



# REQUEST FOR CEO ENDORSEMENT

**PROJECT TYPE: Full-sized Project**

**TYPE OF TRUST FUND: GEF Trust Fund**

For more information about GEF, visit [TheGEF.org](http://TheGEF.org)

## PART I: PROJECT INFORMATION

Project Title: Enabling transboundary cooperation and integrated water resources management in the extended Drin Basin.			
Country(ies):	Albania, FYR Macedonia, Montenegro	GEF Project ID: <sup>1</sup>	4483
GEF Agency(ies):	UNDP	GEF Agency Project ID:	4482
Other Executing Partner(s):	GWP, GWP-Med	Submission Date:	24 July 2014
GEF Focal Area (s):	International Waters	Project Duration(Months)	48
Name of Parent Program (if applicable):	NA	Project Agency Fee (\$):	450,000
<ul style="list-style-type: none"> <li>➤ For SFM/REDD+ <input type="checkbox"/></li> <li>➤ For SGP <input type="checkbox"/></li> <li>➤ For PPP <input type="checkbox"/></li> </ul>			

## A. FOCAL AREA STRATEGY FRAMEWORK<sup>2</sup>

Focal Area Objectives	Expected FA Outcomes	Expected FA Outputs	Trust Fund	Grant Amount (\$)	Cofinancing (\$)
IW-3 (select)	Outcome 3.1: Political commitment, shared vision, and institutional capacity demonstrated for joint, ecosystem-based management of water bodies	Output 3.1: National inter-ministry committees established; Transboundary Diagnostic Analyses & Strategic Action Programmes; Output 3.2: Demo-scale local action implemented	GEF TF	4,500,000	221,829,721
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
(select) (select)			(select)		
<b>Total project costs</b>				4,500,000	221,829,721

## **B. PROJECT FRAMEWORK**

<sup>1</sup> Project ID number will be assigned by GEFSEC.

<sup>2</sup> Refer to the [Focal Area Results Framework and LDCF/SCCF Framework](#) when completing Table A.

**Project Objective: To promote joint management of the shared water resources of the extended transboundary Drin River Basin, including coordination mechanisms among the various sub-basin commissions and committees (Lakes Prespa, Ohrid and Skadar).**

Project Component	Grant Type	Expected Outcomes	Expected Outputs	Trust Fund	Grant Amount (\$)	Confirmed Cofinancing (\$)
Component 1: Consolidating a common knowledge base	TA	Outcome 1: Consensus among countries on key transboundary concerns, including climate change and variability, reached through joint fact finding.	(1) Transboundary Diagnostic Analysis (TDA). (2) Agreement on main drivers of change, and on indicators of current conditions, documented and agreed by the Drin Core Group. (3) Monitoring and Information Management System (IMS).	GEF TF	990,000	16,142,111
Component 2: Building the foundation for multi-country cooperation	TA	Outcome 2: Visioning process opens the way for systematic cooperation in the management of the transboundary Drin River Basin. Outcome 3: Countries and donors commit to sustain joint cooperation mechanisms and to undertake priority reforms and investments.	(4) Shared Vision (horizon of 20 years). (5) Strategic Action Program (SAP) with a 5 years time horizon and consistent with the Shared Vision formulated. (6) Partnership Conference.	GEF TF	440,000	8,564,110
Component 3: Institutional strengthening for Integrated River Basin Management (IRBM)	TA	Outcome 4: The operationalization and strengthening of the institutional and legal frameworks for transboundary cooperation will facilitate balancing of water uses and sustaining environmental quality throughout the extended Drin Basin.	(7) High Level Joint Commission for the extended Drin Basin established. (8) Inter-ministerial Committees established and functioning. (9) SAP adopted at the Ministerial level by the Meeting of the Parties to the Drin MoU. (10) Training program.	GEF TF	945,000	10,063,500
Component 4: Demonstration of technologies and	TA	Outcome 5: Benefits demonstrated on the	(11) A program of on the ground pilot demonstrations will	GEF TF	1,450,000	182,030,000

practices for IWRM and ecosystem management		ground by environmentally sound approaches and technologies new to the region.	deliver tangible results using quantifiable indicators.			
Component 5: Stakeholder Involvement, Gender Mainstreaming and Communication	TA	Outcome 6: Public support and participation to IWRM and joint multi-country management enhanced through stakeholder involvement and gender mainstreaming. Outcome 7: Political awareness at all levels and private sector participation strengthened through higher visibility of the project's developments and targeted outreach initiatives.	(12) A Stakeholder Involvement and Gender Mainstreaming Strategy defined and implemented.  (13) Information, Communication and Outreach Strategy prepared and implemented.	GEF TF	450,000	5,030,000
	(select)			(select)		
	(select)			(select)		
	(select)			(select)		
Subtotal					4,275,000	221,829,721
Project management Cost (PMC) <sup>3</sup>				(select)	225,000	
<b>Total project costs</b>					<b>4,500,000</b>	<b>221,829,721</b>

### C. SOURCES OF CONFIRMED COFINANCING FOR THE PROJECT BY SOURCE AND BY NAME (\$)

Please include letters confirming cofinancing for the project with this form

Sources of Co-financing	Name of Co-financier (source)	Type of Cofinancing	Cofinancing Amount (\$)
National Government	Government of Albania	In-kind	51,754,000
National Government	Government of Montenegro	In-kind	150,000
National Government	Government of FYR Macedonia	In-kind	900,000
GEF Agency	UNDP Macedonia	Cash	4,284,221
GEF Agency	UNDP Albania	In-kind	1,000,000
GEF Agency	UNDP Albania	Cash	30,000
Other Multilateral Agency (ies)	UNECE	Cash	30,000
Other Multilateral Agency (ies)	UNECE	In-kind	100,000
Bilateral Aid Agency (ies)	Swiss Cooperation	In-kind	33,000,000
Bilateral Aid Agency (ies)	GIZ	In-kind	6,790,000

<sup>3</sup> PMC should be charged proportionately to focal areas based on focal area project grant amount in Table D below.

