

Advancing transboundary co-operation and Integrated Water Resources Management in the Dniester River Basin through implementation of the Strategic Action Programme (SAP)

Basic Information

GEF ID

10805

Countries

Regional (Moldova, Ukraine)

Project Title

Advancing transboundary co-operation and Integrated Water Resources Management in the Dniester River Basin through implementation of the Strategic Action Programme (SAP)

GEF Agency(ies)

UNDP

Agency ID

UNDP: 6643

GEF Focal Area(s)

International Waters

Program Manager

Steffen Hansen

PIF

Part I – Project Informatic

Focal area elements

1. Is the project/program aligned with the relevant GEF focal area elements in Table A, as defined by the GEF 7 Programming Directions?

Secretariat Comment at PIF/Work Program Inclusion

SH (3.30.21): Cleared. The project builds on a TDA/SAP foundational project phase and is in alignment with relevant IW GEF-7 strategic priorities.

Agency Response

Indicative project/program description summary

2. Are the components in Table B and as described in the PIF sound, appropriate, and sufficiently clear to achieve the project/program objectives and the core indicators?

Secretariat Comment at PIF/Work Program Inclusion

SH (3.30.21): Yes, the components are structured to deliver against SAP priorities and are described clearly. Cleared.

Agency Response

Co-financing

3. Are the indicative expected amounts, sources and types of co-financing adequately documented and consistent with the requirements of the Co-Financing Policy and Guidelines, with a description on how the breakdown of co-financing was identified and meets the definition of investment mobilized?

Secretariat Comment at PIF/Work Program Inclusion

SH (3.30.21):

1. All co-financing is "in-kind". Please review the definition/guidelines for GEF co-financing and reconsider if some of the co-financing would classify as other than "in-kind" (which refers to operational recurrent costs).

SH (4.29.21): Cleared.

2. There are several in-kind co-financing sources that have been identified as "investment mobilized". Where co-financing truly meets the definition of "in-kind", it should typically be classified as "recurrent expenditures" rather than "investment mobilized". Please provide justification.

SH (4.29.21): Cleared. Specific to the co-finance from the Ukrnafta private company. During PPG please further validate the nature of this co-finance and reclassify as needed by the time of CEO endorsement.

3. Please use "donor Agency" for the co-financing from the World Bank, as it is not GEF Agency for this project.

SH (4.29.21): Cleared.

4. Specific to the Table C sub-heading "Describe how any "Investment Mobilized" was identified": Please note that a description of all investment mobilized needs to be inserted under this heading. GEF ID 10565 and ID 10722 may be used as good examples specific to the level of detail required.

SH (4.29.21): Cleared.

5. Poland occupies 0.5 % of the basin. Please clarify if project co-finance from Poland will be explored during PPG?

SH (4.29.21): Cleared.

6. Cofinancing comment specific to PMC Proportionality: there is not proportionality in the co-financing contribution to PMC. If the GEF contribution is kept at 4.9%, for a co-financing of \$29,410,000 the expected contribution to PMC must be around \$1,441,090 instead of \$690,000 (which is 2.34%). As the costs associated with the project management have to be covered by the GEF portion and the co-financing portion allocated to the PMC, the GEF contribution and the co-financing contribution must be proportional, which means that the co-financing contribution to PMC should be increased to reach a similar level. Please look for ways of increasing the PMC co-financing portion. A more definitive estimation of PMC should be presented and adjusted at CEO Endorsement stage.

SH (4.29.21): not cleared. Thanks you for adjusting the co-finance PMC contribution, however, the GEF PMC contribution has been increased beyond the allowable CAP. Please readjust the GEF PMC contribution.

SH (4.30.21): Cleared.

