

# BLUEING THE BLACK SEA PROGRAM A REGIONAL INITIATIVE TO TACKLE MARINE POLLUTION AND CLIMATE CHANGE IN SUPPORT OF THE COMMON MARITIME AGENDA FOR THE BLACK SEA

Consultation workshop in Ukraine, 11 March 2021

# **Discussion** Paper

# I. Introduction

The 2019 Common Maritime Agenda for the Black Sea, negotiated with the active support of the Permanent International Secretariat of the Organization of the Black Sea Economic Cooperation (BSEC PERMIS), has created a new dynamic in the regional dialogue on sustainable Blue economy development and once more highlighted the need for effective preservation of the marine environment. In response to the ambitious political commitments under the <u>Common Maritime Agenda</u> by the six Black Sea littoral states and the Republic of Moldova (CMA countries), the World Bank has announced the deployment of the 'Blueing the Black Sea (BBSEA) program aiming to catalyze blue economy investments for the Black Sea and strengthen regional dialogue and institutions. The first activities under this umbrella program consists of an <u>analytical work</u> and a <u>project</u>. The latter, the <u>BBSEA Regional Project</u>, will be implemented by BSEC PERMIS and is expected to be launched in the 2<sup>nd</sup> half of 2021 with a focus on water borne marine pollution. A preparatory action, funded by the Global Environmental Facility (GEF) and led by BSEC PERMIS, is expected to deliver the critical elements for the design of the BBSEA Regional project (BBSEA GEF Regional Project) for 2021-2023 which in turn will support identification and preparation of investment to reduce pollution in the Black Sea. To this effect, seven national stakeholder consultation workshops will be organized – one in each CMA country. The cycle of consultations <u>started in Turkey</u>, the coordinator of the Common Maritime Agenda for the Black Sea in 2021, followed by <u>Georgia</u>, Ukraine, Moldova, Bulgaria, Romania and Russia.

The national consultations, held as webinars, will gather selected participants that include public authorities and policy makers responsible for issues related to marine environment, research, blue economy development and investment, as well as private organization working on marine pollution and financial institutions. In practice, the consultations will seek feedback on the state of play, pressing issues and priorities related to pollution prevention, reduction and control in the Back Sea, as well as the opportunities that result in the process.

# II. The pollution problem in the Black Sea

The Black Sea has a pollution problem that has turned it into one of Europe's most polluted seas in the past two decades and has implications for the littoral countries at economic, social (health) and environmental levels. Addressing nutrient pollution from point and diffuse sources will help mitigate one of the key drivers of eutrophication, which in turn has the potential to create huge impacts on GHG emissions. As outlined by Beaulieu et al (2019), "enhanced eutrophication of lakes and impoundments will substantially increase CH4 emissions from these systems (+30-90%) over the next century. This increased CH4 emission has an atmospheric impact of 1.7-2.6 Pg C-CO2-eq y-1, which is equivalent to 18-33% of annual CO2 emissions from burning fossil fuels. Thus, it is not only important to limit eutrophication to preserve fragile water supplies, but also to avoid acceleration of climate change."<sup>1</sup>

Pollution is a common problem, which requires a joint and coordinated regional solution. Although climate change is expected to exacerbate the pollution problem, the future impacts of pollution under a "business as usual" scenario in the Black Sea are not fully known **(Knowledge gap)**. Some existing national and regional policy and legal frameworks are not sufficient or conducive to support regional action against pollution and when they are, implementation is not necessarily effective **(Policy, legal and institutional gap)**. The lack of an accurate evaluation of pollution risks hampers the prioritization of impactful pollution reduction investments in the Black Sea basin **(Financial gap)**. This is evidenced by the limited innovation and coordinated investments towards pollution prevention, as well as the partial involvement of financial institutions in this domain.

Some of these gaps have already been addressed by policy initiatives at national and regional levels or actions by the industry (e.g. on waterborne pollution by ships). Others

<sup>&</sup>lt;sup>1</sup> <u>https://www.nature.com/articles/s41467-019-09100-5</u>

have been tackled mostly separately at the level of the coastal regions (e.g. collection and recycling of marine litter).

The current activities under the BBSEA program are described in the table below. The webinar in Ukraine will seek to discuss all key gaps in a uniform and focused manner, which will allow BSEC PERMIS and the World Bank to fine tune its actions on both fronts – analytical and investment – and gather concrete input for the Regional project design at the end of the webinar.

Identified Gaps	Analytical Work Turning the Tide of Pollution	BBSEA GEF Regional Project	Timeframe							
			2021 S1	2021 S2	2022 S1	2022 S2	2023 S1	2023 S2	2024 S1	2024 S2
Information & Knowledge	Sources of pollution/ Hotspots of pollution									
	Benefits of addressing pollution									
	Business as usual scenarios (Qualitative assessment)									
		Cost of Pollution on national economies (Quantitative assessment)								
Policy, Legal and Institutions	Institutional policy and legal analysis									
		Regional dialogue								
		Capacity building for regional coordination								
Financing and Investments		Sustainable business standards and guidelines								
		Investment prioritization and preparation								
		Investment plans for pollution prevention and circular economy prepared.								
		Eco-business grants provided through competition								

# III. Structure of the consultation

# 1. Choreography

Following the opening ceremony and the brief introduction of the BBSEA umbrella program, the consultation in Ukraine will be practically carried out during the two working sessions. Working session 1: Turning the Tide of Pollution in the Black Sea will focus on the analytical component of the BBSEA (the report), while Working session 2:

BBSEA GEF Regional project, will focus on Ukraine's priority for this investment/technical assistance project.