Bilateral Aid Agency (ies)	KfW	In-kind	123,578,000
CSO	GWP-Med	Cash	63,500
CSO	GWP-Med	In-kind	150,000
<b>Total Co-financing</b>			<b>221,829,721</b>

\*EXCHANGE RATE 1\$/0.736EUR

**D. TRUST FUND RESOURCES REQUESTED BY AGENCY, FOCAL AREA AND COUNTRY<sup>1</sup>**

GEF Agency	Type of Trust Fund	Focal Area	Country Name/ Global	(in \$)		
				Grant Amount (a)	Agency Fee (b) <sup>2</sup>	Total c=a+b
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
(select)	(select)	(select)				0
<b>Total Grant Resources</b>				0	0	0

<sup>1</sup> In case of a single focal area, single country, single GEF Agency project, and single trust fund project, no need to provide information for this table. PMC amount from Table B should be included proportionately to the focal area amount in this table.

<sup>2</sup> Indicate fees related to this project.

**E. CONSULTANTS WORKING FOR TECHNICAL ASSISTANCE COMPONENTS:**

Component	Grant Amount (\$)	Cofinancing (\$)	Project Total (\$)
International Consultants	1,647,000	2,607,350	4,254,350
National/Local Consultants	926,240	1,800,371	2,726,611

**F. DOES THE PROJECT INCLUDE A “NON-GRANT” INSTRUMENT? No**

(If non-grant instruments are used, provide in Annex D an indicative calendar of expected reflows to your Agency and to the GEF/LDCF/SCCF/NPIF Trust Fund).

**PART II: PROJECT JUSTIFICATION**

**A. DESCRIBE ANY CHANGES IN ALIGNMENT WITH THE PROJECT DESIGN OF THE ORIGINAL PIF<sup>4</sup>**

**Budget**

The budget -more precisely the allocation of funds among the components- has been slightly modified:

<sup>4</sup> For questions A.1 –A.7 in Part II, if there are no changes since PIF and if not specifically requested in the review sheet at PIF stage, then no need to respond, please enter “NA” after the respective question.

(a) as an outcome of the more detailed calculation of tentative costs under each component than this that has been done for the PIF. The Strategic Results Framework was prepared during the PPG phase to detail the strategy of the project; this enabled the respective activities under each component to be described in more detail as well as the more precise calculation of the respective costs. In this regard some changes in the originally allocated funds have been made.

(b) to reflect the evolving needs of the process for the management of the Drin Basin.

- The GEF grant amount of *Component 2: Building the foundation for multi-country cooperation* was decreased from 500,000 USD to 440,000 USD; the latter is the total of the tentative costs for the implementation of the activities considered necessary for the achievement of the outcomes under this component.

- The GEF grant amount of *Component 3: Institutional strengthening for Integrated River Basin Management (IRBM)* was increased from 750,000 USD to 945,000 USD in order for the project to respond to the need expressed by the countries to fully capacitate the institutional setting for the management of the Drin Basin; the latter is considered fundamental for the success of the project as well as the sustainability of the process for the management of the Drin basin beyond the end of the project life i.e. for the implementation of the SAP. Increased expenditure under this component corresponds in increased in volume capacity building activities.

- The GEF grant amount of *Component 4: Demonstration of technologies and practices for IWRM and ecosystem management* 4 was decreased from 1,650,000 USD to 1,450,000 USD. About 200,000 USD were re-allocated from this component to Component 3 (see above).

This component will result in experience on IWRM related approaches coping measures for climate variability and change and nutrient management to be used by the countries and to feed in the SAP. The effect in the generation of experience -to be used at the national and regional levels- by the reduction of expenditure by 200,000 USD under this Component will not be as significant as the positive effect that will be caused by the increase of the budget with -almost- the same amount under Component 3.

- The GEF grant amount of *Component 5: Stakeholder Involvement, Gender Mainstreaming and Communication Strategies* was increased from 385,000 USD to 450,000 USD. Communication activities and Stakeholders involvement are of great importance for sustaining the outcomes of the project; decrease of the amount under Component 2 (see above) was used for the -almost- equal increase of the budget, hence the volume of activities, under this component.

### Co-financing

Co-financing amounts from the institutions listed below were included in the PIF. Nevertheless, these institutions have not provided co-financing letters. The reasons are given below:

- Sida:

There has been cooperation established between the GEF project implementing partner (GWP-Med) and UNECE, and the Development Cooperation section of the Swedish embassy in Tirana. A number of meetings (the latest meeting, in January 2014, was organized by the Deputy Minister of Environment of Albania) have taken place with staff of the Swedish Embassy with the aim to coordinate activities supported by the Sida and activities under the Drin Dialogue process. Initial agreement had been reached in this regard and Sida had agreed this to be reflected in a letter describing the support that would be offered to the GEF project.

Nevertheless, Sida decided not to provide a co-financing letter as the head of the Swedish Development Cooperation in Albania had disagreed in using the term “co-financing” in the letter arguing that this would potentially bound the entity providing the letter to the provision of contribution for the direct in-cash financing of the project activities.