Agency Response

UNDP Response, 28 April 2021

1. Changes to the type of co-financing have been reflected in Table C accordingly.
2. Please note the information provided and please refer to the above response (Investment Mobilized - Co-Financing that excludes recurrent expenditures). Furthermore, with regard to Ukrnafta, the funds of the company do not fall under the categories provided under the drop-down menu (Grant/ Soft Loan/ Hard Loan/ Guarantee/ In-kind/ Unknown at this stage). Any guidance on this issue would be much appreciated.
3. Source of Co-financing has been adjusted accordingly.
4. A description of all investment mobilized was inserted under the respective heading in the PIF document.
5. In light of the fact that the Polish water authorities provided co-financing to the foundational project, the co-financing of the follow-up project will be explored in the PPG phase.
6. The PMC Proportionality has been adjusted accordingly at 5% for each of the GEF contribution and co-financing shares.

UNDP Response 30 April 2021

GEF PMC contribution is revised.

GEF Resource Availability

4. Is the proposed GEF financing in Table D (including the Agency fee) in line with GEF policies and guidelines? Are they within the resources available from (mark all that apply):

Secretariat Comment at PIF/Work Program Inclusion SH (3.30.21): Yes, cleared.

Agency Response

The STAR allocation?

Secretariat Comment at PIF/Work Program Inclusion

Agency Response

The focal area allocation?

Secretariat Comment at PIF/Work Program Inclusion SH (3.30.21): Yes, cleared.

Agency Response

Agency response

The LDCF under the principle of equitable access?

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

The SCCF (Adaptation or Technology Transfer)?

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

Focal area set-aside?

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

Impact Program Incentive?

Secretariat Comment at PIF/Work Program Inclusion NA

Agency Response

Project Preparation Grant

5. Is PPG requested in Table E within the allowable cap? Has an exception (e.g. for regional projects) been sufficiently substantiated? (not applicable to PFD)

Secretariat Comment at PIF/Work Program Inclusion SH (3.30.21): Yes, PPG requested is within the allowable cap. Cleared.

Agency Response

Core indicators

6. Are the identified core indicators in Table F calculated using the methodology included in the corresponding Guidelines? (GEF/C.54/11/Rev.01)

Secretariat Comment at PIF/Work Program Inclusion

SH (3.30.21):

1. Core Indicator 7.1: Please populate core indicator 7.1 by selecting the Dniester River Basin
2. Core Indicator 7.3: the value 3 has been selected and which reflects national/local reforms and IMCs in place. The current project will

deliver new laws and regulations specific to SAP implementation (output 2.1.1). Please look at the GEF Core Indicator Guidance document and consider if the selected value 3 is the most appropriate rating. http://www.thegef.org/sites/default/files/documents/Results_Guidelines.pdf

3. Core Indicator 7.4: please change the rating to “1”.

SH (4.29.21): Cleared.

Agency Response

UNDP Response, 28 April 2021

1. the Dniester River Basin has been indicated under Indicator 7.1

2. Core Indicator 7.3. has been adjusted accordingly

3. The rating has been changed to “1” as requested.

Project/Program taxonomy

7. Is the project/program properly tagged with the appropriate keywords as requested in Table G?

Secretariat Comment at PIF/Work Program Inclusion SH (3.30.21): Yes, cleared.

Agency Response

art II – Project Justification

1. Has the project/program described the global environmental/adaptation problems, including the root causes and barriers

that need to be addressed?

Secretariat Comment at PIF/Work Program Inclusion

SH (3.30.21): Yes, cleared.

Overall, this is a strong project designed to enable the countries to build confidence at the national and transboundary levels for improved water management and strengthened regional cooperation. The full application of the Treaty and the institute of the Dniester River Basin Commission will help the countries to meet their commitments and goals specific to multiple conventions and while further aligning their water management practices with the EU water directive.

Agency Response

2. Is the baseline scenario or any associated baseline projects appropriately described?

Secretariat Comment at PIF/Work Program Inclusion

SH (3.30.21): Yes, the baseline is clearly defined, including via a detailed description of the past GEF supported foundational TDA/SAP phase. Cleared.

