc. **Therefore, a technical assistance** to analyze and identify concrete measures/solutions for supporting the local beneficiaries to increase the efficiency of their investments, but also to provide valuable advice on the long-term sustainability for the existing/new investments financed under INPCP was agreed to be in place by the second half of 2018. The Bank team considered to intensify its direct support to INPCP, and decided to organize bi-monthly technical meetings with the PMU and with the participation of the WB Romania Country Office portfolio team, to assess in detail the necessary actions to significantly improve the project implementation in the coming 6 - 9 months.

During the next implementation support mission the Bank will undertake an in-depth review of the project implementation, including a realistic disbursement plan and critical actions until the end of the project. As the project closing date is not extendible and, in the absence of significant progress in implementation until the next mission, the Bank will discuss with both, MWF and MPF, the realism of the undisbursed project balance, and the needed actions to be taken.

Risks

Systematic Operations Risk-rating Tool

Risk Category	Rating at Approval	Previous Rating	Current Rating
Political and Governance	--	● Substantial	● Substantial
Macroeconomic	--	● Moderate	● Moderate
Sector Strategies and Policies	--	● Moderate	● Moderate
Technical Design of Project or Program	--	● Moderate	● Moderate
Institutional Capacity for Implementation and Sustainability	--	● Moderate	● Moderate
Fiduciary	--	● Moderate	● Moderate
Environment and Social	--	● Low	● Low
Stakeholders	--	● Moderate	● Moderate
Other	--	--	--
Overall	--	● Moderate	● Moderate

Results

Project Development Objective Indicators

► Downward trend of nitrates concentration in waters: at least 70% of targeted project areas show 10% reduction in nitrates discharge to water bodies (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	56.9%	53.8%	70%
Date	16-Feb-2007	31-May-2017	31-Oct-2017	31-Mar-2022



Comments

The water quality in the targeted NVZs is monitored by ANAR through 122 monitoring wells. In 2016, only 117 piezometers could be monitored; the rest of 7 piezometers were dry or destroyed. The monitoring data provided by ANAR relieve that in 2016, a number of 63 of the monitored wells show nitrates (NO3) concentrations at least 10% lower as compared with the values measured in 2009. The monitoring data for year 2017 will be provided by ANAR by end-April 2018, when this indicator will be updated.

► Percentage of population in the project area adopting preventative and remedial measures to reduce nutrient discharges (index measures various rural waste management and good agricultural practices) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	3%	60.0%	60.0%	75%
Date	26-Feb-2009	31-May-2017	31-Oct-2017	31-Mar-2022

Comments

The value was updated based on the Final Survey completed in November 2016. Next update will be made available when the data provided by the Baseline Survey for the Additional Financing will be released - in 2018.

► Improved inter-governmental coordination and capacity to assess, monitor and report on progress with implementation of the EU Nitrates Directive (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	TBD from gap analysis report	Improvements acknowledged - Good capacity of the governmental institutions in the assessment, monitoring and reporting regarding the implementation of the EU Nitrates Directive	Improvements acknowledged - Good capacity of the governmental institutions in the assessment, monitoring and reporting regarding the implementation of the EU Nitrates Directive	Improvements acknowledged
Date	01-Feb-2008	31-May-2017	31-Oct-2017	31-Mar-2022

Comments

The Inter-ministerial Committee (IC) for the Implementation of the Action Plan for the protection of waters against pollution caused by nitrates from agricultural sources is fully functional and meets on regular basis.



► Favorable EU assessment of Romania's progress towards meeting EU Nitrates Directive (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	n.a.	Progress acknowledged	Progress acknowledged	Progress acknowledged through EU comments on reports.
Date	01-Feb-2008	31-May-2017	31-Oct-2017	31-Mar-2022

Comments

The report for the period 2012-2015 was submitted to the European Commission in due time (June, 2016). Although it was expected that a first draft of the Commission's Report to the Council and the European Parliament on the implementation of the Council Directive 91/676/EEC concerning the protection of waters against pollution caused by nitrates from agricultural sources based on Member State reports would be available by end March 2017, this report has not yet been disclosed.