The same problem have come up in discussions with other developmental agencies and extra effort had to be put to explain the meaning of the term “co-financing” under the GEF rules.

The amount of the Sida grant to the Albanian Ministry of Environment for the preparation of a River Basin Management Plan in the Albanian part of the Drin Basin is included in the letter of co-financing submitted by the Albanian Ministry of Environment.

- Greek Government:

UNDP is in contact with the Greek Government and more specifically the Ministry of Environment and Climate Change (MECC) via GWP-Med. MECC is working with the Greek Ministry of Economy (GEF Focal point) and the Ministry of Foreign Affairs to identify the amount and nature of co-financing. According to the latest communication (24/6/2014) a co-financing letter will be prepared and sent until the end of July 2014.

- UNESCO IHP:

The planning has been to use UNESCO's experience in groundwater management hence related co-financing was included in the PIF. UNESCO has not provided until now a co-financing letter. This nevertheless does not mean that it opted not to participate. The Project will request UNESCO's involvement during the inception/implementation phase to ensure that information produced through the GEF UNDP/UNESCO DIKTAS project is used in the TDA preparation. In addition, the Project will work with UNESCO so as the content of the SAP to be prepared, is coordinated with the content of the DIKTAS SAP currently prepared (a draft is ready). Furthermore, the Project will request UNESCO to provide its experience regarding surface-groundwater conjunctive use during the TDA/SAP process. The fact that GWP has an experience in this area to be utilized in the event that UNESCO's involvement is not possible -for any reason/decision of UNESCO's- can be seen as a mitigating factor.

- A.1 National strategies and plans or reports and assessments under relevant conventions, if applicable, i.e. NAPAS, NBSAPs, national communications, TNAs, NCSA, NIPs, PRSPs, NPFE, Biennial Update Reports, etc.. NA
- A.2. GEF focal area and/or fund(s) strategies, eligibility criteria and priorities. **Addressed in PIF (see section A.1 of the PIF)**
- A.3 The GEF Agency's comparative advantage: **Addressed in PIF (see section C of the PIF)**
- A.4. The baseline project and the problem that it seeks to address: **Addressed in PIF (see section B13 of the PIF)**
- A. 5. Incremental /Additional cost reasoning: describe the incremental (GEF Trust Fund/NPIF) or additional (LDCF/SCCF) activities requested for GEF/LDCF/SCCF/NPIF financing and the associated global environmental benefits (GEF Trust Fund) or associated adaptation benefits (LDCF/SCCF) to be delivered by the project: **Addressed in PIF (see section B.2 of the PIF)**
- A.6 Risks, including climate change, potential social and environmental risks that might prevent the project objectives from being achieved, and measures that address these risks: **Addressed in PIF (see section B.4 of the PIF)**
- A.7. Coordination with other relevant GEF financed initiatives: **Addressed in PIF (see section B.6 of the PIF)**

**B. ADDITIONAL INFORMATION NOT ADDRESSED AT PIF STAGE:**

**B.1 Describe how the stakeholders will be engaged in project implementation.**

Stakeholder Involvement, gender consideration and Public Participation in IWRM demand some kind of collaborative institutional process or multi-stakeholder platforms to define problems, identify what is desired and achievable, and produce agreement on how common goals will be reached. It involves a wide range of stakeholders in processes of problem-solving and joint decision-making:

- Different levels of government
- Civil-society, private sector actors (Farmers, fishermen, tourism, industry, environmental groups, community groups, special interest groups).

The project will act within a context where the principles of stakeholder involvement, while fully recognized by the national laws, are not yet adequately translated into daily practice and at all levels – the water sector being no exception; there is much room for improvement regarding civil society and public participation; the private sector does not participate to the policy development process. The project will strive to set an example and a higher standard of stakeholder involvement practice in water and natural resources management, which is considered an essential element of the success of the project itself.

Stakeholders consultation and involvement activities will support the implementation of the Components 1 - 4 and the achievement of their envisaged outcomes. These will include meetings at national and transboundary levels and the use of the web-based tools as appropriate. The project's Public Participation and Stakeholders Involvement Strategy -aimed at achieving this higher level of involvement and participation- will plan and organize the consultation and involvement activities.

The main project areas the stakeholders will be involved in consultation process dialogues will be the:

- Preparation of the TDA. The draft TDA will undergo a consultation process as appropriate with key stakeholders to incorporate their views and knowledge in place and become a common basis on which solutions will be planned and cooperation will be built.
- Preparation of the SAP.

The involvement of stakeholders in the implementation of the activities and/or in consultation processes will encourage/result in advanced policy development: The TDA will be a widely agreed document that will incorporate all available knowledge and feed into the SAP, which will be the outcome of consultations among stakeholders with different views, perceptions, opinions and interests **and will be approved at the ministerial level**. The implementation costs of these activities will fall under the budget of the respective component.

Furthermore, pursuant to Article 5 point 2 of the Drin MoU indicating that "understanding the need for the implementation of the Strategic Shared Vision to reflect the views of the stakeholders the Parties call for an annual meeting of stakeholders from the Drin Riparians (...)" the project will organize two stakeholders conferences. Added to the two meetings at the transboundary level -one to present and consult on the TDA and one to present the SAP and the outcomes of the project- one stakeholders meeting at transboundary level per year will be organized. These meetings will constitute a multi-stakeholders forum throughout the project implementation period.

The draft Public Participation and Stakeholders Involvement Strategy will be submitted to the Drin Core Group (a body established to coordinate the implementation of the Drin MoU) for approval early in the project implementation period. Its preparation will be based on the information developed through a Stakeholders Analysis that will be prepared in the framework of the development of the TDA.