Agency Response

3. Does the proposed alternative scenario describe the expected outcomes and components of the project/program?

Secretariat Comment at PIF/Work Program Inclusion

SH (30.3.21): Clear alignment between project components and SAP priorities is demonstrated.

Please address the below comments specific to Outputs listed in table B and under the PIF Component descriptions:

1. Output 1.1.1: monitoring and information management and strengthening joint data analysis is mentioned under the component 1 description, however, these type activities are not mentioned in the list of potential output activities. In the PIF please be clear if the project

description, however, these type activities are not mentioned in the list of potential output activities. In the PIF, please be clear if the project will support activities such as joint data protocols, mainstreaming of joint data standards, setting up of a central potential data repository etc.? Also, in the output description please be clear on the connections to e.g. output 6.1.2.

SH (4.29.21): Cleared.

2. Output 2.1.1: As part of the 2.1.1 output formulation, please include language along the lines of....“presented to countries for adoption”.

SH (4.29.21): Cleared.

3. It is not clear how output 3.1.1 and 3.1.2 build on each other. Please introduce some additional explanatory text in the output descriptions.

SH (4.29.21): Cleared.

4. There are clear synergies across output 5.1.1 (awareness raising) and output 6.1.1 and 6.1.2 focusing on engaging the wider science community and potentially also developing new student curriculums etc. to inform interest and skills of a new generation. Please be clear on such synergies in relevant output descriptions.

SH (4.29.21): Cleared.

Finally, by CEO Endorsement the table-B outputs should be refined and made more tangible: e.g. outputs should include an expected minimum # of e.g. of laws/regulations drafted and presented for endorsement, trainings, methodologies and investments plans developed, demonstration projects per country etc.

SH (4.29.21): Cleared.

Agency Response

Please address the below comments specific to Outputs listed in table B and under the PIF Component descriptions:

1. Output 1.1.1: monitoring and information management and strengthening joint data analysis is mentioned under the component 1 description, however, these type activities are not mentioned in the list of potential output activities. In the PIF, please be clear if the project will support activities such as joint data protocols, mainstreaming of joint data standards, setting up of a central potential data repository etc.? Also, in the output description please be clear on the connections to e.g. output 6.1.2.

Agency Response
UNDP Response 28 April 2021

Additional information has been inserted under Component 1 and under Output 1.1.1 in the PIF document.

2. Output 2.1.1: As part of the 2.1.1 output formulation, please include language along the lines of....“presented to countries for adoption”.

Agency Response
UNDP Response 28 April 2021

Additional wording has been included, in line with the suggestion made.

3. It is not clear how output 3.1.1 and 3.1.2 build on each other. Please introduce some additional explanatory text in the output descriptions.

Agency Response
UNDP Response 28 April 2021

Additional information has been inserted under Output 3.1.1 and Output 3.1.2 in the PIF document.

4. There are clear synergies across output 5.1.1 (awareness raising) and output 6.1.1 and 6.1.2 focusing on engaging the wider science community and potentially also developing new student curriculums etc. to inform interest and skills of a new generation. Please be clear on such synergies in relevant output descriptions.

Agency Response
UNDP Response 28 April 2021

Additional information has been inserted Output 5.1.1, Component 6, Output 6.1.1 and Output 6.1.2

Finally, by CEO Endorsement the table-B outputs should be refined and made more tangible: e.g. outputs should include an expected minimum # of e.g. of laws/regulations drafted and presented for endorsement, trainings, methodologies and investments plans developed, demonstration projects per country etc.

Agency Response
UNDP Response 28 April 2021

Table B has been adjusted accordingly.

4. Is the project/program aligned with focal area and/or Impact Program strategies?

Secretariat Comment at PIF/Work Program Inclusion

SH (3.30.21): Cleared. The project builds on a TDA/SAP foundational project phase and is in alignment with relevant IW GEF-7 strategic priorities.