Following a brief reminder of the topic and the objectives of the respective session, the moderator will seek feedback from the participants on the questions put forward in this paper. The participants may use the chat function to provide answers or participate in the polls if suggested by the moderators. High-quality interpretation will be available to facilitate interaction.

The indicative questions will guide the conversation and: *help validate/fine-tune the findings of the gap analysis carried out by the World Bank analytical teams; help understand what concrete actions/interventions are planned at national level to overcome the identified gaps and the marine pollution problem; help identify the actors that can take these actions forward and appropriate funding avenues; help understand the interest in and identify the practical shape of a potential eco-business competition that may cover Ukraine.* 

#### 2. Themes and questions

#### Working session 1: Turning the Tide of Pollution in the Black Sea

This working session will introduce the World Bank-led effort to establish an up-to-date diagnostic of the state of play and issues at stake regarding marine pollution in the Black Sea on the example of the efforts of the coastal countries. Through a targeted discussion, the panel will aim at identifying the sources, impacts and prevention efforts (information and institutional gaps) related to marine pollution, as well the key pollution challenges in Ukraine. The findings will feed into an in-country pollution diagnostic paper, which, in turn, will inform the BBSEA-GEF architecture.

#### **Indicative Questions for discussion**

- Will the diagnostic (i) legal and institutional analysis; and (ii) regional pollution diagnostic contribute to the regional efforts to address marine pollution?
- Does the scope of the diagnostic activities reflect on the main gaps that need to be addressed?
- Which are the stakeholders that have the most important role in addressing marine pollution and should be involved in the technical committee?
- Are there any other similar or relevant existing projects and initiative at national and regional levels that we should consider?
- What are the most important pollution sources, and/or human activity impacting health of marine ecosystems in the Black sea that the "Turning the tide of pollution report" should assess?
- Can institutional, legal and policy reforms help to address pollution issues?

- What are the priorities of your country related to marine pollution prevention and reduction; pragmatic avenues to reduce marine pollution and stimulate sustainable practices?
- ▶ What further support would you need from the World Bank to accompany the pollution-free development of blue economy in the Black sea?

#### Working session 2: BBSEA GEF Regional project, Focus on Ukraine

The working session will present the planned BBSEA-GEF project and aim at gathering feedback on its key components. The project includes a long list of activities some of which primarily at national level (with regional coordination element) and some primarily at regional level (with some national aspect). This set of activities is a long list that will be streamlined based on country priorities as voiced during the consultations.

Activities primarily at national level include:

- A. The Cost of Pollution on the national economies;
- B. Cross sectoral Coordination Mechanism for the Blue Economy;
- C. National investment Plans for Pollution Prevention and Circular Economy (including financing targets and monitoring);
- D. Eco-Business Competition and Grants to reduce pollution and improve water quality run-off to the Black Sea;
- E. Preparation and fund raising for investment to reduce pollution and improve water quality run off to the Black Sea.

Activities primarily at regional level include:

- F. Development of Sustainable Business Standards and Guidelines in key sectors (agriculture, aquaculture, tourism, shipping and water management);
- G. Capacity building in banking for green finance and innovation;
- H. Awareness raising on the issue of pollution in the Black Sea.

# Indicative Questions for discussion

- > What are the topmost important national level activities for your country?
- What are the topmost important regional level activities for your country?
- **Does your country need an investment Plan for Pollution Prevention?**
- Who are the suitable competitors for the eco-business grant competition to reduce pollution and improve water quality run-off to the Black Sea?
- What are the priority sectors for the eco-business grant competition to reduce pollution and improve water quality run-off to the Black Sea?
- Do you know other eco-business grant competition programs dedicated to reducing pollution?

- What investment would be the most efficient to reduce pollution and improve water quality run-off in your country?
- Are there any standards and/or procurement rules for sustainable business operations and investments in your country applied by banks, private investors and development agencies in projects in the domains of agriculture, aquaculture, tourism, shipping and water management?
- What do you consider a good way to support/ promote eco-sustainable business practices and innovation supporting pollution reduction?
- Are there any institutions, at national level or at regional level, that promote investments in green technologies, circular economy models or novel green infrastructures for pollution reduction, waste management and recycling related to marine pollution?
- Are there any financial institutions and (equity) funds active in your country that strategically target and support companies or early-stage ventures that develop solutions for the pollution problem?

These consultation themes do not include all topics related to marine pollution in the Black Sea, nor can they embrace all potential activities for the investment and analytical components of BBSEA as outlined above. However, they offer a good entry point for discussion. Not least, with the progress of the consultations in the other countries, the thematic focus could evolve and integrate additional facets based on the audience, interest or the overall needs of the consultation.