**B.2 Describe the socioeconomic benefits to be delivered by the Project at the national and local levels, including consideration of gender dimensions, and how these will support the achievement of global environment benefits (GEF Trust Fund/NPIF) or adaptation benefits (LDCF/SCCF):**

The global benefits to be accrued through the project consist essentially in increased levels of multi-country cooperation in the management of the shared Drin basin, increased water security, and the balancing of conflicting water uses. In order to maximize the ability of the project to produce such benefits, its design includes specific elements that will emphasize the national benefits that increased transboundary cooperation in water management will bring about. In particular:

Building the foundation for multi-country coordination and Institutional strengthening for Integrated River Basin Management (IRBM) will result in enhanced synergy and cooperation thus contributing to regional stability in an area that has been impacted by political tensions and armed conflict in the near past. Furthermore, fostering enhanced coordinated management at the extended Drin Basin level will contribute in (i) improved management of the Drin sub-basins at the transboundary and country levels; (ii) the step-by-step compliance of the countries with the provisions of the EU WFD hence assist in the EU accession process. Demonstration of technologies and practices for IWRM and ecosystem management, will focus project resources on the demonstration -at the national level- of a number of practices, technologies and behaviors that will bring about concrete socioeconomic benefits at the local and national levels (e.g.: flood hazards mitigation, pollution reduction and others), and if replicated at the transboundary level within the entire Drin basin as part of IWRM planning will enhance the population welfare in the three riparian countries. Stakeholder Involvement, Gender Mainstreaming and Communication Strategies, will build the capacity of civil society and the private sector to more effectively participate in the decision making processes in land and water management, and will strengthen gender equality in the sector.

Gender mainstreaming **has been the primary methodology for integrating a gender approach into environment and development efforts. It is defined by the UN Economic and Social Council (ECOSOC) as: "...the process of assessing the implications for women and men of any planned action, including legislation, policies or programs, in any area and**

at all levels. It is a strategy for making the concerns and experiences of women as well as of men an integral part of the design, implementation, monitoring and evaluation of policies and programs in all political, economic and societal spheres, so that women and men benefit equally, and inequality is not perpetuated. The ultimate goal of mainstreaming is to achieve gender equality.” UNDP is committed to supporting capacity development of its national partners to adopt approaches that advance women’s rights and take account of the full range of their contributions to development, as a foundation for MDG achievement. The commitment of UNDP on gender issues is covered in its gender equality strategy of 2008- 2011. Under this strategy, the GEF is identified as a key partner in the development and harmonization of supportive policy and legislative frameworks and institutional capacity building which is at the heart of the GEF’s international waters portfolio approach for the improved management of transboundary waters. Involving both women and men in integrated water resources initiatives is likely to increase project effectiveness and efficiency. Participation by both women and men improves project performance and improves the likelihood of sustainability. In other words, a project is more likely to achieve what planners hope it will achieve if women and men (both rich and poor and representing different sectors) are active participants and decision makers.

In the project area, in a changing environment towards EU accession the role of women is being enhanced. There is a tradition of active participation of women in the economy as a result of the existence of socialist regimes in the project countries till the early 90’s. This tradition is still alive especially among women that are educated and can be noted in the Ministries responsible for the management of environment and natural resources including water.

Furthermore, the Drin Dialogue process preceding the GEF project has been characterized by an active participation of women. Women were well represented among stakeholders, in the National Consultation meetings that were organized in Albania, FYR Macedonia and Montenegro as well as in the Consultation Meeting at the transboundary level. Women represent 30% of the members of the Drin Core Group and 60% of the members of each of the three EWGs.

The project will work for sustaining this experience among others -if necessary- by ensuring a balanced participation among men and women in the consultation workshops.

On gender issues the project will adopt a two-pronged approach:

1) *Mainstreaming gender in project execution* - Balanced gender participation in project execution activities will be sought, including in working groups etc. The project will also work to ensure a balanced participation among men and women in the overall stakeholder involvement strategy and in consultation workshops, and will support both women’s and men’s contributions individually, rather than assuming that both groups will benefit equally from gender-neutral development interventions. Data regarding the participation of men and women in the meetings will be recorded and used as an indicator. Adaptive management responses in the case of unbalanced participation will include among others incentives for the participation of the sex less represented e.g. participation financially supported by the Project etc.

2) *Integration of the gender perspective into water policies* - The development and harmonization of supportive policy and legislative frameworks and institutional capacity building aimed at ensuring that the gender perspective is successfully incorporated into international water regime, policy, and activities, will be sought. This will be promoted by:

- (a) Identifying gaps in equality and developing strategies and policies to close those gaps; considering gender issues in the mapping and analysis of water resource use (see Output 1);
- (b) Assessing potential differentiated roles, benefits, impacts and risks for women and men. This will include among others the identification of the roles men and women traditionally have been having in basin management including in the fields of:
  - o biodiversity, particularly in specific ecosystems where specialized knowledge and management responsibilities have historically accrued to either women or men e.g. women’s role in the management of agrobiodiversity and men’s role in the sustainable use of wildlife including fisheries in lakes.
  - o mitigation of consequences of floods; women, being responsible for households and communities and as stewards of natural resources have a special role in mitigating flood effects at community/ household level.
- (c) Promoting women’s participation in awareness raising (see Output 13) and training activities (see Output 10): support for educational activities, on topics such as the environment, energy, and decision-making, projects in general.