► Nutrient load reduction (Nitrogen(N)) achieved under the project (Tones/year, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	311.23	311.23	600.00
Date	01-Feb-2008	31-May-2017	31-Oct-2017	31-Mar-2022

Comments

This indicator is yearly updated. The nutrient load reduction (N) was estimated based on the data reported by the communes for the year 2016. In addition to nitrogen (N), a reduction of phosphorous (P) of 164.16 t and of potassium (K) of 288.04 t was achieved. The next update will be issued in January 2018, based on the beneficiaries' reports on manure collection and use.

Overall Comments

Global Environmental Objective Indicators



► Increased awareness of linkages between local actions and impact on Black Sea and Danube River water quality (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	16.00	23.50	23.50	30.00
Date	26-Feb-2009	31-May-2017	31-Oct-2017	31-May-2017

Overall Comments

Intermediate Results Indicators

► Percentage of cropped area in the project communes under relevant nutrient reduction measures. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	9% (updated from baseline survey)	47%	47% (updated from the Original Loan survey)	60%
Date	26-Feb-2009	31-May-2017	31-Oct-2017	31-May-2022

Comments

In the case of farms/households which applied measures of nutrient reduction, an average percentage of 47% is reached. This represents the proportion of farms/households from the two groups of communes with Project investments (TDS and NVZs) in which an ecological agriculture was practiced, at least partially, at the level of 2016. However, on average, when considering the land cultivated by farms and that one ecologically cultivated, in the case of the two groups of communes where investments have been financed under the Project, it results that from the total cultivated area about 63% represent the area where relevant nutrient reduction measures, as described above, are applied.

► Increased number of groundwater quality monitoring sites and sample analysis for the Nitrate Directive (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	7.50	7.50	7.50	8.00
Date	04-Nov-2015	31-May-2017	31-Oct-2017	31-Mar-2022

Comments

No new investment to increase the number of monitoring wells for groundwater quality was implemented during the period.



► Number of farmers trained by knowledge and training providers on Code of Good Agricultural Practices (male/female disaggregated) (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	6,000.00
Date	04-Nov-2015	31-May-2017	31-Oct-2017	31-Mar-2022

Comments

This is a new indicator specific to the additional financing. The Knowledge Training Networks (KTN) are not yet established.

▲ Number of female farmers trained by knowledge and training providers on Code of Good Agricultural Practices (Number, Custom Breakdown)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	3,000.00
Date	04-Nov-2015	31-May-2017	31-Oct-2017	31-Mar-2022

► Number of meetings/public consultations/workshops organized towards meeting project objectives (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	54.00	54.00	100.00
Date	04-Nov-2015	31-May-2017	31-Oct-2017	31-Mar-2022



Comments

New meetings/public consultations will be organized after the new Public Awareness and Information Campaign for AF will be contracted.

► Percentage of questions, comments or complaints relevant to the project that are received and addressed within indicated 30 days (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	100.00	100.00	100.00
Date	04-Nov-2015	31-May-2017	31-Oct-2017	31-Mar-2022

Comments

A number of 41 questions and comments were received during the public consultation regarding the Guide for Applicants. All questions and comments were addressed and the responses were published on the Project's website within the indicated period of 30 days.

► Number of surveys conducted that collect feedback and report back the results to the communities (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	0.00	0.00	3.00
Date	04-Nov-2015	31-May-2017	31-Oct-2017	31-Mar-2022

Comments

This is a new indicator specific to the additional financing. However, during the implementation of the INPC - original loan, four surveys were carried out.



► Reduction in number of farmers penalized by APIA for non-compliance with Nitrate Directive (Percentage, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	50.00	50.00	50.00	30.00
Date	04-Nov-2015	31-May-2017	31-Oct-2017	31-Mar-2022

Comments

This is a new indicator. The baseline was estimated based on data provided by APIA in 2016. It appears that, in 2017, the number of farmers penalized by APIA is larger, possibly as a direct effect of strengthening the control system. It remains under the PMU's obligation to further investigate the issue and come back with a justified proposal for revision of the baseline value.