Agency Response

5. Is the incremental/additional cost reasoning properly described as per the Guidelines provided in GEF/C.31/12?

Secretariat Comment at PIF/Work Program Inclusion

SH (3.30.21): Cleared. the incremental cost reasoning is clearly described.

Agency Response

6. Are the project's/program's indicative targeted contributions to global environmental benefits (measured through core indicators) reasonable and achievable? Or for adaptation benefits?

Secretariat Comment at PIF/Work Program Inclusion

SH (3.30.21): Cleared.

Agency Response

7. Is there potential for innovation, sustainability and scaling up in this project?

Secretariat Comment at PIF/Work Program Inclusion

SH (3.30.21): Cleared. For the region, the project demonstrates innovation at a number of levels. The hydro-power stakeholders and other private sector agents are well integrated into the project, while the continued support towards the Dniester River Basin Commission and engagement with IFIs to advance SAP priorities at multiple levels will be key towards securing long term sustainable management and economic development.

Agency Response

Project/Program Map and Coordinates

Is there a preliminary geo-reference to the project's/program's intended location?

Secretariat Comment at PIF/Work Program Inclusion

SH (3.30.21): Cleared.

Agency Response

Stakeholders

Does the PIF/PFD include indicative information on Stakeholders engagement to date? If not, is the justification provided appropriate? Does the PIF/PFD include information about the proposed means of future engagement?

Secretariat Comment at PIF/Work Program Inclusion

SH (3.30.21): Cleared. The Dniester commission, its working groups representing water and environment (central and local) authorities, along with research institutes and NGOs were part of the PIF development process.

Agency Response

Gender Equality and Women's Empowerment

Is the articulation of gender context and indicative information on the importance and need to promote gender equality and the empowerment of women, adequate?

Secretariat Comment at PIF/Work Program Inclusion

SH (3.30.21):

Please address the below comment:

Gender section: well noted that the gender strategy specific to the foundational strategy will be updated, however, the PIF gender section should still provide info specific to the below three points. Please address.

1. Please include a minimum of information specific to why gender is important in the Dniester River basin.
2. Please include wording on how the project plan to mainstream findings from the gender action plan into the different project outcomes and outputs, including new laws and regulations.
3. Please in the PIF gender section confirm that the project plans to collect sex-disaggregated data

SH (4.29.21): Please note that during PPG the project is expected to identify and engage organizations with expertise in Ukraine/Moldova gender equality issues specific to the water sector and beyond. The outcomes of these discussions should help inform a fully integrated gender action plan, which, to the extent possible, contain developed sex-disaggregated indicators and targets, to be endorsed at the project validation meeting.

Agency Response

UNDP Response 28 April 2021

Additional information on gender mainstreaming has been incorporated in the PIF document under the gender section.

Private Sector Engagement

Is the case made for private sector engagement consistent with the proposed approach?

Secretariat Comment at PIF/Work Program Inclusion

SH (3.30.21): Cleared. Hydro-power stakeholders and other private sector agents are well integrated into the project.

Agency Response

Risks to Achieving Project Objectives

Does the project/program consider potential major risks, including the consequences of climate change, that might prevent the project objectives from being achieved or may be resulting from project/program implementation, and propose measures that address these risks to be further developed during the project design?

Secretariat Comment at PIF/Work Program Inclusion

SH (3.30.21): At this stage the risk section is sufficiently developed, however, please address the below comments specific to Climate Risk Screenings:

Climate Risk Screenings: The PIF states "Please refer to the Support Document – Climate Change Screening for the Dniester Project for more information on this topic." Please upload the referenced climate risk screening.

SH (4.29.21): A detailed and informative climate risk screening has been added. Cleared.

Agency Response

UNDP Response 28 April 2021

The Support Document – Climate Change Screening for the Dniester Project has been provided separately, together with the PIF document. For ease of reference, it has now been inserted as ANNEX D in the PIF Document.