- (d) Inform as appropriate the SAP with the outcomes of analysis under (b) aiming to sustain or revive traditional practices promoting sustainability of natural resources management and reinforce as appropriate and feasible the women's role in the management of shared basins.
- (e) Involving women's organizations: while the responsibility for implementing a gender approach does not rest solely with women's organizations, they are natural vehicles for promoting gender equality at the local as well as the national level. The project will identify women's organizations through the Stakeholders Analysis and work to involve them in the activities under component 5 (e.g. celebration of the Drin Day, consultations etc.).

The draft Gender Mainstreaming Strategy for the project including the above activities will be drafted and submitted to the DCG for approval during the Inception Phase.

### **B.3. Explain how cost-effectiveness is reflected in the project design:**

The project is highly cost-effective since the project management represents less than 10% of total project costs and co-parallel financial contribution from the countries augments this management overhead. Costs associated with the management and disbursement of country co-financing will be assumed by the countries and institutions concerned. The project will produce outcomes that have high economic and environment values benefiting especially the people living in the basin and its coastal areas. The objectives of the project would not be achieved without support from GEF as all the activities are based on joint efforts of participating countries. Unilateral action could result into inequitable access to resources such that no country would be willing to collaborate without agreement on the kind of actions to be undertaken by all countries. GEF involvement will ensure the effective implementation from all the riparian countries.

### **C. DESCRIBE THE BUDGETED M & E PLAN:**

The project will be monitored through the following M& E activities.

**Project start:** A Project Inception Workshop will be held within the first 2 months of project start with those with assigned roles in the project organization structure, UNDP country office and where appropriate/feasible regional technical policy and programme advisors as well as other stakeholders. The Inception Workshop is crucial to building ownership for the project results and to plan the first year annual work plan. An Inception Workshop report is a key reference document and must be prepared and shared with participants to formalize various agreements and plans decided during the meeting.

**Quarterly:** Progress made shall be monitored in the UNDP Enhanced Results Based Management Platform.

Based on the initial risk analysis submitted, the risk log shall be regularly updated in ATLAS. Risks become critical when the impact and probability are high. Note that for UNDP GEF projects, all financial risks associated with financial instruments such as revolving funds, microfinance schemes, or capitalization of ESCOs are automatically classified as critical on the basis of their innovative nature (high impact and uncertainty due to no previous experience justifies classification as critical). Based on the information recorded in Atlas, a Project Progress Reports (PPR) can be generated in the Executive Snapshot. Other ATLAS logs can be used to monitor issues, lessons learned etc. The use of these functions is a key indicator in the UNDP Executive Balanced Scorecard.

**Annually:** Annual Project Review/Project Implementation Reports (APR/PIR): This key report is prepared to monitor progress made since project start and in particular for the previous reporting period (30 June to 1 July). The APR/PIR combines both UNDP and GEF reporting requirements.

**Periodic Monitoring through site visits:** UNDP CO and the UNDP RCU will conduct visits to project sites based on the agreed schedule in the project's Inception Report/Annual Work Plan to assess first hand project progress. Other members of the Project Board may also join these visits. A Field Visit Report/BTOR will be prepared by the CO and UNDP RCU and will be circulated no less than one month after the visit to the project team and Project Board members.

**Mid-term of project cycle:** The project will undergo an independent Mid-Term Evaluation at the mid-point of project implementation. The Mid-Term Evaluation will determine progress being made toward the achievement of outcomes

and will identify course correction if needed. It will focus on the effectiveness, efficiency and timeliness of project implementation; will highlight issues requiring decisions and actions; and will present initial lessons learned about project design, implementation and management. Findings of this review will be incorporated as recommendations for enhanced implementation during the final half of the project's term. The organization, terms of reference and timing of the mid-term evaluation will be decided after consultation between the parties to the project document. The Terms of Reference for this Mid-term evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF. The management response and the evaluation will be uploaded to UNDP corporate systems, in particular the UNDP Evaluation Office Evaluation Resource Center (ERC).

The relevant GEF Focal Area Tracking Tools will also be completed during the mid-term evaluation cycle.

End of Project: An independent Final Evaluation will take place three months prior to the final Project Board meeting and will be undertaken in accordance with UNDP and GEF guidance. The final evaluation will focus on the delivery of the project's results as initially planned (and as corrected after the mid-term evaluation, if any such correction took place). The final evaluation will look at impact and sustainability of results, including the contribution to capacity development and the achievement of global environmental benefits/goals. The Terms of Reference for this evaluation will be prepared by the UNDP CO based on guidance from the Regional Coordinating Unit and UNDP-GEF. Terminal Evaluation should also provide recommendations for follow-up activities and requires a management response which should be uploaded to PIMS and to the UNDP Evaluation Office Evaluation Resource Center (ERC). The relevant GEF Focal Area Tracking Tools will also be completed during the final evaluation. During the last three months, the project team will prepare the Project Terminal Report. This comprehensive report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's results.

The relevant GEF Focal Area Tracking Tools will also be completed during the final evaluation.

During the last three months, the project team will prepare the Project Terminal Report. This comprehensive report will summarize the results achieved (objectives, outcomes, outputs), lessons learned, problems met and areas where results may not have been achieved. It will also lay out recommendations for any further steps that may need to be taken to ensure sustainability and replicability of the project's results.

**PART III: APPROVAL/ENDORSEMENT BY GEF OPERATIONAL FOCAL POINT(S) AND GEF AGENCY(IES)**

**A. RECORD OF ENDORSEMENT OF GEF OPERATIONAL FOCAL POINT(S) ON BEHALF OF THE GOVERNMENT(S):** (Please attach the [Operational Focal Point endorsement letter\(s\)](#) with this form. For SGP, use this [OFP endorsement letter](#)).