► Percentage of households with access and connection to sewage system (in targeted villages receiving sewage investments) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	36%	38%	60%
Date	16-Feb-2007	31-May-2017	31-Oct-2017	31-Mar-2022

Comments

Estimated as average of the connection percentages of each of the completed sewage systems.

► Land users adopting sustainable land mgt. practices as a result of the project (Number, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	25,800.00	25,800.00	30,000.00
Date	01-Feb-2008	31-May-2017	31-Oct-2017	31-Mar-2022

Comments

Actual values represent the same estimation based on the previous completed and functioning investments (65 platforms for manure management). However, in the last semester of 2016, another 18 manure platforms were constructed in 18 communes but, because they are still in the process of authorizing for functioning, these communes were not taken into account for this indicator update. The next update will be made in January 2018, based on the communes' reports.



► Working groups at Water Basin and County levels functioning effectively and all staff working on the Nitrates Directive fully operational. (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	Ad-hoc implementation of working groups	WGs effective to support EU reporting and to coordinate actions of other agencies.	WGs effective to support EU reporting and to coordinate actions of other agencies.	WGs effective to support EU reporting and to coordinate actions of other agencies
Date	16-Feb-2007	31-May-2017	31-Oct-2017	31-Mar-2022

► Number of technical staff (ANAR, EPA, Health Directorates) trained (cumulative) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	388.00	458.00	700.00
Date	26-Feb-2009	31-May-2017	31-Oct-2017	31-Mar-2022

Comments

Additional ANAR technical staff trained on flow measurements using different types of flowmeters.

► Number of communal platforms completed (cumulative) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	86.00	86.00	150.00
Date	26-Feb-2009	31-May-2017	31-Oct-2017	31-Mar-2022

Comments

There are 86 platforms for animal waste management and storage already completed in 81 communes under the original loan. No new investment in platforms for animal waste management was launched.



► Number of project communes implementing at least one of the following nutrient reduction measures: communal platforms, pasture rehabilitation, tree planting (cumulative) (Text, Custom)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	115.00	115.00	200.00
Date	26-Feb-2009	31-May-2017	31-Oct-2017	31-May-2022

Comments

Presently there are 115 communes implementing the different practices and measures for nutrients reduction.

- a) 50 NVZ communes implementing only manure management practices
- b) 12 NVZ communes implementing manure management, pastures rehabilitation and tree planting
- c) 19 NVZ communes implementing manure management and tree planting
- d) 34 NVZ communes implementing tree planting.

► Land area under sustainable landscape management practices (Hectare(Ha), Corporate)

	Baseline	Actual (Previous)	Actual (Current)	End Target
Value	0.00	21,316.00	21,316.00	38,000.00
Date	01-Feb-2008	31-May-2017	31-Oct-2017	31-Mar-2022

Comments

This indicator will be updated in January 2018, based on the communes' reports on practices adopted.

Overall Comments

Data on Financial Performance

Disbursements (by loan)

Project	Loan/Credit/TF	Status	Currency	Original	Revised	Cancelled	Disbursed	Undisbursed	Disbursed
P093775	IBRD-48730	Closed	USD	68.10	65.84	2.26	60.30	0.00	 92%