Coordination

**Is the institutional arrangement for project/program coordination including management, monitoring and evaluation outlined?
Is there a description of possible coordination with relevant GEF-financed projects/programs and other bilateral/multilateral initiatives in the project/program area?**

Secretariat Comment at PIF/Work Program Inclusion

SH (3.30.21): Cleared. By CEO Endorsement, additional clarity will need to be provided regarding how OSCE/UNECE will work with national water agencies in the execution of the project, including pilot activities. Note that the project will need to clearly demonstrate how national capacity is built.

Agency Response

Consistency with National Priorities

Has the project/program cited alignment with any of the recipient country's national strategies and plans or reports and assessments under relevant conventions?

Secretariat Comment at PIF/Work Program Inclusion

SH (3.30.21):

1. A signed Dniester SAP is a prerequisite for GEF to consider support. Please upload the signed SAP to the list of project documents along with a draft TE from the previous GEF supported TDA/SAP development phase.

SH (4.29.21): Cleared.

Agency Response

UNDP Response 28 April 2021

The Joint Statement on the Strategic Action Programme for the Dniester River Basin for 2021-2035 has been incorporated as Annex E into the PIF document.

The draft TE has been shared as a separate document.

Knowledge Management

Is the proposed “knowledge management (KM) approach” in line with GEF requirements to foster learning and sharing from relevant projects/programs, initiatives and evaluations; and contribute to the project’s/program’s overall impact and sustainability?

Secretariat Comment at PIF/Work Program Inclusion

SH (3.30.21): Yes, cleared. The project factors in several knowledge management elements and in fact build on a large number of lessons learnt from previous GEF IW investments. A com's and KM strategy will be developed during PPG and presented by CEO endorsement stage.

Agency Response

Environmental and Social Safeguard (ESS)

Are environmental and social risks, impacts and management measures adequately documented at this stage and consistent with requirements set out in SD/PL/03?

Secretariat Comment at PIF/Work Program Inclusion

SH (3.30.21): The SEST should be signed and a date added to the document. Please include this info and resubmit a revised version.

SH (4.29.2021): Cleared.

Agency Response

UNDP Response 28 April 2021

The SESP is internal documentation, which will be signed following GEFSec approval. Please refer to page [12 of SESP Guidance Note](#).

art III – Country Endorsements

Has the project/program been endorsed by the country's GEF Operational Focal Point and has the name and position been checked against the GEF data base?

Secretariat Comment at PIF/Work Program Inclusion

SH (3.30.21): Both Moldova and Ukraine have submitted valid LOEs. Cleared.

Agency Response

Termsheet, reflow table and agency capacity in NGI Projects

Does the project provide sufficient detail in Annex A (indicative termsheet) to take a decision on the following selection criteria: co-financing ratios, financial terms and conditions, and financial additionality? If not, please provide comments. Does the project provide a detailed reflow table in Annex B to assess the project capacity of generating reflows? If not, please provide comments. After reading the questionnaire in Annex C, is the Partner Agency eligible to administer concessional finance? If not, please provide comments.

Secretariat Comment at PIF/Work Program Inclusion

NA

Agency Response

EFSEC DECISION

RECOMMENDATION

Is the PIF/PFD recommended for technical clearance? Is the PPG (if requested) being recommended for clearance?

Secretariat Comment at PIF/Work Program Inclusion

SH (3.30.21): Please address comments and resubmit.

SH (4.29.21): Please address the below comment and resubmit:

PIF table B: The GEF PMC contribution has been increased beyond the allowable CAP. Please readjust the GEF PMC contribution and resubmit.

SH (5.4.21): Please annex minutes of meetings that show the agreement of the participant countries regarding the choice of OSCE as the Executing Entity.

SH (5.5.21): PM recommends for technical clearance.

ADDITIONAL COMMENTS

Additional recommendations to be considered by Agency at the time of CEO endorsement/approval.