NAME	POSITION	MINISTRY	DATE (MM/dd/yyyy)
Ms. Daniela Rendevska	GEF OFP, Head of Unit for Bilateral and Multilateral Cooperation	MINISTRY OF ENVIRONMENT AND PHYSICAL PLANNING, FYR OF MACEDONIA	01/02/2011
Mr. Andro Drecun	GEF OFP, Deputy Minister	MINISTRY OF SUSTANABLE DEVELOPMENT AND TOURISM, REPUBLIC OF MONTENEGRO	07/20/2012
Mr. Pellumb Abeshi	GEF OFP, General Director for Policies	MINISTRY OF ENVIRONMENT OF ALBANIA	02/20/2011

**B. GEF AGENCY(IES) CERTIFICATION**

This request has been prepared in accordance with GEF/LDCF/SCCF/NPIF policies and procedures and meets the GEF/LDCF/SCCF/NPIF criteria for CEO endorsement/approval of project.

Agency Coordinator, Agency Name	Signature	Date (Month, day, year)	Project Contact Person	Telephone	Email Address
Ms. Adriana Dinu Executive Coordinator and Director UNDP/GEF		24 July 2014	Mr. Vladimir Mamaev	+421 2 59337 267	vladimir.mamaev@undp.org

**ANNEX A: PROJECT RESULTS FRAMEWORK** (either copy and paste here the framework from the Agency document, or provide reference to the page in the project document where the framework could be found).

Page 47 of the project document

**ANNEX B: RESPONSES TO PROJECT REVIEWS** (from GEF Secretariat and GEF Agencies, and Responses to Comments from Council at work program inclusion and the Convention Secretariat and STAP at PIF).

STAP Comment	Agency’s Response
<p>STAP appreciates that the PIF contains largely well researched background and a clearly written history of the initiatives leading to the present project proposal, but notes the rapid integration process with the EU and is concerned that the project is designed outside this framework even though support to the transposition of the EU WFD is noted in the PIF.</p>	<p>The emphasis of EU WFD is on harmonizing national legislation and policies aimed at achieving defined high environmental standards, starting with the adoption of the “river basin” as the management unit within which to implement the guiding principles stated in the Directive.</p> <p>While its <i>focus is hence on national level action</i>, in its initial considerations, the EU Water Framework Directive recognizes however the need to “<i>contribute to the control of transboundary water problems</i>”, to protect aquatic ecosystems, and terrestrial ecosystems and wetlands directly depending on them, and to safeguard and develop the potential uses of Community waters (Consideration 25). The proposed GEF project, focusing on joint transboundary actions and on GEF IW-3 Objective, has been designed to complement EU accession processes in the countries (in particular of Article 13 on RBM plans), while going well beyond it by moving towards concrete solutions to transboundary issues of concern. The PD contains a systematic review of the many environmental issues present in the Drin Basin that will require joint, multi-country transboundary cooperation to identify and agree on concrete mitigation actions, which is the objective of the GEF project. Support to the transposition of the EU policy framework at the national level is only a part of the solution.</p> <p>The application of the two approaches (EU and GEF IW) in a same transboundary context –as is the case in the Drin River Basin– far from being cause of concern related to duplication of efforts and even conflicting actions, provides instead ample opportunities for synergies and optimization of scarce financial resources. The latter is particularly true as the EU WFD requires transboundary cooperation and management (see below points 1-3).</p>
<p>STAP agrees that the principal drivers cited in the PIF can lead to agreed collective action plans.</p>	<p>Indeed there is value in identifying benefits as means to promote cooperation. Nevertheless, in the</p>

<p>However, the EU enlargement process and steps to research the likely benefits of collective action and benefits distribution are not clearly stated, compared to the greater emphasis in the PIF regarding the determination of the obligations cited e.g. prevent and control pollution, protect biodiversity, etc. Similarly the output statement of the establishment of a High Level Commission for the Extended Drin river basin can be questioned considering the existing sub-basin and lakes agreement and the current coordination undertaken by the GEF-MED. STAP recommends that an institutional analysis be conducted that takes a long term perspective into account, considering the EU integration process, in order to determine whether there are different institutional models that may be more attractive from a sustainability perspective.</p>	<p>case of Drin, countries have already agreed to work towards addressing specific issues of concern (see Drin MoU in PD Annex 1). In this regard the point is not only to verify the likelihood of benefits derived from collective action and their distribution (see PD Outcome 5) but to identify the joint multi-country actions that will result in addressing water use conflicts and environmental issues in the basin. The project aims at facilitating such concrete multi-country actions (not limited to normative aspects only). The likelihood of and moreover the definition of benefits may be used at a later stage -during SAP implementation- in defining the modes and mechanisms through which the actions will be implemented.</p> <p>During PD preparation, the institutional analysis called for by STAP was carried out, and based on its results it was decided to drop the idea of establishing a High Level Commission, using and expanding instead the mandate of the already existing institutional structure, including the Drin Core Group; the latter has been established through the Drin Dialogue process coordinated by GWP-Med. Aiming sustainability, the project is designed to take stock of the already agreed by the countries institutional arrangements and assist in enhancing these. See PD, under Outcome 4. The governance structure of the project itself is compatible with the aforementioned institutional structure established by the countries (see Section 5 of the PD).</p>
<p>Additionally, given the substantial investigative work that has already been conducted at transboundary level between individual countries regarding Prespa, Ohrid, Drin, Skadar/Shkoder sub-basins, the added value of the present project regarding gap filling to investigate shared problems at extended basin scale compared to what is known at sub-basin scale is not entirely clear from the description (e.g. in Component 1) within the PIF, in</p>	<p>The PD provides ample text and numerous evidences for the need of a whole basin approach in the Drin river context, and for going beyond the successful but fragmented cooperation efforts so far implemented by the countries in various sub-basins.</p>