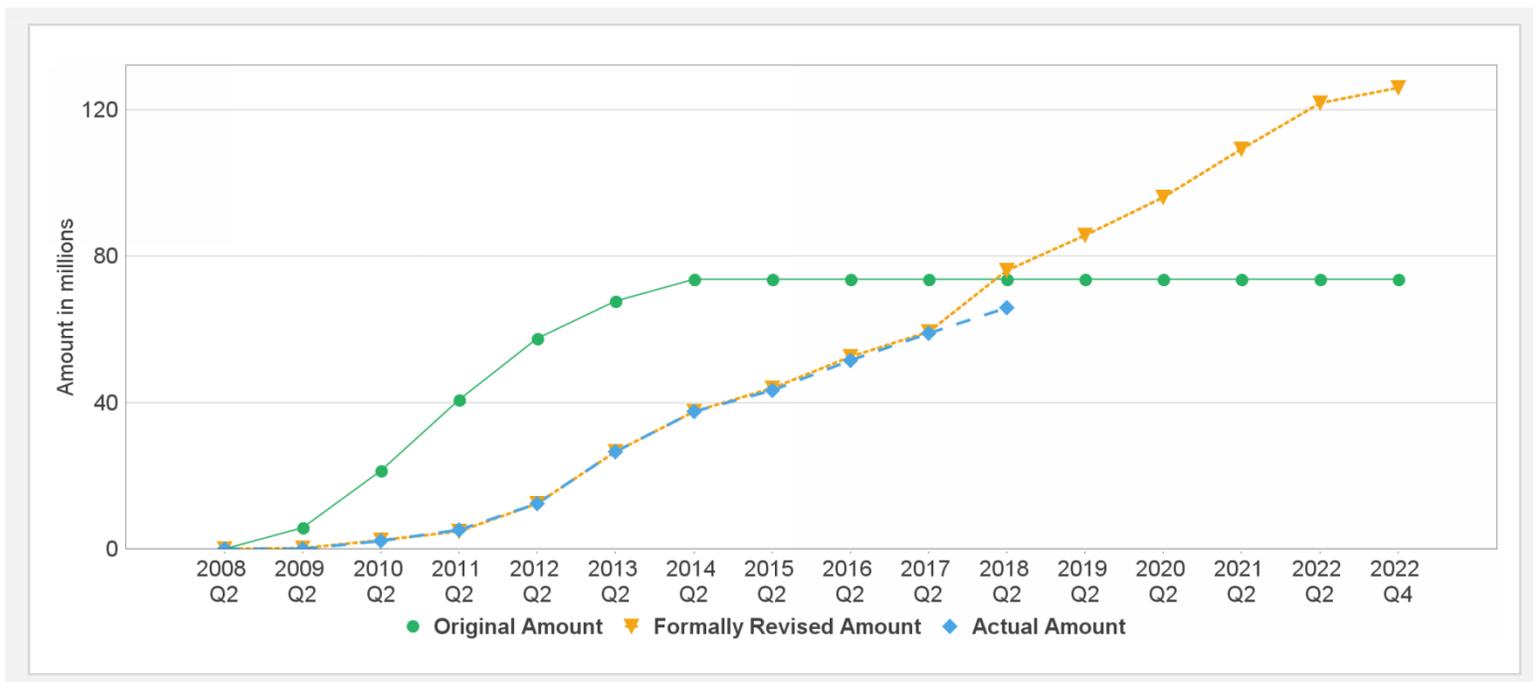


P093775	IBRD-85970	Effective	USD	52.39	52.39	0.00	0.19	52.21	0%
P099528	TF-58040	Closed	USD	5.50	5.47	0.03	5.47	0.00	100%

Key Dates (by loan)

Project	Loan/Credit/TF	Status	Approval Date	Signing Date	Effectiveness Date	Orig. Closing Date	Rev. Closing Date
P093775	IBRD-48730	Closed	30-Oct-2007	28-Dec-2007	08-Dec-2008	31-Dec-2013	31-May-2017
P093775	IBRD-85970	Effective	28-Mar-2016	14-Apr-2016	13-Apr-2017	31-Mar-2022	31-Mar-2022
P099528	TF-58040	Closed	28-Dec-2007	28-Dec-2007	08-Dec-2008	31-Dec-2013	31-May-2017

Cumulative Disbursements



Restructuring History

Level 1 Approved on 13-Jul-2012 ,Level 2 Approved on 05-Aug-2013 ,Level 2 Approved on 08-Sep-2015 ,Level 2 Approved on 03-Nov-2016

Related Project(s)

P099528-GEF Romania Integrated Nutrient Pollution Control Project ,P155594-Integrated Nutrient Pollution Control Project - Additional Financing