Secretariat Comment at PIF/Work Program Inclusion

SH (3.30.21):

By CEO Endorsement the table-B outputs should be refined and made more tangible: e.g. outputs should include an expected minimum # of e.g. of laws/regulations drafted and presented for endorsement, trainings, methodologies and investments plans developed, demonstration projects per country etc.

Please note that during PPG the project is expected to identify and engage organizations with expertise in Ukraine/Moldova gender equality issues specific to the water sector and beyond. The outcomes of these discussions should help inform a fully integrated gender action plan, which, to the relevant possible, contain developed sex-disaggregated indicators and targets, to be endorsed at the project validation meeting.

Review Dates

PIF Review	Agency Response
First Review	
Additional Review (as necessary)	
Additional Review (as necessary)	
Additional Review (as necessary)	
Additional Review (as necessary)	

PIF Recommendation to CEO

Brief reasoning for recommendations to CEO for PIF Approval

Background: Of the total area of the Dniester River basin, 73 per cent is within the borders of Ukraine, almost 27 per cent falls within the borders of Moldova (including Transdnistria), and less than 0.5% belongs to Poland. The Dniester is one of the largest rivers in Ukraine and it is the largest river in Moldova. It flows from Ukraine, on the border between the two countries and then into Moldova before it returns to Ukraine. Thus, both countries are upstream as well as downstream. The river is part of the Black Sea basin. The overall length of the river is

1,350 km, and the surface area of the basin covers more than 72,000 km². The source of the Dniester is in the Carpathian Mountains at an elevation of 911 metres above sea level and the river flows into the Dniester Estuary, an inlet of the Black Sea, which is separated from it by a narrow spit. Reservoirs in the basin include the Dubasari in Moldova and the Novodnistrovsk hydroelectric power complex located upstream on the border between Ukraine and Moldova, consisting of the main reservoir and buffer reservoir of the Dniester Hydroelectric Power Plant (HPP) and the reservoir of the pumped-storage HPP.

Project scope: Both the Republic of Moldova and Ukraine are aware that outdated approaches and uncoordinated water management have negative impacts on economic development, human development and intersectoral coordination at the national and regional levels. The countries seek to avoid these negative externalities by advancing the implementation of the EU Water Framework Directive (EU WFD), coordinating the corresponding River Basin Management Plans (RBMPs) developed at the national level and agreeing on a Strategic Action Programme (SAP) that addresses priority transboundary issues at the basin level. This project kick-start the implementation of the agreed SAP via the following six project components:

1. Strengthening Moldovan-Ukrainian cooperation in the field of water resources management
2. Strengthening the regulatory framework and national capacities to implement the SAP, country commitments under the UNECE Water Convention and the EU Water Framework Directive (EU WFD) in the Dniester River basin
3. Reducing anthropogenic impact to improve ecological status in the Dniester River basin as defined in the SAP
4. Adaptation to climate change and increasing preparedness for and resilience to natural disasters
5. Public awareness and involvement projects to empower and raise the capacity of stakeholders, project communications, outreach and M&E
6. Enhancing research for governance in the Dniester River basin as identified in the SAP

Project innovation and sustainability: The previous project has likely played a positive role in building trust and mitigating conflict in a regional challenged by conflict. This second GEF IW supported intervention will build on the approaches gained from the previous GEF and other donor initiatives in the basin and the project's innovation include the further establishment of synergies between the GEF IW process and the application of EU legislation in both countries; the close involvement of the hydro-energy sector in basin-wide cooperation as part of a nexus approach; the introduction of robust modelling hydrological models in the development of flood protection; and the involvement of professional mediators and communications experts to boost the efficacy of the project interventions in a challenging environment. Project sustainability will be further strengthened amongst others via support for the long-term engagement for cooperation of the two countries under the bilateral Treaty and the Dniester Commission, hereunder as part of the multi-faceted implementation of the SAP.

