

The World Bank

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT
INTERNATIONAL DEVELOPMENT ASSOCIATION
REGIONAL OFFICE FOR UKRAINE, BELARUS AND MOLDOVA

2 Lysenka Str.
Kyiv 01034
Ukraine

(380-44) 490-6671
(380-44) 490-6672
(380-44) 490-6673

September 2, 2004

His Excellency
Vasile Tarlev
Prime-Minister
Chisinau
Republic of Moldova

Dear Mr. Tarlev,

*Re: Moldova - Biodiversity Conservation in the Lower Nistru River
(GEF Medium Sized Project TF050804)
Follow-up of Mid-Term Review Mission*

This letter is to follow up on the recent supervision mission of the World Bank on the above mentioned project.

As you are aware, the implementation of the project has been now significantly delayed by the lack of decision for creating the "Nistrul de Jos" National Park, and is proceeding unsatisfactorily. My letter of March 3, 2004 had outlined the Bank's position on the pending issues in the project, and expressed the Bank's concern over its implementation. While approval of the Draft Parliament Decision for the creation of the proposed National Park by the Government back in December 2003 was encouraging, the Decision was actually submitted to Parliament only in June 2004 and Parliament failed to endorse the Decision by the end of its summer session. With project scheduled to close on April 30, 2005, major works under the project withheld from implementation in the absence of the institutional framework, i.e. National Park, and postponement of the consideration of the decision by Parliament to its Fall session, the future of the entire project has become uncertain.

We have received a letter from Biotica NGO asking the Bank to extend the closing date of the Project for one year from the currently scheduled April 30, 2005 due to mentioned delays; and also to reallocate funds between project components in response to Government's request agreed with Vice Prime-Minister, Mr. Todoroglo. While we are ready to consider these requests, we can only do so once either a Decision to create the proposed National Park is enacted and implemented by the Government; or alternative mechanisms for implementing the project and achieve its original objectives are developed and accepted by Biotica and the Bank. In any case, we would like to receive a confirmation of either of the above by **October 30, 2004**, after which it will be extremely difficult to justify any extension or changes to the project.

I am aware how much effort you and Mr. Todoroglo have personally made in resolving this outstanding and essential issue, and hope you can further assist in facilitating this decision, and its implementation. I would like to note again that successful implementation of the project would have a positive effect on other similar ongoing and planned activities in the country funded by the GEF.

I endorse the Aide Memoire of the Mission, with a copy attached for your information and action. For shared interest, I am copying this letter to the officials listed below.

We look forward for your continued support of the Project.

Sincerely,



Luca Barbone
Director
Ukraine, Belarus and Moldova
Europe and Central Asia

Attachment
Aide-Memoire

Copied to: H.E. Dmitri Todoroglo, Vice Prime Minister and Minister of Agriculture and Food Industry
H.E. Constantin Mihailescu, Minister of Environment
H.E. Zinaida Grecianii, Minister of Finance
H.E. Marian Lupu, Minister of Economy
Mr. Piotr Gorbunenko, Director, Biotica NGO
Mr. Igor Gorashov, Director, CAPMU
Mr. Ad Melkert, Executive Director, World Bank
Ms. Tamara Solyanyk, Alternate Executive Director, World Bank