<p>order to avoid duplication of past TDA-related work.</p>	
<p>Component 1.</p> <p>A sub-component to outcome 1 should be added to research the existing (baseline) shared costs and benefits experienced by the participating countries regarding shared water resources and services generated from the resources. Information from this sub-component could usefully drive discussion on enhancing shared benefits and to strengthen the proposed Water Futures scenarios proposed in the TDA, as well as the Visioning process proposed in Component 2;</p>	<p>See Strategic Results Framework (baseline)</p>
<p>Component 2.</p> <p>While the SAP as proposed in Outcome 2 is a standard approach, its framing should be extended to go beyond considering the issues of transboundary concern, towards opportunities including the issues/topics already cited and additional sectors (e.g. tourism, food security, transport) assessed through social and economic valuation taking the wider EU enlargement process into consideration.</p>	<p>Aim of the SAP, as spelled out in the PD, is achieving the overall aims and objectives of the Drin MoU, and the overall sustainable utilization of the Basin water resources and dependent ecosystems, focusing on major transboundary issues of concern (GEF IW Objectives). Nevertheless efforts will be made for the SAP to include considerations related to the energy and food security. These efforts will be fed by the (water-energy-food) Nexus assessment that will be done as part of the TDA preparation See PD, under Output 1, para 156. In this regard, <b>the preparation of SAP will take into account considerations and -should countries agree- include actions to address trade-offs and share benefits stemming from inter-relations among hydropower, water for food, water for cities, and flood protection in the overall basin (with different emphasis/relevance to this in each sub-basin) – see under Output 5, para 160.</b></p>
<p>Component 3.</p> <p>Consider a broad institutional analysis as a foundation for a sustainable cooperative framework.</p>	<p>See PD, Section 2; for detailed analysis at the national and transboundary levels see PD Annex 2. Situation Analysis – Management of the Extended Drin Basin (Chapter 3 Legal and Institutional</p>

	Setting).
Regarding the proposed training program, consider adding training on economic evaluation as applied to investment strategy regarding e.g. cost/benefit of flood management, water quality and supply, watershed services, etc.	It has been included as part of the training activities (see PD Output 10).
Risks. While STAP agrees that the principal risk is lack of political support, this risk could be mitigated by careful attention to the work proposed in the TDA. As mentioned earlier, the project as it is presently formulated might result in a SAP that appears unduly prescriptive regarding obligations on countries to prevent pollution, reduce flood risk, protect biodiversity, etc. without additional scientific effort to research and value the socioeconomic benefits that may be realized under Component 4. Other risks that could compromise project implementation include corruption (it will be important to have an anti-corruption plan in place), organized crime that may delay project components due to insecurity and weak regional frameworks in general.	It is expected that the SAP – which will be entirely prepared and agreed upon by the countries - will include harmonized policy reforms and commitment to adhere to established standards (EQOs), together with the commitment to undertake concrete joint actions and investments.  Risks related to corruption and organized crime are dealt with by the UNDP safeguards policy.

***Overall response to the STAP review:***

**The GEF International Waters Strategy and the EU Water Framework Directive: complementary approaches to the management of transboundary river basins**

The GEF Council-approved Operational Strategy in 1995 recognized the sensitive international political dimensions of assisting states in collective management of transboundary water systems. The Council noted that global environmental benefits would accrue if countries worked together on priority concerns of these transboundary systems, which are the dominant waters on Earth, and that global environmental benefits relate to the interconnectedness of the global hydrologic cycle that dynamically links watersheds, aquifers, and coastal and marine ecosystems and their transboundary movement of water, pollutants, ships, and living resources.

Consistent with this approach, the overall goal of the international waters focal area is the promotion of collective management for transboundary water systems as a contribution to the sustainable use and maintenance of ecosystem services. In line with this guiding principle, the GEF-5 Strategy identifies the following key objective for the IW focal

area: “Catalyze multi-state cooperation to balance conflicting water uses in transboundary surface and groundwater basins while considering climatic variability and change”. The focus is hence *exclusively* on fostering cooperation among riparian states in addressing agreed priority transboundary concerns and the impacts of global changes. To do so, the IW focal area strategy recommends a stepwise, flexible and highly participatory approach, moving from joint fact finding and building of trust (the Transboundary Diagnostic Analysis), to agreement on concrete joint corrective measures (the Strategic Action Program). As part of these efforts, the GEF IW Strategy encourages the adherence to and implementation of relevant international law instruments.

The purpose of the EU Water Framework Directive is to establish within the confines of the European Union a framework for the protection of inland surface waters, transitional waters, coastal waters and groundwater aimed at preventing deterioration of water resources, protecting water dependent ecosystems, promoting sustainable water use, and mitigating the effects of floods and droughts. The emphasis is hence on harmonizing national legislation and policies aimed at achieving defined high environmental standards, starting with the adoption of the “river basin” as the management unit within which to implement the guiding principles stated in the Directive.

While its focus is hence on national level action, in its initial considerations, the EU Water Framework Directive recognizes however the need to “*contribute to the control of transboundary water problems*”, to protect aquatic ecosystems, and terrestrial ecosystems and wetlands directly depending on them, and to safeguard and develop the potential uses of Community waters (Consideration 25). In light of this recognized need, Consideration 35 of the WFD stresses that within a river basin “where use of water may have transboundary effects” (coinciding with the definition of international waters adopted by the GEF in 1995), the requirements for the achievement of the environmental objectives established under the Directive should be coordinated for the whole of the river basin, including as a response to and implementation of the “Community obligations under international conventions on water protection and management” such as the UNECE Water Convention. The Directive finally includes mechanisms to overcome “obstacles to progress in improving water status when these fall outside the scope of Community water legislation” (Consideration 47).

Such considerations translate into the provisions contained in Article 13 on River Basin Management Plans, encouraging cooperation among riparian countries of international basins:

1. “Member States shall ensure that a river basin management plan is produced for each river basin district lying entirely within their territory.
2. In the case of an international river basin falling entirely within the Community, Member States shall ensure coordination with the aim of producing a single international river basin management plan. Where such an international river basin management plan is not produced, Member States shall produce river basin management plans covering at least those parts of the international river basin district falling within their territory to achieve the objectives of this Directive.
3. In the case of an international river basin extending beyond the boundaries of the Community, Member States shall endeavor to produce a single river basin management plan, and, where this is not possible, the plan shall at least cover the portion of the international river basin district lying within the territory of the Member State concerned.”

It clearly emerges from the above short synthesis that the application of the two approaches in a same transboundary context –as is the case in the Drin River Basin– far from being cause of concern related to duplication of efforts and even conflicting actions, provides instead ample opportunities for synergies and optimization of scarce financial resources.

The latter is particularly true as the EU WFD requires transboundary cooperation and management as enumerated above under point 2. There are examples within the EU and the Southeastern Europe in particular (e.g. Mesta/Nestos river basin shared by Bulgaria and Greece, Maritsa/Evros/Meric river basin shared by two EU member states (Bulgaria and Greece) and Turkey that the adoption and implementation of the EU WFD does not automatically lead to coordinated and even more cooperative management schemes and the development of coordinated management plans. This results in ineffective implementation of the Directive in the -usually- downstream countries. In the case of Mesta/Nestos river basin the Bulgarian- Greek joint commission doesn’t function and in the case of

Maritsa/Evros/Meric cooperation is minimal; the two river management (RBM) plans prepared in the first case is far from being coordinated.

Furthermore, the Common Implementation Strategy (CIS) methodology is the basic guidance document for the preparation of the RBM plans. The European Commission indicates that “*Guidance Documents are intended to provide an overall methodological approach, but these will need to be tailored to specific circumstances of each State*”. In this regard the implementation of the EU WFD in the Drin Riparian countries will lead to integrated management planning across the Drin basin at the level that the Riparian countries manage to coordinate on the instruments and tools for the preparation of RBM plans (e.g. ecological classification methodologies, monitoring –sampling and analysis- parameters etc.).

The design of the project “Enabling transboundary cooperation and integrated water resources management in the extended Drin River Basin” recognizes this opportunity, and directs GEF funded efforts towards the strengthening of cooperation mechanisms, improving capacity, and fostering agreement on priority transboundary concerns and corrective actions – that is towards actions that, while aligned with GEF IW principles, will facilitate and expedite the full adoption and implementation of the WFD at national and international levels in the project countries as they progress in the EU accession process. This will be done by building on outcomes of European Commission’s and donor’s funded projects that support the establishment of monitoring, and the establishment of flood risk management frameworks, facilitate the practical implementation of the EU WFD in the three shared lakes etc. The operation of the Expert Working Groups (under the Drin Core Group) in each of the three fields (an additional one is this on Biodiversity and Ecosystems) under the project, will facilitate coordination among the Drin countries regarding the means and methodologies for RBM planning.

The project will contribute in the strengthening of national river basin management systems and the enhancement of transboundary cooperation to be harmonized assisting in neither of the two to lag behind the other.

**ANNEX C: STATUS OF IMPLEMENTATION OF PROJECT PREPARATION ACTIVITIES AND THE USE OF FUNDS<sup>5</sup>**

A. PROVIDE DETAILED FUNDING AMOUNT OF THE PPG ACTIVITIES FINANCING STATUS IN THE TABLE BELOW:

<b>PPG Grant Approved at PIF: \$100,000</b>			
<b><i>Project Preparation Activities Implemented</i></b>	<b><i>GEF/LDCF/SCCF/NPIF Amount (\$)</i></b>		
	<b><i>Budgeted Amount</i></b>	<b><i>Amount Spent To date</i></b>	<b><i>Amount Committed</i></b>
1. Identification of the major transboundary problems	20,000	20,413	0
2. Definition of the Training Program	25,000	25,106.22	0
3. Definition of the program of on the ground pilot demonstrations	40,000	42,765.48	0
4. Identification and agreement on Project Activities, Identification of major Stakeholders, establishing partnership	15,000	11,715.30	0
<b>Total</b>	<b>100,000</b>	<b>100,000</b>	<b>0</b>

<sup>5</sup> If at CEO Endorsement, the PPG activities have not been completed and there is a balance of unspent fund, Agencies can continue undertake the activities up to one year of project start. No later than one year from start of project implementation, Agencies should report this table to the GEF Secretariat on the completion of PPG activities and the amount spent for the activities.

**ANNEX D: CALENDAR OF EXPECTED REFLOWS (if non-grant instrument is used)**

Provide a calendar of expected reflows to the GEF/LDCF/SCCF/NPIF Trust Fund or to your Agency (and/or revolving fund that will be set up)

NA